



INVENTORS FORUM
SAN DIEGO



INDEPENDENT INVENTORS

March 9th, 2017

The Honorable Paul D. Ryan
Speaker of the House
U.S. House of Representatives
H-232, The Capitol
Washington, D.C. 20515

The Honorable Kevin Brady
Chairman, Committee on Ways and Means
U.S. House of Representatives
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Speaker Ryan & Chairman Brady:

On behalf of the undersigned organizations, we write in support of your efforts to pass pro-growth tax reform and urge you to oppose efforts to increase taxes on capital gains.

The next four years represents an opportunity to reduce -- not increase taxes on capital gains. Over the past eight years, the top rate increased from 15 percent to 23.8 percent, and the top [integrated rate](#) currently sits at 56.3 percent compared to the OECD/BRIC average of 40.3 percent.

While it appears unlikely that incoming lawmakers and the administration will increase rates outright, they should also be sure not to incrementally move the needle toward higher capital gains taxes in other ways, like boosting taxes on carried interest capital gains.

Carried interest capital gains income is earned through a net gain within a partnership formed between individuals with capital and an expert investor. They are indistinguishable from any other type of capital and so they are paid at the same capital gains tax rates.

While supporters of higher taxes on carried interest capital gains say it takes aim at 'hedge fund guys,' it would also hurt pension funds, charities, and colleges that depend on these investment partnerships as part of their savings goals. In addition, small businesses, innovators, and

inventors would find themselves increasingly shut out from investment money available to them from these partnerships.

Rather than supporting proposals that lead to higher capital gains tax rates, the incoming Congress and administration should look toward lower rates. One model to follow is contained in the House GOP blueprint, which reduces the top rate on capital gains to 16.5 percent.

Today, pro-growth tax reform is needed more than ever. It is imperative that lawmakers prioritize an overhaul of the tax code as well as protect the areas of the current tax code that promote innovation, investment, and growth.

Sincerely,

Grover Norquist
President, Americans for Tax Reform

Colonel Rob Maness
Chairman, Gator PAC

Dee Hodges, President
Maryland Taxpayers Association

Pete Sepp
President, National Taxpayers Union
and Foundation

Donny Ferguson
Chairman, BetterEconomy.org

David Williams
President, Taxpayers Protection
Alliance

Jim Martin
Chairman, 60 Plus Association

George Landrith
President, Frontiers of Freedom

Melissa Ortiz
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Americans

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James Edwards
Co-Director, Inventors Project

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Founder, Tea Party Nation

Mario Lopez
President, Hispanic Leadership Fund

Charles Sauer
President, Market Institute

Paul Morinville
Chairman, US Inventors

Gregory T. Angelo
President, Log Cabin Republicans

Larry Ward
Chairman, Constitutional Rights PAC

Andrew F. Quinlan
President, Center for Freedom and
Prosperity

Willes K. Lee
President, National Federation of
Republican Assemblies

Shaun McCutcheon
Chairman, Conservative Action Fund

Louis Foreman
President, Edison Nation

Derrick Hollie
President, Reaching America

Richard A. Viguerie
Chairman, Conservative HQ

Phil Kerpen
President, American Commitment

Adrian Pelkus
President, San Diego Inventors
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Dick Patten
President, American Business
Defense Council

Randy Landreneau
Founder, Independent Inventors of
America

Adam Brandon
President and CEO, Freedomworks

Iain Murray
Vice President, Competitive
Enterprise Institute

Jeffrey Mazzella
President, Center for Individual
Freedom