



June 13, 2016

Dear Member of Congress:

On behalf of the 700,000 members and officers of the Communications Workers of America (CWA), I am writing to urge you to co-sponsor H.R. 2889/S. 1686, the Carried Interest Fairness Act. The Carried Interest Fairness Act would close an unfair loophole that allows hedge fund and private equity managers to misrepresent earned income as capital gains, thus enabling them to pay a lower tax rate.

Fund managers are often compensated for the services they provide managing investors' assets with a portion of the fund's profits (or "carried interest"). Because fund managers receive this income in exchange for the service of managing a fund, these earnings should be classified as earned income, as the Carried Interest Fairness Act would do.

The fact that fund managers are able to classify carried interest as capital gains for tax purposes means that some of the richest people in the country are able to pay far less than their fair share in taxes. Working people simply trying to take care of their families and surviving paycheck-to-paycheck often pay higher rates than billionaire hedge fund managers, which is completely unfair. Moreover, the \$15.6 billion in tax revenue that is lost over a decade due to the carried interest loophole is money that is badly needed to invest in the future of working people, especially in these times of massive income and wealth inequality.

It is critically important that we close this loophole that allows some of the wealthiest Americans to skip out on paying their fair share. As such, I strongly urge you to co-sponsor the Carried Interest Fairness Act. Thank you in advance for your consideration.

Sincerely,

Shane Larson
Legislative Director
Communications Workers of America (CWA)