

STONE CARLIE TAX TIP

American Jobs Creation Act

The American Jobs Creation Act provides for a new deduction for production activities that take place in the U.S. The deduction is 3% (growing to 9% by 2010) of net profits derived from the sale of goods you manufactured, the delivery of engineering and architectural services and the sale of real property you constructed. While the deduction could potentially be significant, it is limited by wages and by business taxable income. Further, the computation is complex.