

March 14, 2015

To: Hatch, Wyden bipartisan working group on Tax Reform
United States Senate
Committee on Finance
Washington, DC

Senators Hatch, Wyden and staff,

My suggestion for improving the federal tax code would be to change the tax treatment on Carried Interest from the current capital gains rates, to be **taxed as ordinary income**.

The work being done by the professional managers of hedge funds, investment partnerships, venture capital firms and real estate investment trusts is no different from the work done by millions of others who pay ordinary income taxes on the compensation for their labor.

This proposal was described in more detail in a 2013 CBO report on budget options (see Option 11)

<https://www.cbo.gov/budget-options/2013/44804>

Thank you for your consideration,

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