

NEWS RELEASE

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Bill to Help Mutual Fund Investors Earns Strong ICI Endorsement, May 2003

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Washington, DC, May 7, 2003 - The following is a statement from Investment Company Institute President Matthew P. Fink in support of legislation introduced by House Ways and Means Committee member Paul Ryan (R-WI).

“The mutual fund industry strongly supports Congressman Paul Ryan’s bill, [H.R. 1989](#). Congress now has a rare and extraordinary opportunity. By passing H.R. 1989, Congress can embrace an important change in the tax code. This is a simple and significant way for Congress to help mutual fund shareholders.

“This bill is simple because it ends the frustrating requirement that tens of millions of middle-income mutual fund investors pay capital gains taxes on their mutual funds even when they did not sell a single share of their funds. The bill is also important because, in remedying a policy that has perplexed millions of fund investors and generated much criticism in the press, it will likely keep more money invested in the market and thus bolster economic growth.

“The bill is significant because it extends to mutual fund investors the commonly understood principle that capital gains taxes are due only when individuals take actions to realize and lock-in their gains. The bill only defers taxes on capital gains; it does not forgive or exclude them. This step of linking mutual fund investors’ tax liability to their specific decisions to realize capital gains is a giant leap for better tax policy. It will benefit tens of millions of mutual fund investors and fuel more long-term investment for the economy.”