

Congress of the United States
JOINT COMMITTEE ON TAXATION
Washington, DC 20515-6453

SEP 16 2015

MEMORANDUM

TO: [REDACTED]

FROM: Thomas A. Barthold *TAB*

SUBJECT: Revenue Effect of Carried Interest Legislation

This memorandum responds to your September 15, 2015, request for a revenue estimate of H.R. 2889, the "Carried Interest Fairness Act of 2015." This bill generally recharacterizes as ordinary income certain net capital gain from an investment services partnership interest. The bill is generally effective for taxable years ending after the date of enactment, assumed to be October 1, 2015.

We estimate that taxing carried interest income as ordinary income would change Federal fiscal year budget receipts as follows:

Fiscal Years											
[Millions of Dollars]											
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2016-20</u>	<u>2016-25</u>
1,382	2,056	2,091	1,853	1,736	1,564	1,432	1,296	1,175	1,059	9,118	15,644
