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HOUSE RESOLUTION

WHEREAS, Economic growth and increased opportunity are of utmost importance in this current economic downturn; and

WHEREAS, New commercial, residential, and affordable housing development plays an important role in stimulating economic growth, job creation, and infrastructure and environmental improvements in the State of Illinois; and

WHEREAS, New real estate development, especially in the commercial, residential, and affordable housing fields, plays an important role in maintaining property values and in maintaining the financial stability of units of government at all levels throughout the State of Illinois; and

WHEREAS, Many public pensions have suffered decreases in the value of their investment portfolios; many of those portfolios have investments in real estate partnerships; and

WHEREAS, Public-private partnerships play a key role in encouraging and accelerating commercial, residential, and affordable housing development projects, thereby helping to improve our nation's communities; and

WHEREAS, There is an inherent risk associated with

1 commercial, residential, and affordable housing development
2 projects; and

3 WHEREAS, Partnerships are widely used in real estate
4 projects in order to provide flexibility in allocating risks
5 and potential rewards in real estate projects; and

6 WHEREAS, Current legislative proposals in Congress,
7 including H.R. 4213, would re-characterize carried interest,
8 currently treated as capital gains, as ordinary income, thereby
9 discouraging real estate partnerships from investing in
10 Illinois; this proposal could also depress economic activity
11 across our State and jeopardize the stability of property
12 values and the value of any pension funds which may be invested
13 in such real estate partnerships; therefore, be it

14 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE
15 NINETY-SEVENTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that
16 we respectfully urge the United States Congress and the
17 President of the United States to maintain the current capital
18 gains tax treatment or classification for tax purposes of
19 promoted or carried interest used by real estate partnerships;
20 and be it further

21 RESOLVED, That suitable copies of this resolution be
22 delivered to the Majority and Minority Leaders of the United

1 States Senate, the Speaker and Minority Leader of the United
2 States House of Representatives, and each member of the
3 Illinois congressional delegation.