

MEMO# 30786

July 19, 2017

ICI Submission to Senate Finance Committee Regarding Tax Reform Proposals

[30786]

July 19, 2017 TO: ICI Members

Pension Committee

Pension Operations Advisory Committee

Tax Committee SUBJECTS: Pension

Tax RE: ICI Submission to Senate Finance Committee Regarding Tax Reform Proposals

In response to a request by Chairman Hatch (R-UT) for advice and recommendations from interested stakeholders on comprehensive tax reform,[\[1\]](#) the Institute submitted the attached letter to the US Senate Committee on Finance. The request asked stakeholders to provide ideas, proposals, and feedback on how to improve the American tax system, specifically relating to:

1. Providing much-needed tax relief to middle-class individuals and families through reforms to the individual income tax system;
2. Strengthening businesses – both large and small – by lowering tax rates and broadening the relevant tax base in order to put the economy on a better growth path and create jobs;
3. Removing impediments and disincentives for savings and investment that exist in the current tax system; and
4. Updating our international tax system in order to make our nation more competitive in the global economy and preserve our tax base.

Our attached comments relate to removing impediments and disincentives for savings and investment that exist in the current tax system; reforming the taxation of derivatives to provide clear and administrable rules while avoiding undue harm to mutual fund shareholders; the importance of maintaining the tax exemption for municipal bond interest; and updating our international tax system in order to make our nation more competitive in the global economy and preserve our tax base.

In regard to retirement savings, we describe the important role the current system plays in helping American workers have a secure retirement, the importance of the current tax incentives and the potential negative impact of various proposals to modify the tax treatment of retirement savings. We also outline reform proposals that the Institute

believes would serve to strengthen the US retirement system to help even more Americans achieve a secure retirement. These proposals are also detailed in an attachment to the submission.

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Associate General Counsel - Retirement Policy

Katie Sunderland
Counsel - Tax Law

[Attachment](#)

endnotes

[1] The Committee on Finance press release is available here:
<https://www.finance.senate.gov/chairmans-news/hatch-calls-for-feedback-on-tax-reform>.

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