

## Carried Interest Talking Points

- The “carried interest” legislation that Congress is considering is likely to hurt economic redevelopment and job creation in our most economically deprived communities.
- Economic development projects with brownfields, mixed use, or low income components will be the hardest hit because these are the projects that are the most risky.
- The higher effective tax rates will cause real estate owners to hold-on to existing holdings and this will significantly undermine redevelopment opportunities of underutilized properties, and lower transaction related taxes at every level.
- Originally targeted at hedge fund and private equity managers, the carried interest proposal is actually a Main Street issue, and not a Wall Street issue. Raising the tax rate will negatively impact real estate development in every district in every state.
- More than doubling the tax rate on carried interest encourages more debt for those that are able to obtain loans from institutions (if they’re even lending to begin with). Those small investors that do not possess the capital to leverage will likely not enter into commercial real estate development.