



June 12, 2023

The Honorable Jason Smith  
Chairman, House Committee on Ways & Means  
1011 Longworth House Office Building  
Washington, DC 20515

The Honorable Richard Neal  
Ranking Member, House Committee on Ways & Means  
372 Cannon House Office Building  
Washington, DC 20515

**Re: Oppose H.R. 3937, the “Small Business Jobs Act”**

Dear Member of the U.S. House Committee on Ways & Means,

On behalf of Americans for Financial Reform (AFR) we are writing to urge a vote in opposition to H.R. 3937, the “Small Business Jobs Act.” This bill contains a provision expanding Trump-era tax cuts for rich investors building luxury condos in rural areas.

Section 6, “Establishment of rural opportunity zones,” of this bill would double-down on the so-called Opportunity Zones program that has brought little to no benefit to communities while further enriching a handful of wealthy tech and Wall Street investors and real estate titans.

The Opportunity Zones tax break entirely eliminates capital gains taxes on investments in the designated neighborhoods held for 10 years, a giveaway which AFR estimated could be worth [\\$26 billion](#). It has created a huge incentive for [investments in gentrifying areas](#) that are likely to drive up housing costs for people of color and low- and moderate-income people living in the designated areas, and exacerbate the affordable housing crisis.

A 2021 Government Accountability Office (GAO) [report](#) confirmed that the tax dodge scheme’s poor design and bad implementation mainly “ended up showering benefits on wealthy developers,” as Paul Krugman [put it](#). According to the GAO report, “nearly all” (90 percent) of the Opportunity Zones investments are real estate projects like hotels and apartment buildings, most of which would have happened even without the tax break, as investors reported to GAO.

Republicans in Congress are jumping at any chance they get to [expand](#) Opportunity Zones, but a windfall tax giveaway for the top one percent and a few rich developers for investing in rural communities in persistent poverty seems like the opposite of common sense.

Opportunity Zones should be repealed, not expanded in any way. Short of that, the program would need structural reforms like those included in Rep. Lloyd Doggett and Sen. Sherrod Brown’s “[Opportunity Zone Reform Act](#)” that would prevent abuses, hold investors accountable

to local community priorities, strengthen information collection, and impose performance goals tied to community benefits as a condition for receiving tax breaks.

Thank you for your attention to AFR's views on this matter. For more information please contact Oscar Valdes Viera, AFR Research Manager, at [oscar@ourfinancialsecurity.org](mailto:oscar@ourfinancialsecurity.org).

Sincerely,  
Americans for Financial Reform

CC: Members of House Committee on Ways & Means