

# COVID-19 Sparks Myriad of New Proposals for Incentives on Reshoring and Rebuilding U.S. Supply Chains and Manufacturing

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The coronavirus (COVID-19) pandemic has intensified calls to strengthen U.S. supply chains and encourage “reshoring” of manufacturing capacity to the United States. New proposals are emerging almost every day, as the Trump Administration and lawmakers compete to develop new incentives for companies and specific industries. The key question for all: what proposals have the best chance of success?

- As expected, a variety of proposals focus on tax cuts and incentives. According to the *Washington Post*, Senator Josh Hawley (R-MO) is “pushing for local content rules for medical supply chains, and ‘generous investment subsidies’ to encourage increased domestic production of a range of goods and components.”
- Others combine incentives with prohibitions, particularly on China. Even before the pandemic, Senator Marco Rubio (R-FL) has called for a “21<sup>st</sup> Century pro-American industrial policy.” Earlier this month, Sen. Rubio introduced a bill that would bar sale of some sensitive goods to China, and raise taxes on U.S. companies’ income from China.
- The Trump Administration has floated the idea of cutting corporate tax rates in half for companies that “onshore” their supply chains.
- On May 19, 2020, the Administration awarded a \$354 million contract to a Virginia start-up that will produce a variety of generic drugs and ingredients, calling it a potential landmark

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## Practice Areas

International Trade  
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in efforts to return pharmaceutical manufacturing to the United States.

- Other proposals target reshoring of telecom capability, as well as new investments in rare earth elements, and broader infrastructure initiatives (supported by strong Buy America provisions.)

With new legislation and initiatives emerging on a daily basis, Wiley has compiled a detailed list of various proposals for reshoring, supply chains, manufacturing, and Buy America initiatives. [Click here to download the list.](#)

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