

June 30, 2022

The Honorable Chuck Grassley
135 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Grassley:

On behalf of the undersigned organizations, advocates for taxpayers and fiscal responsibility, we commend you for introducing the Middle-Class Savings and Investment Act this month.

As you know, inflation is at historic levels and has eroded the value of many Americans' savings and investments. Americans face significant taxes on even modest gains for their investments in these challenging times, including a 15-percent long-term capital gains rate that kicks in at just \$41,676 in income for single filers and at just \$83,351 for joint filers. As you have correctly pointed out, disincentives to save will only cause more immediate spending, further exacerbating the nation's inflation problem.

The Middle-Class Savings and Investment Act would more than double the threshold taxpayers must reach before they pay taxes on long-term capital gains, to \$89,075 for single filers and \$178,150 for joint filers. It would also exclude up to \$300 in interest income from taxation for single filers (\$600 for joint filers).

By introducing this bill and supporting targeted tax relief, lower- and middle-class Americans most hurt by inflation can again feel confident about saving their money and investing for their future. These American families and retirees whose budgets are squeezed the most by inflation will be able to save more when times are tough, free from the imposition of federal taxes. We appreciate this bill's additional benefit in helping curb current inflation by encouraging more savings and less consumer spending.

We also applaud you for ensuring that this pro-growth tax cut remains fiscally responsible by extending the \$10,000 cap on state and local tax deduction for three years. Government deficits still plague the American economy, yet you have shown that necessary tax cuts can occur without increasing debt and becoming a future burden on the American economy.

Thank you for introducing the "Middle-Class Savings and Investment Act," and we appreciate your colleagues Senators Barrasso, Daines, Lankford, Cassidy, and Young for signing on as early cosponsors. We hope your other colleagues in the Senate join you in passing this legislation into law as soon as practicable.

Sincerely,



National Taxpayers Union



Americans for Prosperity



Americans for Tax Reform



60 Plus Association



American Consumer Institute



Association of Mature American Citizens Action



Center for a Free Economy



Center for Freedom and Prosperity



Center for Individual Freedom



Council for Citizens Against Government Waste



Consumer Action for a Strong Economy



FreedomWorks



Institute for Policy Innovation



Taxpayers Protection Alliance

CC: The Honorable John Barrasso
The Honorable Steve Daines
The Honorable James Lankford
The Honorable Bill Cassidy
The Honorable Todd Young