



March 4, 2021

The Honorable Patrick McHenry
United States House of Representatives
Washington, D.C. 20515

The Honorable Bill Huizenga
United States House of Representatives
Washington, D.C. 20515

Dear Representatives McHenry and Huizenga,

On behalf of the National Taxpayers Union, the nation's oldest taxpayer advocacy organization, I write to express our strong support for H.R. 1584 the "Protecting Retirement Savers and Everyday Investors Act." This incredibly timely proposal would protect taxpayers and investors from state level Financial Transactions Taxes (FTTs)—discriminatory taxes on buying and selling stocks, bonds, and other financial products. We believe enactment of H.R. 1584 would provide certainty to investors, retirees, and taxpayers, and urge all lawmakers to support this important legislation.

As you are aware, states with chronic budget imbalances have moved forward with bills to impose a FTT as a way to squeeze more revenue from taxpayers. Politicians in New York and New Jersey, for example, have introduced legislation to tax so-called "Wall Street fat cats"—a politically expedient group to target. However, the idea that such a tax will only hit Wall Street traders or the wealthy is false. An FTT would make investing more expensive for all Americans and, [according to a recent study](#), could cost a 401(k) holder up to \$65,000 in savings over an account's lifespan.

Despite the rhetoric, the scope of this tax hike is not limited to elite traders and investors—it will be felt in the pockets of the majority of Americans. Aside from taxes on ETFs and individual stocks, an FTT would drain pension funds of billions of dollars annually, leading to fewer savings and less financial security for those on the verge of retirement. For Americans hoping to retire, an FTT could prolong retirement by an estimated three and a half years.

Thankfully, your legislation shields everyday investors from these harmful effects by ensuring that investors won't be subject to FTTs on their financial trades. State and federal lawmakers should be doing everything in their power to help more Americans save for retirement—not creating more barriers and costs as FTTs would certainly do.

Higher taxes on stock trades will only hurt consumers, businesses, taxpayers, the economic recovery, and American competitiveness. NTU is proud to support legislation that prohibits these particularly harmful state level financial transaction taxes. We look forward to working with Congress to ensure its timely passage into law.

Sincerely,

Thomas Aiello
Director of Federal Affairs