

April 17, 2012

TO THE MEMBERS OF THE UNITED STATES CONGRESS:

The undersigned trade associations representing thousands of businesses across the nation strongly urge you to cosponsor and support S. 1647 and H.R. 3091 introduced by Sen. Crapo and Rep. Roskam, which would maintain the top capital gains and dividends tax rates at 15 percent and prevent a massive tax increase that would have detrimental impacts on investment and jobs in the United States.

Unless Congress acts by the end of 2012, the tax rate for capital gains will increase from 15 percent to 20 percent and the dividend tax rate will more than double from 15 percent to 39.6 percent. In addition, beginning in 2013 investment income will be subject to an additional Medicare Hospital Insurance (HI) tax of 3.8 percent, raising the top rate on capital gains to 23.8 percent and on dividend income to 43.4 percent, resulting in one of the largest tax increases in U.S. history.

A tax increase of this size will have significant impact, which includes discouraging capital investment needed for economic growth and job creation, incentivizing companies to use excessive debt financing and potentially reducing the value of dividend-paying stocks. Any of these outcomes would hurt Americans at all income levels, and especially retirees, many of whom rely on investment income as a supplement to their retirement.

This looming tax increase presents businesses and individuals with uncertainty and great complexity in the short-term. Looking ahead, comprehensive fundamental tax reform could result in giving taxpayers more certainty, simplicity, and fairness, while encouraging economic growth and job creation. In the interim, Congress must act to maintain the current tax rates on capital gains and dividend income and give businesses and individual investors the certainty that they need to support economic growth and job creation.

It is imperative Congress enact legislation that would maintain the top capital gains and dividend tax rates at 15 percent and remove the uncertainty surrounding this impending tax increase. We strongly support these bills and urge you to cosponsor and support S. 1647 and H.R. 3091.

Sincerely,

American Composites Manufacturers Association  
American Farm Bureau Federation  
American Forest & Paper Association  
American Institute for International Steel  
American Lighting Association  
American Water  
Arizona Chamber of Commerce and Industry  
Associated Industries of Missouri

Associated Oregon Industries  
Associated Wire Rope Fabricators  
Association of Washington Business  
Automotive Aftermarket Association Southeast  
Baltimore Washington Corridor Chamber of Commerce  
Batavia Chamber of Commerce  
Bristol Chamber of Commerce  
Business Council of Alabama  
Business Roundtable  
California Manufacturers & Technology Association  
Cincinnati USA Regional Chamber  
Colorado Association of Commerce & Industry  
Commerce Lexington Inc.  
Council of Industry of Southeastern New York  
Downers Grove Area Chamber of Commerce & Industry  
Edison Electric Institute  
European-American Business Council  
Fabricators and Manufacturers Association, International  
Fentress County Chamber of Commerce  
Forum Financial Group, Inc.  
Georgia Chamber of Commerce  
Grand Rapids Area Chamber of Commerce  
Greater Beaumont Chamber of Commerce  
Greater Fort Wayne Chamber of Commerce  
Greater Irving Las-Colinas Chamber of Commerce  
Greater North Dakota Chamber of Commerce  
Greater Pittsburgh Chamber of Commerce  
Greater Raleigh Chamber of Commerce  
Gwinnett Chamber of Commerce  
Hastings Area Chamber of Commerce  
Indiana Chamber of Commerce  
Indiantown Marina  
Inland Pacific Chapter Associated Builders & Contractors  
Investment Company Institute  
Iowa Association of Business and Industry  
Johnson City Chamber  
Joliet Region Chamber of Commerce & Industry  
Kankakee Regional Chamber  
Karn Sitkins Payette Insurance Agency Inc.  
Kentucky Chamber of Commerce  
Kingsport Chamber of Commerce  
Kinsail Corporation  
Lake Chelan Chamber of Commerce  
Loudoun County Chamber of Commerce  
Louisiana Association of Business and Industry  
Marietta Area Chamber of Commerce

Melbourne Regional Chamber of East Central Florida  
Metal Powder Industries Federation  
Metals Service Center Institute  
Michigan Chamber of Commerce  
Midland Area Chamber of Commerce  
Mobile Area Chamber of Commerce  
Monarch Technical Services, Inc.  
Motor & Equipment Manufacturers Association  
National Association of Manufacturers  
National Association of Water Companies  
National Electrical Contractors Association  
Non-Ferrous Founders' Society  
North Carolina Chamber  
Northumberland County Chamber of Commerce  
Nuclear Energy Institute  
Ohio Chamber of Commerce  
Outdoor Amusement Business Association, Inc.  
Palm Desert Area Chamber of Commerce  
Pennsylvania Chamber of Business and Industry  
Perryton-Ochiltree Chamber of Commerce  
Plano Chamber of Commerce  
Prime Office Solutions  
Prince William Chamber of Commerce  
Resilient Floor Covering Institute  
Rolling Meadows Chamber of Commerce  
Rowan County Chamber of Commerce  
Schuylkill Chamber of Commerce  
Securities Industry and Financial Markets Association  
South Padre Island Chamber of Commerce  
Southeastern Lumber Manufacturers Association  
Texas Association of Business  
The Ohio Manufacturers' Association  
Tucson Metro Chamber  
U.S. Chamber of Commerce  
U.S. Telecom Association  
Utah Manufacturers Association  
Valley Industrial Association  
Woodworking Machinery Industry Association