

S 781

Carried Interest Fairness Act of 2019

Congress: 116 (2019–2021, Ended)

Chamber: Senate

Policy Area: Taxation

Introduced: Mar 13, 2019

Current Status: Read twice and referred to the Committee on Finance.

Latest Action: Read twice and referred to the Committee on Finance. (Mar 13, 2019)

Official Text: <https://www.congress.gov/bill/116th-congress/senate-bill/781>

Sponsor

Name: Sen. Baldwin, Tammy [D-WI]

Party: Democratic • **State:** WI • **Chamber:** Senate

Cosponsors (14 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Blumenthal, Richard [D-CT]	D · CT		Mar 13, 2019
Sen. Booker, Cory A. [D-NJ]	D · NJ		Mar 13, 2019
Sen. Duckworth, Tammy [D-IL]	D · IL		Mar 13, 2019
Sen. Feinstein, Dianne [D-CA]	D · CA		Mar 13, 2019
Sen. Gillibrand, Kirsten E. [D-NY]	D · NY		Mar 13, 2019
Sen. Hirono, Mazie K. [D-HI]	D · HI		Mar 13, 2019
Sen. Kaine, Tim [D-VA]	D · VA		Mar 13, 2019
Sen. Klobuchar, Amy [D-MN]	D · MN		Mar 13, 2019
Sen. Merkley, Jeff [D-OR]	D · OR		Mar 13, 2019
Sen. Reed, Jack [D-RI]	D · RI		Mar 13, 2019
Sen. Van Hollen, Chris [D-MD]	D · MD		Mar 13, 2019
Sen. Warren, Elizabeth [D-MA]	D · MA		Mar 13, 2019
Sen. Whitehouse, Sheldon [D-RI]	D · RI		Mar 13, 2019
Sen. Markey, Edward J. [D-MA]	D · MA		Jan 28, 2020

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	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 HR 1735	Related bill	Mar 13, 2019: Referred to the House Committee on Ways and Means.

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 Senate
- **Mar 13, 2019:** Read twice and referred to the Committee on Finance.