

Leader Charles Schumer
U.S. Senate
U.S. Capitol
VIA EMAIL

Speaker Nancy Pelosi
U.S. House of Representatives
U.S. Capitol
VIA EMAIL

The Honorable Ronald Wyden
U.S. Senate
U.S. Capitol
VIA EMAIL

The Honorable Richard Neal
U.S. House of Representatives
U.S. Capitol
VIA EMAIL

Dear Leader Schumer, Speaker Pelosi, Chair Neal, and Chair Wyden,

We are writing today to urge you to make significant changes to the revenues provisions just proposed by the House Ways and Means Committee. The Committee's proposal fails to end the preferential treatment of the rich in the tax code and does almost nothing to address the growing concentration of wealth and power in America. If the proposal becomes law, inequality – the root cause of social unrest – will continue to grow at an accelerating rate, further destabilizing our already unstable nation.

While there are a number of proposals that should be included in this tax package, the 3 changes below would provide a powerful public signal that Democrats are serious about challenging the unfair advantage wealthy people currently receive in the tax code. At a minimum, any final legislation should do the following:

1. **End the preferential tax rate for capital gains income over \$1 million as President Biden requested.** There is no intellectual or economic justification for working people in America to pay a higher tax rate than wealthy investors.
2. **Eliminate the “stepped-up basis” that allows the heirs of billionaires to avoid capital gains taxes on inherited assets (provide a reasonable exemption for family farms).** The Committee's failure to address this problem at all is particularly troubling.
3. **End the Carried Interest Loophole which allows fund managers to mis-characterize their “ordinary” income as capital gain income for tax purposes.** The W&M proposal extends the hold time for investments to 5 years. Given that most PE firms hold investments for 6 years, this change will have essentially zero effect. The loophole should be eliminated entirely or the timeframe should be extended to at least 20 years which would have the same effect.

To be clear, Chairman Neal and the members of the House Ways and Means Committee have failed to meet this historic moment. The nation needs bold, transformative policies oriented first and foremost in basic fairness. The proposal as currently written is unacceptable.

If the W&M proposal becomes law, people in America will continue to pay almost twice the tax rate of millionaire investors, heirs to billionaires will continue to inherit enormous amounts of money and property

tax-free, and the concentration of wealth and power will continue until this country becomes what it is already fast approaching, a feudal aristocracy.

Thank you,

The Undersigned

Naomi Aberly	Anne Germanacos	Larry Ottinger	Andy Tobias
Anne Amsden	Molly Gochman	Bill Parks	Martha Claire Tompkins
Will Arora	Joanne Goldblum	Frank Patitucci	Allison Trent
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