

Investing in Georgia

Economic Development Newsletter



Welcome to King & Spalding's economic development news bulletin, *Investing in Georgia*. In this edition, you will find:

- A report from two key leaders of the Georgia General Assembly regarding the recently concluded 2013 Session
- The National League of Cities 2013 Local Economic Conditions Survey
- Insights regarding the looming tax reform battle from K&S senior counsel (and former Maryland governor and U.S. congressman) Robert L. Ehrlich

We hope you find this helpful, as we partner to keep Georgia a great place to live and work!

Bill Holby
King & Spalding Economic Development Practice Group

Recent Developments

Report from the Golden Dome. On Tuesday, April 16, nearly 150 clients and friends of King & Spalding joined partner Bill Holby in both the Atlanta office and online via Webinar to hear State Representative Edward Lindsey (R-Atlanta) and State Senator Josh McKoon (R-Columbus) for the first in a continuing series of programs highlighting economic development in Georgia. [More »](#)

President Announces Trade Policy Agenda. President Obama delivered his 2013 Trade Policy Agenda ("TPA") and the [2012 Annual Report](#) of United States trade activities on March 1, 2013. The TPA's overarching goal is "supporting jobs and economic growth through trade." This goal is pursued by a number of trade policy priorities including (1) expanding U.S. jobs, (2) enforcing trade rules, (3) enhancing economic relationships worldwide, (4) fighting poverty and fostering global economic growth, and (5) developing balanced trade policy. [More »](#)

National League of Cities Releases 2013 Economic Conditions Survey. According to the nation's city officials, the performance of local, regional and state economies have improved over the past year. Despite improvements, cities are still struggling in significant ways, signaling that growth is not keeping pace at a level that is needed for a sustained recovery. Even worse, economic indicators that reflect the condition of cities' most vulnerable populations have

April 2013

By the numbers

49.7%

The percentage of government spending that will be used for Social Security, Medicare and Medicaid during FY 2023, according to the Administration's 4/10/13 budget proposal

717

Increase in the square footage of an average single family house in the U.S. over the last 30 years, to a current size of 2,267 square feet

12.5%

Percentage of Americans who are either unemployed (7.6%) or underemployed (4.9%) as of 3/31/13

30,000

Manufacturing jobs created in the US during the first quarter of 2013. By contrast, 638,000 manufacturing jobs were eliminated during the first quarter of 2009

70%

Top individual marginal tax bracket for the 17 year period from 1965 to 1981, as compared with the 39.6% top rate

resisted even a modest rebound in the face of broader national recovery. [More »](#)

In The News

Top Half of the Class? Texas and Massachusetts were among the top 10 states for job growth and competitiveness, according to a listing by Economic Modeling Specialists International, with Georgia finishing just below the midpoint at #28. Using a so-called "shift share" method, the Idaho firm highlighted the sectors in which states were outcompeting or undercompeting the nation. The method helps distinguish growth arising from macro factors versus growth emanating from local conditions. [More »](#)

Georgia Women Leading the Nation. A new study shows that Georgia leads the nation in the growth of new women-owned businesses for the first time. The number of firms started by women since 1997 has shown faster growth in Georgia than anywhere else in the nation. The number of firms has expanded by more than 112%, according to a report commissioned by American Express OPEN Forum, compared with the national average of 59%. [More »](#)

Looking Ahead

President Releases 2014 Budget. President Obama has released his FY 2014 budget proposal. The budget includes \$1.8 trillion of deficit reduction proposals, with \$580 billion in additional revenue "from tax reform that closes tax loopholes and reduces tax benefits for those who need them least." The budget proposals also include cuts to Medicare and changes to the inflation adjustment for spending programs and tax provisions. [More »](#)

The Battle Over Tax Reform Continues. King & Spalding senior counsel (and former Maryland governor and U.S. congressman) Robert L. Ehrlich recently offered this glimpse into the battle over tax reform. "The federal tax code is the primary tool used by Congress and the Executive Branch to direct public policy. The evolution of the tool in its most tangible form is a federal tax code that now runs to 76,000 pages of often arcane guidance and interpretation. And most tax preferences ("loopholes" to detractors) have highly organized and politically active constituencies. [More »](#)

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effective for 2013

\$53 billion

New tax revenue projected to be raised over a ten year period as a result of the "Buffett Rule", the mandatory 30% tax rate on household income above \$1 million

\$78 billion

New tax revenue projected to be raised over the same ten year period by the President's proposed increase in federal tobacco taxes

5

Bank failures year to date as of 4/15/13. 51 banks failed during 2012. There are 7,083 insured banks nationwide

161

Number of regular season and post season games from which Atlanta Braves Manager Bobby Cox was ejected during his career, an all-time major league record

\$26.6 million

2013 payroll of the Houston Astros. Alex Rodriguez, currently on the disabled list for the New York Yankees, will make \$29 million this year.



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