



The Honorable Elizabeth Warren  
United States Senate  
309 Hart Senate Office Building  
Washington, DC 20510

The Honorable John Kennedy  
United States Senate  
416 Russell Senate Office Building  
Washington, DC 20510

Dear Senators Warren & Kennedy,

We are writing to express our concern about the upcoming hearing in the Senate Banking Economic Policy Subcommittee titled “Protecting Companies and Communities from Private Equity.” More specifically, we are strongly opposed to legislation like Senator Warren’s *Stop Wall Street Looting Act*, which would increase taxes, stifle private investment, eliminate jobs, and threaten the life savings of Americans across the country. We urge the Committee to reject this legislation and any similar legislation that would harm workers, retirees, and pensioners.

It appears that Senator Warren is using this subcommittee hearing as an opportunity to reintroduce and highlight her *Stop Wall Street Looting Act*, a dangerous bill that could crush thousands of businesses at a time when the economy is still trying to recover from the COVID-19 pandemic. The bill is concerning for a number of reasons:

- **Tax increases on investment:** By sharply raising taxes on long-term capital gains, the bill would dampen returns of universities, startup ventures, and pensioners. Raising taxes on carried interest is part of a long-running campaign by some to raise taxes on all capital gains investment. A recent study found that raising taxes on carried interest could eliminate up to 4.9 million jobs and cost pension funds up to \$3 billion per year. The bill also creates a 100% surtax on certain fees and denies legitimate interest deductions for disfavored private companies.
- **Imposes new mandates:** The bill penalizes private investment based entirely on the ownership structure of the underlying businesses. The legislation would impose new and onerous legal liabilities on private investors and managers that do not exist for other investors, including through a radical rewrite of the bankruptcy code. These liabilities would make it exceedingly difficult to invest in struggling businesses.
- **Penalizes workers & retirees:** These new regulations would make it harder for pension funds to generate stronger returns for the teachers, fire fighters and public-sector workers whose retirements depend on the performance of these investments. The bill could also cost investors as much as \$3.36 billion each year, with almost half of the loss accruing to pension fund retirees.



- **Eliminates jobs:** Senator Warren’s legislation would erase anywhere from 6 to 26 million jobs from the American economy and reduce federal, state and local tax revenue by as much as \$475 billion each year, according to [a study](#) by the United States Chamber of Commerce.

As we have seen time and time again throughout history, when you tax and overregulate an activity, you get less of it. Unfortunately for workers and retirees across the country, the result of the Stop Wall Street Looting Act would hurt the livelihoods of the 11.7 million workers directly employed by private equity-backed companies.

In 2019, when Senator Warren introduced the *Stop Wall Street Looting Act*, the Wall Street Journal noted that “every policy she proposes would increase government control over the private economy.” Unfortunately, the newest version of the bill stays the course. Instead of attacking private sector employers with legislation like the *Stop Wall Street Looting Act*, we urge the Subcommittee to focus on solutions that will empower workers.

Sincerely,

Grover Norquist  
President, Americans for Tax Reform

Phil Kerpen  
President, American Commitment

Krisztina Pusok, Ph. D.  
Director, American Consumer Institute

Brent Wm. Gardner  
Chief Government Affairs Officer, Americans for Prosperity

Ryan Ellis  
President, Center for a Free Economy

Andrew F. Quinlan  
President, Center for Freedom and Prosperity

Jeffrey Mazzella  
President, Center for Individual Freedom

Tom Schatz  
President, Council for Citizens Against Government Waste

Iain Murray  
Vice President, Competitive Enterprise Institute

Matthew Kandrach  
President, Consumer Action for a Strong Economy

Adam Brandon  
President, FreedomWorks

Garrett Bess  
Vice President, Heritage Action for America

George Landrith  
President, Frontiers of Freedom

Andrew Langer  
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Seton Motley  
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Tom Hebert  
Executive Director, Open Competition Center

Bryan Bashur  
Executive Director, Shareholder Advocacy Forum

Saulius "Saul" Anuzis  
President, 60 Plus Association

Jim Martin  
Founder/Chairman, 60 Plus Association

Karen Kerrigan  
President & CEO, Small Business & Entrepreneurship Council

David Williams  
President, Taxpayers Protection Alliance

CC: Full Senate Banking Committee