

## CARRIED INTEREST

WHEREAS, the nation's mayors are committed to providing economic growth and opportunity within their cities; and

WHEREAS, urban revitalization, brownfield redevelopment and commercial and residential development in distressed areas are important opportunities for economic growth, job creation and infrastructure and environmental improvements within the nation's communities; and

WHEREAS, the nation's mayors believe that public-private partnerships play a key role in encouraging and accelerating commercial, residential and affordable housing development projects, and thereby helping to improve our nation's communities; and

WHEREAS, the nation's mayors recognize the inherent risk associated with urban revitalization and returning brownfield and other blighted or economically distressed areas to productive use; and

WHEREAS, partnerships are widely used in real estate projects in order to provide flexibility in allocating risks and potential rewards in real estate projects; and

WHEREAS, current legislative proposals in Congress would recharacterize promoted interest, currently treated as capital gains, as ordinary income, thereby discouraging real estate partnerships from investing in our nation's cities and distressed communities,

NOW, THEREFORE, BE IT RESOLVED that The United States Conference of Mayors hereby respectfully urge Congress and the Administration to:

- Maintain the current capital gains tax treatment or classification for tax purposes of promoted or carried interest used by real estate partnerships; and

BE IT FURTHER RESOLVED that The United States Conference of Mayors is prepared to work with the Administration and Congress to further address the economic challenges facing our nation's cities.