

PATRIOTIC MILLIONAIRES

April 11th, 2016

The Honorable Mitch McConnell
317 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Harry Reid
522 Hart Senate Building
Washington, D.C. 20510

Speaker Paul Ryan
1233 Longworth House Office Building
Washington, D.C. 20515

The Honorable Nancy Pelosi
233 Cannon House Office Building
Washington, D.C. 20515

RE: Carried Interest is Inappropriately Taxed as Capital Gains and Should Be Reclassified

Dear Senator Mitch McConnell, Speaker Paul Ryan, Senator Harry Reid, and Representative Nancy Pelosi:

If this fractious election cycle proves one thing, it is that Americans are fed up with the corrupting influence of money on our nation's lawmaking process and 'business as usual' in Washington.

We are writing to offer you a unique opportunity to demonstrate to the American people that Congress is capable of conducting the people's business; and that it is not, in fact, a wholly-owned subsidiary of Wall Street fund managers and other special interests.

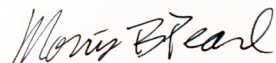
As you well know, an elite group of investment fund managers is currently reaping huge profits while paying lower tax rates than almost everyone else in the country. Using what is known as the "carried interest loophole," these managers are avoiding paying billions of dollars in taxes by classifying their "ordinary" income as capital gains.

Because there is absolutely no intellectually plausible reason for this loophole to exist, we must conclude that the continuation of this preferential tax status is the result of millions of dollars of campaign contributions.

Republican leaders from Donald Trump to Gov. Jeb Bush have called for the closure of the loophole, as have Democratic leaders from Sec. Hillary Clinton to Sen. Bernie Sanders. Despite this rare bipartisan agreement, bills to close the loophole (H.R. 2889 in the House and S.1686 in the Senate) remain stalled in committee.

We urge you to put honor and common sense ahead of politics and campaign contributions and allow debate and a vote on The Carried Interest Fairness Act in both chambers of Congress prior to your August recess when you and your colleagues will be speaking directly with voters about your priorities for the country.

Sincerely,



Morris Pearl, Chair of the Patriotic Millionaires