



# Manufacturing Matters

## OPPOSE SB 600 REPEAL OF CH. 313 SCHOOL TAX ABATEMENTS MAINTAIN PROVEN PRO-GROWTH JOBS & TAX WEALTH POLICIES

Eliminating Chapter 313 would hurt job growth across this state. Chapter 313 is an essential economic development tool that attracts major capital investment projects that provide high jobs multipliers for the Texas economy. (See box for U.S. Department of Commerce RIMs data.)

Communities that are home to these industrial “host” facilities also attract supporting businesses and all of the quality jobs that come with them. In chemical manufacturing for example, every direct job creates an additional 4.7 jobs. That is, for every job inside the plant, there are 4.7 more jobs outside the fence to support that host plant.

This economic development tool is critical because Texas industries pay among the highest property tax rates in the country.

In fact, Texas industrial property tax rates are among the five highest state tax rates in the nation. The Council on State Taxation (COST) ranks Texas businesses as paying 62% of all state and local taxes while the national average is 44%.

Eliminating the temporary property tax abatements allowed under Chapter 313 will drive investment and jobs to other states or nations that offer aggressive economic development policies. Eliminating Chapter 313 would, in any practical sense, constitute a tax increase on Texas industry.

SB 600, which would repeal Chapter 313, doesn't reflect the real-world competition that

Texas faces and threatens to curtail quality job growth and discourage high tax value plants from locating or expanding facilities in Texas. For these reasons, we must **OPPOSE SB 600**.

### Manufacturing Jobs Create Jobs

Description	Multiplier (employment & jobs)
Chemical manufacturing	5.7
Petroleum and coal products manufacturing	4.3
Computer and electronic product manufacturing	3.7
Paper manufacturing	3.5
Food and beverage and tobacco product manufacturing	3.5
Primary metal manufacturing	3.4

*Source: Regional Input-Output Modeling System (RIMS II), Bureau of Economic Analysis, U.S. Department of Commerce*