



Congressman Jared Polis

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Congressman Polis Introduces “Enterprise Sector” Bills to Waive Capital Gains Taxes on Private Investment

WASHINGTON, DC— To encourage private, rather than public, investment in troubled sectors of the economy, Congressman Jared Polis (D-CO) today introduced two pieces of legislation— the Enterprise Sector Investment Opportunity Act of 2009 and the Investment Property Opportunity Act of 2009 —that would waive capital gains taxes on private investments made in troubled financial sectors and residential real estate in high foreclosure areas. These are the first two bills introduced by Congressman Polis.

“Repeated government bailouts reward corporate fat cats, while frightening off crucial private investors at a time when we need them most,” said Polis. “Today I introduced two bills that offer Americans a simple, private alternative to taking TARP funds. Waiving capital gains taxes is an easy way to generate rapid private investment and reward private investors who are willing to step-up and invest in our troubled economy.”

To encourage and reward the investment of private capital in the troubled financial and automotive industries, H.R. 1783, the Enterprise Sector Investment Opportunity Act of 2009 would waive capital gains taxes on private investments in the automotive, banking, and financial services industries made within 18 months of enactment and held for 2 years. No minimum investment would be required to ensure the participation of innovative companies of all sizes. Also, any firm that raised more than \$500,000 in capital while participating in this program would be ineligible for funds from TARP (Troubled Asset Relief Program) or other federal assistance programs.

“High foreclosure rates and vacancy rates have also had a devastating effect on our economy,” said Polis. “Heavily foreclosed areas are magnets for crime and are starving our local governments of revenue they need to support healthy schools. Rather than asking the cash-strapped federal government for more help, my bill encourages neighbors to partner with neighbors and rewards them for investing in and rebuilding their communities.”

To incentivize investment in heavily foreclosed areas, H.R. 1784, the Investment Property Opportunity Act of 2009 would waive capital gains taxes on private investments in “distressed housing areas” made within 18 months of enactment and

held for 3 years. The investments must be made in “distressed housing areas” or residential properties located in counties where in the period of 1 year prior to enactment: the foreclosure rate was 10% above the national average, or the housing market experienced a housing value decline greater than 15%, or the community has more than 50% of homeowners with greater than 80% loan to value ratios.

“Although there are still rough seas ahead, the enterprise sector bills I introduced today are a good first step toward putting the American investor back at the helm of the American economy,” said Polis.

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