



March 7, 2023

Senator Kannianen and members of the Senate Finance and Taxation Committee

I am Peter Rackov, Chief Financial Officer of Steffes, LLC; a Primary Sector manufacturing company with two plants in Grand Forks and one in Dickinson. Steffes employs approximately 430 people in the state.

As a North Dakota manufacturer, Steffes encounters many challenges to fulfill existing demand and to have enough capacity to bid on work inside and outside North Dakota. Many of the challenges come from a lack of available labor to operate equipment. The twenty-first century manufacturing workforce incentive (Automation Tax Credit) will provide and has encouraged manufacturers such as Steffes to automate processes, improve skillsets for employees and ultimately increase jobs and wages. Automation increases capacity, develops worker skills, improves product quality and I believe, will draw workforce to our state.

Steffes has used this credit in the past to automate processes, create jobs, increase capacity, and ultimately, increase profits taxable within the state. I strongly support the Twenty - first Century Manufacturing and Animal Agricultural Workforce Incentive (House Bill 1168) and encourage the legislature to designate enough dollars to fully fund (par. 5) the credit for qualified applicants. In the last couple of years, the approved funding has only allowed a fraction of the available credit to be awarded to manufacturers, which I believe limits use and has a negative impact on the benefits that otherwise would have been achieved.

I strongly support a "do pass" recommendation from this committee.

Sincerely,

Peter Rackov  
Chief Financial Officer  
Steffes, LLC  
3050 HWY 22N  
Dickinson, ND 58601