

U.S. Sen. Baldwin: Calls on President Trump to keep his promise and close carried interest tax loophole

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Baldwin to Trump: "Tax reform cannot leave working families behind - it needs to help them get ahead"

WASHINGTON, D.C. - U.S. Senator Tammy Baldwin today [called on President Trump to make good on his pledge to close the carried interest tax loophole](#) and act on her *Carried Interest Fairness Act*.

"I believe our goal for tax reform must be reducing taxes on small businesses to spur economic growth and cutting taxes on working class Americans so people can keep more of what they earn," **Senator Baldwin wrote**. "Tax reform cannot leave working families behind - it needs to help them get ahead. If you are in fact serious about closing the carried interest tax loophole for hedge fund managers on Wall Street, I have legislation to do just that and I would welcome your support in passing it in Congress. My tax reform legislation is just one way we can work together to put more money into the pockets of everyday hardworking people, while keeping your promise to them."

President Trump has made statements, both as a candidate and as President, pledging to close the carried interest tax loophole. However, the one-page tax reform outline that President Trump released in April failed to mention closing the loophole, and neither Majority Leader Mitch McConnell nor Speaker Paul Ryan have acted on advancing legislation to address this issue.

The carried interest tax loophole benefits certain investment fund managers – including private equity fund managers – by allowing them to take advantage of the preferential 20-percent tax long-term capital gains rate on income received as compensation, rather than the ordinary income tax rates of up to 39.6-percent that all other Americans pay. Senator Baldwin’s [*Carried Interest Fairness Act*](#) would end this loophole by ensuring that income earned by managing other people’s money is taxed at the same ordinary income tax rates as that of the vast majority of Americans.

A copy of the letter is available [here](#).

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