



April 30, 2021

The President  
The White House  
1600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20500

**Re: American Jobs Plan and American Families Plan**

Dear Mr. President:

On behalf of the Association for a Better Long Island (“ABLI”), a leading economic development organization within a region of some 2.8 million people, I write regarding your administration’s proposed American Jobs Plan and American Families Plan.

The American Jobs Plan and American Families Plan boldly addresses many of our nation’s most critical issues, including investment in infrastructure, climate change, housing, education, and childcare. In order to implement such vast and worthwhile initiatives, ABLI strongly urges that the federal government act responsibly when seeking additional tax revenue.

Covid-19 has had a significant impact on residents as well as on various industries, ranging from small to large businesses, particularly on Long Island. The economic impact of the pandemic is yet to be fully known. While the federal government considers revenue options for these plans, it is critical that the focus be on broad-based tax increases that do minimal damage to job creation, investment, and entrepreneurial activity.

As it currently stands, many of the tax proposals to finance the American Jobs Plan and American Families Plan would reduce economic activity, impede job growth, and diminish opportunities for startup businesses and those less advantaged. An increase in the long-term capital gains tax rate eliminates the benefit for investing capital, risking personal savings and borrowing, providing construction guarantees, or even providing sweat equity.

Rewarding risk with a capital gains rate that is lower than the ordinary tax rate, allowing real property to be traded with some tax deferral, recognizing that risks that qualify for capital gains treatment are not just associated with cash investments — together these policies encourage the productive risk-taking that spurs investment in economically struggling communities and more challenging assets, such as affordable housing, and in more challenging markets and submarkets.

Regarding a source of revenue for the federal government, the Congressional Budget Office (CBO) advises the revenue-maximizing rate for capital gains is estimated to be 28%. A CBO report states that for each 1% of increase in the capital gains rate, there is a 1.2% reduction in realizations. Therefore, a higher rate will in fact cost the government revenue.

The current law in these areas may be in need of review and reform, but repealing these incentives is simply not wise.

While the American Jobs Plan and American Families Plan boldly address many of our nation's most critical issues, it is vital that our nation implements a plan that is financially sound and continues to spur job creation, investment, and entrepreneurial activity. Therefore, the **Association for a Better Long Island respectfully requests that your administration revisit the finance options for the American Jobs Plan and American Families Plan and does not repeal or raise tax rates that will, in the end, cost the government more revenue.**

Most respectfully,



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Kyle Strober, Executive Director  
*Association for a Better Long Island*

cc: U.S. Senator Charles Schumer, Majority Leader  
U.S. Representative Nancy Pelosi, Speaker of the House of Representatives  
U.S. Senator Kirsten Gillibrand  
U.S. House of Representatives Long Island Delegation