

MEMO# 14194

November 29, 2001

INDUSTRY LETTER TO CONGRESS REQUESTING TAX RELIEF FOR FUND SHAREHOLDERS

[14194] November 29, 2001 TO: BOARD OF GOVERNORS No. 60-01 PRIMARY CONTACTS - MEMBER COMPLEX No. 89-01 FEDERAL LEGISLATION MEMBERS No. 17-01 OPERATIONS COMMITTEE No. 32-01 TAX COMMITTEE No. 31-01 ACCOUNTING/TREASURERS COMMITTEE No. 35-01 RE: INDUSTRY LETTER TO CONGRESS REQUESTING TAX RELIEF FOR FUND SHAREHOLDERS Today, Institute members sent a letter to Congress asking them to support legislation that would permit mutual fund investors to defer the tax on reinvested long-term capital gains distributions until shares are sold. More than 70 members of the Institute signed the letter. The letter was sent in part because of continuing discussions on Capitol Hill about measures needed to stimulate the economy and to help middle-income Americans. The letter describes how deferral would quickly relieve millions of middle-income shareholders from paying capital gains taxes in the first quarter of 2002. It also highlights the significant longer-term economic and policy benefits that deferral would produce. The letter notes that if it is determined that including deferral for fund shareholders in the stimulus package is not feasible, the Institute and its members will work vigorously to assist Congressional leaders in considering the proposal early next year. Your strong and broad support for this important undertaking is a key to its success. We will keep you apprised of further developments and encourage your continued assistance. Matthew P. Fink President Note: Not all recipients receive the attachment. To obtain a copy of the attachment, please visit our members website (<http://members.ici.org>) and search for memo 14194, or call the ICI Library at (202) 326-8304 and request the attachment for memo 14194. Attachment (in .pdf format)