



House Bill 215 - Income Tax - Carried Interest - Additional Tax

Position: Oppose

Maryland REALTORS® opposes HB 215 which suggests a 17% tax rate on “carried interest” rather than the existing capital gains rate which would be a significant tax increase.

HB 215 would require *carried interest* to be classified as ordinary income rather than a capital gain. A carried interest is an incentive or profits interest in a business arrangement that is larger as a share of the total return than the share of the initial investment – which also takes into consideration risk and management expertise. Currently, management fees for fund managers are already taxed at the current income tax rates and Maryland REALTORS® does not believe a carried interest loophole currently exists.

Maryland REALTORS encourages an unfavorable report of HB 215.

For more information, please contact bill.castelli@mdrealtor.org or susan.mitchell@mdrealtor.org or lisa.may@mdrealtor.org