

**Oral Testimony of Courtney Silver
President and Owner of Ketchie, Inc.
United States Senate
Committee on Finance
“American Made: Growing U.S. Manufacturing Through the Tax Code”
March 12, 2024**

Good morning, Chairman Wyden, Ranking Member Crapo and distinguished members of the committee. Thank you for holding today’s important hearing on how the U.S. tax code impacts manufacturing in America.

My name is Courtney Silver, and I am president and owner of Ketchie.

Following my husband’s passing, I was honored to take over Ketchie, a third-generation, full-service precision machine shop located in Concord, North Carolina.

Ketchie was established in 1947 to fill the gap of the local textile industry after World War II. We have been a pillar in Concord for nearly 80 years, providing strong manufacturing jobs and giving back to our community.

Our mission is to support the U.S. manufacturing supply chain by delivering reliable, high-quality machined parts to our customers.

We invest in equipment, technology, and, most importantly, **PEOPLE**, to make it easy for our customers to focus on what they do best, and to have confidence in their manufacturing supply chain.

*(*slow*)*

My testimony will focus around one main theme today, and I hope if members take away anything from me, it is this:

*(*slight pause*)*

Manufacturing is a team sport.

*(*slight pause*)*

A team can only reach greatness if every player is operating at their full potential. If not, the team falls apart.

At the core of any sport are clear, sensible rules that do not unfairly handicap the players.

The rules must be **CONSISTENT**, rather than constantly changing, so that the game does not devolve into chaos.

In this context, the rules of the game are the U.S. tax code.

*(*slight pause*)*

The 2017 Tax Cuts and Jobs Act was **REVOLUTIONARY** for the manufacturing sector. After it was signed into law, Ketchie experienced its best year in our seven-decade history.

I know others further up in my supply chain were booming as well. I clearly remember our typically organized shop floor covered in pallets of materials in every available space to keep up with our customers' orders.

We were able to invest more than one million dollars into capital equipment and create several new jobs within Ketchie in 2018.

While Ketchie experienced a significant increase in sales revenue, **every day is a battle**. When you want to win, the only choice is to pour your profits back into your team.

- We made major investments in capital equipment.
- We were able to purchase advanced robotics.
- We invested in new HVAC systems for our facilities and new security and safety systems for our team members.

What I am most proud of is that we were able to provide 100 percent of the Ketchie team with pay raises and quarterly bonuses in the years following TCJA.

Our team members were buying their families their first homes and first cars. We were making a true difference in the lives of those who had dedicated themselves to our mission.

*(*slight pause*)*

Of course, our growth trajectory was disrupted during the COVID-19 pandemic like the rest of the world.

However, thanks to TCJA's impact in 2018 and 2019, we were able to withstand the shutdowns and supply disruptions in 2020.

Even as some of our customers went out of business and others were unable to pay open invoices, we were able to survive.

Ketchie might not be here today if we did not have the economic boom caused by tax reform in the years prior to the pandemic.

*(*slight pause*)*

Unfortunately, beginning in 2022, the rules of the game began to change, making it more difficult for manufacturers to thrive in America.

Crucial policies began to expire, such as:

- Immediate R&D expensing;
- Enhanced interest deductibility; and
- Full expensing.

These tax policies were a game changer for the manufacturing industry. They certainly were for Ketchie.

Manufacturers need members of this committee to **RESTORE** these policies and ensure small manufacturers can compete here and in the global economy.

And more tax increases are on the way. Other critical provisions expire at the end of 2025 which will have a direct impact on the manufacturing sector.

Ketchie will be directly harmed by:

- The loss of the passthrough deduction;
- The increases in our tax rates, and
- The reduced protection from the estate tax.

If Congress does not act, both now and in 2025, manufacturers will be competing with one hand tied behind our back for the foreseeable future.

Manufacturers across the country made a promise to take tax reform's pro-growth provisions and ensure they had a direct positive impact on American lives.

We have kept our promise, and I hope Congress will allow us to continue to do even more.

Manufacturing truly is a team sport, and you are all on that team. Small companies like mine are counting on **YOU** to play with us rather than against us, and to ensure that our tax code does the same.

Thank you.