



February 19, 2010

The Honorable Robert F. McDonnell
Office of the Governor
P.O. Box 588
Richmond, Virginia 23218

Dear Governor McDonnell:

I write to express the hope of the Virginia Chamber of Commerce that you will retain the Section 199 Domestic Production Deduction in your final budget. Legislative efforts to delete that deduction from IRS conformity legislation (HB614 and SB545) run the serious risk of imposing a \$60 million hardship on Virginia's manufacturing community and represent nothing more than a tax increase on that beleaguered component of the Virginia economy.

Let me applaud you for your boldness and tenacity in advancing your jobs development program in the face of a mind-boggling budget deficit. Consistent with that initiative would be retaining the Section 199 Domestic Production Deduction. Many thanks for your attention to this matter.

With warm regards,

A handwritten signature in black ink that reads "Hugh D. Keogh". The signature is written in a cursive, flowing style.

Hugh Keogh
President & CEO
Virginia Chamber of Commerce