



Congressman
Jim Saxton
NEWS RELEASE

339 CANNON BUILDING
WASHINGTON, DC 20515
(202) 225-4765

100 HIGH STREET
MT. HOLLY, NJ 08060
(609) 261-5800

7 HADLEY AVENUE
TOMS RIVER, NJ 08753
(732) 914-2020

1 MAINE AVENUE
CHERRY HILL, NJ 08002
(856) 428-0520

For Immediate Release
DATE: December 3, 2001
www.house.gov/saxton

CONTACT: Chris Frenze
(202) 224-5171

BROAD MUTUAL FUND INDUSTRY SUPPORT FOR SHAREHOLDER TAX RELIEF WELCOMED

WASHINGTON, D.C. - Congressman Jim Saxton today welcomed a letter signed by over 70 top officers of leading mutual funds in support of the tax deferral of reinvested capital gains distributions for mutual fund shareholders. The letter, under the aegis of the Investment Company Institute, is being sent to members of Congress, as well as to the Administration, to support inclusion of this tax concept in an economic stimulus package. Saxton has developed and introduced legislation to defer reinvested capital gains distributions made by mutual funds, currently in the form of H.R. 168. The bill has 50 co-sponsors, including members of leadership from both parties.

"I'm pleased by the strong support for this deferral expressed by so many of the most important mutual funds in America," Saxton said. "Many tens of millions of middle class investors would benefit from such a tax change, which would end the tax bias against these mutual fund shareholders and treat their capital gains essentially the same as those of common stocks."

Under current law, shareholders are liable for capital gains generated by mutual funds, even if their own shares have declined in value. Saxton's bill would defer taxation of these gains until shares are redeemed by shareholders. Several studies on this mutual fund deferral concept, stock ownership, and mutual fund shareholders are available at the Joint Economic Committee website at www.house.gov/jec.

###