

Written Testimony of Guy Berkebile
Before the U.S. House Ways and Means Committee,
Subcommittee on Select Revenue Measures
On the Impact of the Tax Cuts and Jobs Act
February 13, 2019

Chairman Mike Thompson, Ranking Member Adrian Smith, and distinguished members of the Subcommittee, my name is Guy Berkebile. I'm the owner of Guy Chemical—a chemical manufacturer in Somerset County, Pennsylvania specializing in silicone products and packaging for the consumer and industrial markets. Thank you for inviting me to speak about the impact of the Tax Cuts and Jobs Act on my business and employees.

Founded in 1995, I took out a loan of \$70,000, used \$80,000 of my personal savings and mortgaged my home to start Guy Chemical—literally putting my family's livelihood and financial security at risk. And let me tell you, it was a rocky start.

I had no employees for eight months and operated the business at a financial loss for approximately 2 ½ years. Furthermore, I did not take a salary for five years—working a full time job on the side to provide for my family. In the end, I had to mortgage my home a total of seven times to keep Guy Chemical afloat.

But even though my entrance into entrepreneurialism was precarious at times, the outcome has been extraordinary.

Guy Chemical now provides employment for more than 160 people in rural Pennsylvania—employing a wide variety of workers ranging from unskilled laborers to production managers

and from chemists to engineers. It is businesses like Guy Chemical that are the bedrock of our community.

Then in 2017, came the passage of the Tax Cuts and Jobs Act—legislation that was a financial godsend for not only my business, but the dedicated people Guy Chemical employs. Not only did we experience a lower tax burden, but we received unprecedented demand for our products following the legislation’s passage. In fact, we saw a jump in gross revenue of roughly \$9 million.

I was able to wisely invest the financial gains from the tax cuts in a variety of ways.

On the business expansion front, Guy Chemical was able to build a new laboratory that was five-times larger than our previous one, invest in new chemical compounding equipment and purchase new packaging lines. I cannot stress enough how important the ability to immediately expense capital investment was in making these expansions and upgrades possible.

We were also able to pass down much of the financial savings to employees. More specifically, we were able to raise wages, expand bonuses by up to 50 percent, start a 401k retirement program and create 29 new jobs. These changes also instilled a sense of optimism among our staff, which has produced a less stressful and more enjoyable work environment.

All of my employees—some of whom are sitting behind me today—have a story to tell about how they used the extra money from the tax cuts. Below are several examples:

George Tomoiag is an immigrant from Romania. His increased salary and bonus from the tax cuts provided him with more money to spend on his wedding in June of last

year. George and his new wife now feel financially secure enough to start a family and are expecting their first child. The increase in his income is also allowing them to pay off their student loans at a faster rate and save money to purchase a house, which they hope will happen later this year.

Tammie Gerhart received a 30 percent increase in her bonus. She and her husband Bill have used the additional money for home repairs and they took their first week-long vacation since their honeymoon seven years ago.

Eric Lasure received a 26 percent increase in his bonus. He used the bonus money to purchase a gun safe and for a week-long family vacation to Vermont. This is his family's first week-long vacation since 2013.

Leigh Diest is our head mechanic and a Navy veteran. He and his wife, Sarah, are using his additional salary and bonus to help pay for childcare expenses for their two young daughters, Emersyn and Eliza. They also took their first family vacation in five years. Leigh says the tax cuts have kept him especially busy during the past year as it is his responsibility to install all the new equipment Guy Chemical has purchased with the help of the Tax Cuts and Jobs Act. Leigh has also just purchased a new house.

Rick Meyers is using his additional salary and bonus to pay medical bills for their daughter Anna. They also used the additional money to pay for home improvements and for a week-long vacation this past August.

Michelle Trulick received a gross pay increase of 27 percent. She is using the money to take a 25th wedding anniversary trip at the end of March. The additional money has also enabled her to put aside more earnings for retirement.

Donnie Zeigler was a new hire to Guy Chemical in 2018. He was hired for a new position made possible by the marked increase in business following the passage of the tax cuts bill. He has since received a promotion and an increase in salary. His new financial security has enabled him to pay down credit card debt (incurred while he was looking for a full time job), buy a new vehicle, and pay for childcare expenses for his children, Cecilia and Harrison. He and his wife Natalie were also able to provide a nice Christmas for their children and are taking a family beach vacation, both of which are directly related to the unexpected bonus he received towards the end of 2018.

It's clear the tax cuts have had a big impact on not only my business, but the broader economy—pushing wages up, unemployment down and economic growth through the roof. Extending measures in the Tax Cuts and Jobs Act past the scheduled expiration date and continuing to reduce restrictions on American businesses will ensure the economy remains on the upswing and millions of Americans continue to benefit.

On behalf of Guy Chemical and the many other small businesses that have benefited from the Tax Cuts and Jobs Act, I thank the committee for giving me the chance to speak today.

Thank you.