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Creating Certainty and Lower Tax Rates on Investments

Enactment in 2010 Will Benefit Investors, Economy

Washington, DC, December 17, 2010 - ICI President and CEO Paul Schott Stevens issued the following statement on U.S. House of Representatives approval of tax legislation, H.R. 4853, that will maintain and extend the current tax rates on capital gains and dividends for two years:

“With House approval of this legislation, Congress has moved judiciously to prevent the economic drag of higher taxes on investment income and to give investors and the markets certainty on the tax rates they’ll face in 2011 and 2012.

“While ICI favors a permanent extension of the current rates on capital gains and dividends, we support the current two-year extension as a vital step to advance our nation’s economic recovery and to support investors. We look forward to seeing the bill’s enactment in the coming days.”

Without enactment of this legislation, the top tax rates on investment income are scheduled to increase from the current 15 percent on January 1, 2011 to 20 percent for capital gains and a top tax rate of 39.6 percent for dividend income.