

## HR 2686

Ending Wall Street Tax Giveaway Act

**Congress:** 118 (2023–2025, Ended)

**Chamber:** House

**Policy Area:** Taxation

**Introduced:** Apr 18, 2023

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

**Latest Action:** Referred to the House Committee on Ways and Means. (Apr 18, 2023)

**Official Text:** <https://www.congress.gov/bill/118th-congress/house-bill/2686>

### Sponsor

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

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

### Cosponsors (2 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Beyer, Donald S., Jr. [D-VA-8]	D · VA		Apr 18, 2023
Rep. Porter, Katie [D-CA-47]	D · CA		Apr 18, 2023

### Committee Activity

Committee	Chamber	Activity	Date
Ways and Means Committee	House	Referred To	Apr 18, 2023

### Subjects & Policy Tags

#### Policy Area:

Taxation

### Related Bills

Bill	Relationship	Last Action
118 S 5333	Related bill	<b>Nov 18, 2024:</b> Read twice and referred to the Committee on Finance.
118 HR 9985	Related bill	<b>Oct 11, 2024:</b> Referred to the Committee on Ways and Means, and in addition to the Committees on Financial Services, the Judiciary, and Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.
118 HR 8201	Related bill	<b>May 1, 2024:</b> Referred to the House Committee on Ways and Means.

## Ending Wall Street Tax Giveaway Act

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

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- **Apr 18, 2023:** Introduced in House
- **Apr 18, 2023:** Referred to the House Committee on Ways and Means.