

WILL JOBS BILL BE THE CATALYST TO BRING MANUFACTURING JOBS BACK TO US?



The U.S. Senate is contemplating legislation that is likely to impact central New York's economy in a fairly big way. U.S. Senator Charles Schumer, D-N-Y told reporters of his determination and resolve to get his bill, "Bring Home Jobs Act," passed. If made law, the bill would give businesses sufficient incentives to recall outsourced jobs and bring them back to the country. "There is no more important issue right now than jobs, and the Bring Jobs Home Act can do just that for Upstate New York by rewarding the companies that return jobs to America – and by reversing the incentives that encourage companies to ship jobs overseas," said Senator Schumer. "This legislation creates a carrot-and-stick approach that gives incentives to companies that bring jobs back to Upstate from abroad, and helps prevent future jobs from being shipped overseas." The bill, which is waiting passing, from the Senate and the House of Representatives, would encourage businesses to bring jobs back. It will also stop tax breaks that those who outsource jobs are continuing to receive. Schumer expressed optimism that the bill would be heard by the Senate sometime in July. The Bill is sponsored by Sen. Debbie Stabenow, a Michigan Democrat, and co-sponsored by Schumer. There are three things that Bills is hoping to legislate. Stop tax breaks from going to companies that ship American jobs overseas. To provide a new tax incentive to businesses that reverses the trend and brings back outsourced jobs. The bill precisely calls for a 20 percent tax credit that businesses can use against their overall tax liability for costs associated with outsourcing. However, what job outsourcing companies will find a drain on their resources is the bill's plugging of loopholes that allow the deduction of expenses for expenses associated with outsourcing. Lawmakers are proclaiming that the bill will be a colossal thunderbolt to the economy. However, analysts are differing in their opinion of the effects this bill will bring in its wake and the impact it will have on the economy. "Usually tax credits don't work out as we anticipate," said Dr. Lawrence Spizman, a SUNY Oswego professor who specializes in labor and forensic economics. "All this is political jockeying now. So these bills are political bills. A lot of these things sound good, but any business person will bring a job to the states if it's profitable to bring a job to the states," he said. New York State was one of the worst sufferers of the economic downturn as a large proportion of its manufacturing industry and jobs were moved out of the state, to other parts of US and overseas as well. "Given the industry base that we currently have here, I think that it would have a modest effect," said Operation Oswego County Executive Director L. Michael Treadwell. "It could become more important," he said. "Any piece of legislation that can benefit U.S. corporations ... any change — even if it's a little piece of change — is huge." Senator Schumer said, "The good news is a lot of these upstate employers want to bring jobs back," Schumer said. "This legislation could be the tipping point." However, even though Schumer wants to take credit for bringing back outsourced jobs to the US, a survey in April, earlier this year, by The Boston Consulting Group, showed that many US companies were considering moving manufacturing back to the US. This they said it was because manufacturing overseas was become cumbersome and more expensive with labor costs spiraling in China and other Asia countries. Coupled with escalating fuel charges, the freight and shipping charges were also adding to the costs, making manufacturing within the country a more viable prospect. "But they're not coming back because of tax credits," Spizman said. "They're coming back because it's cheaper and profitable." "The unreliability of Chinese manufacturing and, of course, the cost of shipping is making the companies realize that maybe it's time to bring back some of these jobs." "It's actually more advantageous for companies to build here," Spizman said. "And we're starting to see a small increase in manufacturing jobs in the U.S," he concluded.