

HR 1735

Carried Interest Fairness Act of 2019

Congress: 116 (2019–2021, Ended)

Chamber: House

Policy Area: Taxation

Introduced: Mar 13, 2019

Current Status: Referred to the House Committee on Ways and Means.

Latest Action: Referred to the House Committee on Ways and Means. (Mar 13, 2019)

Official Text: <https://www.congress.gov/bill/116th-congress/house-bill/1735>

Sponsor

Name: Rep. Pascrell, Bill, Jr. [D-NJ-9]

Party: Democratic • **State:** NJ • **Chamber:** House

Cosponsors (37 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Beyer, Donald S., Jr. [D-VA-8]	D · VA		Mar 13, 2019
Rep. Blumenauer, Earl [D-OR-3]	D · OR		Mar 13, 2019
Rep. Cohen, Steve [D-TN-9]	D · TN		Mar 13, 2019
Rep. Courtney, Joe [D-CT-2]	D · CT		Mar 13, 2019
Rep. DeFazio, Peter A. [D-OR-4]	D · OR		Mar 13, 2019
Rep. DeLauro, Rosa L. [D-CT-3]	D · CT		Mar 13, 2019
Rep. Gabbard, Tulsi [D-HI-2]	D · HI		Mar 13, 2019
Rep. Garamendi, John [D-CA-3]	D · CA		Mar 13, 2019
Rep. Grijalva, Raúl M. [D-AZ-3]	D · AZ		Mar 13, 2019
Rep. Higgins, Brian [D-NY-26]	D · NY		Mar 13, 2019
Rep. Lee, Barbara [D-CA-13]	D · CA		Mar 13, 2019
Rep. Moore, Gwen [D-WI-4]	D · WI		Mar 13, 2019
Rep. Nadler, Jerrold [D-NY-10]	D · NY		Mar 13, 2019
Rep. Ocasio-Cortez, Alexandria [D-NY-14]	D · NY		Mar 13, 2019
Rep. Pallone, Frank, Jr. [D-NJ-6]	D · NJ		Mar 13, 2019
Rep. Pocan, Mark [D-WI-2]	D · WI		Mar 13, 2019
Rep. Ryan, Tim [D-OH-13]	D · OH		Mar 13, 2019
Rep. Schakowsky, Janice D. [D-IL-9]	D · IL		Mar 13, 2019
Rep. Suozzi, Thomas R. [D-NY-3]	D · NY		Mar 13, 2019
Rep. Lowenthal, Alan S. [D-CA-47]	D · CA		Mar 18, 2019
Rep. Welch, Peter [D-VT-At Large]	D · VT		Mar 18, 2019
Rep. Levin, Andy [D-MI-9]	D · MI		Mar 25, 2019
Rep. Rose, Max [D-NY-11]	D · NY		Mar 25, 2019
Rep. Khanna, Ro [D-CA-17]	D · CA		Mar 27, 2019
Del. Norton, Eleanor Holmes [D-DC-At Large]	D · DC		Mar 28, 2019
Rep. Napolitano, Grace F. [D-CA-32]	D · CA		Mar 28, 2019
Rep. Clarke, Yvette D. [D-NY-9]	D · NY		Apr 8, 2019
Rep. Garcia, Jesus G. "Chuy" [D-IL-4]	D · IL		Apr 8, 2019
Rep. Chu, Judy [D-CA-27]	D · CA		Apr 29, 2019
Rep. Trone, David J. [D-MD-6]	D · MD		Jun 26, 2019
Rep. Takano, Mark [D-CA-41]	D · CA		Jul 25, 2019
Rep. Watson Coleman, Bonnie [D-NJ-12]	D · NJ		Jul 25, 2019
Rep. Engel, Eliot L. [D-NY-16]	D · NY		Jan 16, 2020
Rep. Price, David E. [D-NC-4]	D · NC		Jan 21, 2020
Rep. Sarbanes, John P. [D-MD-3]	D · MD		Feb 25, 2020
Rep. Meng, Grace [D-NY-6]	D · NY		Mar 3, 2020
Rep. Kennedy, Joseph P., III [D-MA-4]	D · MA		Jul 21, 2020

Committee Activity

Committee	Chamber	Activity	Date
Ways and Means Committee	House	Referred To	Mar 13, 2019

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
116 HR 4321	Related bill	Sep 13, 2019: Referred to the Subcommittee on Environment and Climate Change.
116 HR 3848	Related bill	Aug 12, 2019: Referred to the Subcommittee on Antitrust, Commercial, and Administrative Law.
116 S 2155	Related bill	Jul 17, 2019: Read twice and referred to the Committee on Finance.
116 S 781	Related bill	Mar 13, 2019: Read twice and referred to the Committee on Finance.

Summary (as of Mar 13, 2019)

Carried Interest Fairness Act of 2019

This bill modifies the tax treatment of carried interest, which is compensation that is typically received by a partner of a private equity or hedge fund and is based on a share of the fund's profits. (Under current law, carried interest is taxed as investment income rather than at ordinary income tax rates.)

This bill includes provisions that

- set forth a special rule for the inclusion in gross income of partnership interests transferred in connection with the performance of services,
- treat as ordinary income the net capital gain with respect to an investment services partnership interest except to the extent such gain is attributable to a partner's qualified capital interest,
- exempt income from investment services partnership interests from treatment as qualifying income of a publicly traded partnership,
- exempt certain family partnerships from the application of this bill,
- increase the penalty for underpayments of tax resulting from failure to treat income from an investment services partnership interest as ordinary income, and
- include income and loss from an investment services partnership interest for purposes of determining net earnings from self-employment and applicable self-employment taxes.

The bill defines "investment services partnership interest" as any interest in a partnership held by a person who provides services to a partnership by (1) advising the partnership about investing in, purchasing, or selling specified assets; (2) managing, acquiring, or disposing of specified assets; or (3) arranging financing with respect to acquiring specified assets.

Actions Timeline

- Mar 13, 2019: Introduced in House
- Mar 13, 2019: Referred to the House Committee on Ways and Means.