

Congress of the United States
Washington, DC 20515

March 8, 2002

"The point I made at the Budget Committee was that if the capital gains tax were eliminated, that we would presumably, over time, see increased economic growth which would raise revenues for personal and corporate taxes as well as the other taxes that we have... [the] major impact [of a capital gains tax], as best I can judge, is to impede entrepreneurial activity and capital formation... I argued that the appropriate capital gains tax rate was zero..."

- Federal Reserve Chairman Alan Greenspan

Dear Colleague,

Last year we reconstituted the bipartisan, bicameral, Zero Capital Gains Tax Caucus. It is our belief that if the United States is to continue to lead in the global economy, our tax treatment of capital gains must be significantly reformed. A capital gains tax reduction is also needed to maintain a vibrant domestic economy.

The goal of the Zero Capital Gains Tax Caucus is to explore capital gains tax reform and the beneficial effects it will have on capital formation and economic growth in our country. To this end, the caucus will serve as a forum for respected economists and policy experts to discuss various capital gains tax reform measures. It is our hope that these discussions will build support for eliminating, or at the very least reducing, the punitive tax on capital gains.

We invite you to join over 25 of your colleagues and become a member of this deliberative caucus. If you would like to join the caucus or would like more information, please contact us.

Sincerely,


Richard Shelby


Zell Miller


David Dreier


Ralph Hall