



722 12th Street N.W.

Fourth Floor

Washington, D.C.

20005

T: (202) 785-0266

F: (202) 785-0261

www.atr.org

July 12, 2018

The Honorable Andy Barr
United States House of Representatives
1427 Longworth House Office Building
Washington, D.C. 20515

Dear Representative Barr:

I write in support of H.R. 6179, The Middle Class Savings Act, legislation that modernizes and simplifies the capital gains tax.

In the months since the Tax Cuts and Job Acts has been in effect, the US has seen drastic economic growth and tax relief for Americans at every income level.

The Middle Class Savings Act will build on the success of the TCJA by updating the long-term capital gains tax brackets. When TCJA passed, the long term capital gains tax rates were not lowered to align with the new income tax rates. Instead, the rates from the old tax code were left in place, resulting in higher taxes for Americans.

A recent report from the Bureau of Economic Analysis stated that the Household Saving rate in the US averaged 3.4 percent in February of 2018, compared to an average of 8.26 percent over the past 60 years. This means that while families have more take-home pay to invest and save, the capital gains tax in its current state is discouraging people from doing so.

The Middle Class Savings Act will make it easier for American families to invest and save, thereby growing the economy. By aligning the long term capital-gains tax rates to the new income tax rates, families will see further tax relief and will be better equipped to save and invest in the US economy.

Onward

Grover G. Norquist
President, Americans for Tax Reform