

Honorable Member
United States Senate
Washington, DC 20510

June 27, 2025

Re: Support efforts to make Wall Street pay its fair share in budget reconciliation

Dear Senator:

The 30 undersigned organizations urge the Senate to make Wall Street and private equity firms pay their fair share in the upcoming budget reconciliation legislation. The House bill prioritized massive tax cuts for the ultra-wealthy while slashing critical programs like healthcare, nutrition assistance, and basic support for working families. The Senate version has only expanded the cuts to Medicaid and other programs while maintaining the tax giveaways to the richest people, making it the most regressive legislative package in decades. This legislation would worsen racial economic inequality and imperil the economic stability of communities nationwide.

The Senate must close the tax loopholes that reward Wall Street and private equity firms and fuel financial predation, inequality, and corporate abuse. Raising taxes on Wall Street firms to make sure they pay their fair share could reduce or even eliminate the need for cuts to critical programs that protect families. Here are a few of the most egregious Wall Street tax giveaways that Congress should end:

Raise the surcharge on stock buybacks (\$166 billion): Stock buybacks are estimated to reach a record \$1 trillion in 2025, fueled by deep cuts in the corporate tax rate.¹ Instead of investing in workers, innovation, or productive capacity, firms use buybacks to increase executive compensation, manipulate stock prices, and reward insiders.² The Inflation Reduction Act of 2022 added a 1 percent tax on corporate stock buybacks.³ Raising the stock buyback surcharge to 4 percent would generate \$166 billion in revenue over the next decade and encourage companies to reinvest in the real economy.⁴

Close the carried interest tax loophole (\$63 billion): Private equity executives rake in millions of dollars in performance fees but do not pay ordinary income taxes on these earnings unlike nurses or firefighters. The carried interest loophole allows private equity executives to misclassify a big chunk of their earnings and cut their tax bill nearly in half.⁵ It's a giveaway to private equity billionaires that

¹ Chakravarty, Kanchana, Roshan Abraham, and Sruthi Shankar. "[Goldman Sachs expects U.S. buybacks to top \\$1 trillion in 2025](#)." *Reuters*. March 7, 2024.

² Americans for Financial Reform and the Institute for Policy Studies. "[Taxing Stock Buybacks Strengthens the Real Economy and Raises Nearly \\$200B for Critical Programs](#)." June 2025.

³ Internal Revenue Service. [Press release]. "[Treasury and IRS announce new regulations on corporate stock repurchase excise tax](#)." IR-2024-101. April 9, 2024.

⁴ Wamhoff, Steve. Institute for Taxation and Economic Policy. "[Revenue-Raising Proposals in President Biden's Fiscal Year 2025 Budget Plan](#)." March 12, 2024.

⁵ Drucker, Jesse and Danny Hakim. "[Private Inequity: How a Powerful Industry Conquered the Tax System](#)." *New York Times*. June 12, 2021.

undermines basic fairness in the tax code. Treating carried interest earnings as ordinary income could raise as much as \$63 billion over the next ten years and discourage private equity's excessive risk-taking.⁶

Eliminate the expansion of the business interest deduction (\$60.5 billion): The budget reconciliation bill includes a generous expansion of the allowable interest deduction, which is calculated as a percentage of earnings. It uses a bigger earnings calculation that allows companies to deduct more interest and lower their tax bills.⁷ This is a massive gift to private equity firms that rely on debt-financing and subsidizes leveraged buyouts that force the takeover target companies to slash jobs, reduce quality, and sell off assets to service excessive debt. Restoring the lower revenue base for business interest deductions would raise \$60.5 billion over the next 10 years.⁸

Incorporate the Humans Over Private Equity (HOPE) for Homeownership Act (unscored but \$10s of billions): This measure would make it harder for private equity firms and hedge funds to convert thousands of single-family homes into rental properties, which puts homeownership out of reach for millions of working families. It would require these Wall Street investors to sell their single-family homes over a 10-year period or pay a tax penalty, tax additional single-family home purchases, eliminate depreciation and interest tax breaks.⁹

Wall Street billionaires and private equity titans have gotten rich from generous tax loopholes that have subsidized predatory takeovers that have led to mass layoffs, hospital closures, rent hikes, and bankruptcies, and fossil fuel extraction that harms workers, communities, and the planet. We urge the Senate to close these loopholes to make Wall Street pay its fair share instead of cutting programs that benefit everyone.

Thank you for your consideration,

20/20 Vision

Accountable.US/Accountable.NOW

Action Center on Race and the Economy

AFL-CIO

American Federation of Teachers

Americans for Financial Reform

Center for Economic Justice

Communications Workers of America (CWA)

Community Change Action

⁶ Senator Ron Wyden. "[Ending the Carried Interest Loophole Act](#)." November 16, 2023.

⁷ The legislation allows companies to deduct interest as a percentage of a large earnings measurement (EBITDA, earnings before interest, taxes, depreciation, and amortization, as opposed to EBIT, or earnings before interests and taxes) which increases the size of the deduction.

⁸ Joint Committee on Taxation. "[Estimated Revenue Effects Relative To A Current Policy Baseline Of Tax Provisions Contained In A Senate Substitute To Provide Reconciliation Of The Fiscal Year 2025 Budget](#)." JCX-29-25. June 21, 2025 at 2.

⁹ Senator Jeff Merkley and Representative Adam Smith. "[The HOPE \(Humans Over Private Equity\) for Homeownership Act](#)." February 27, 2025.

Maine People's Alliance
National Community Reinvestment Coalition
National Employment Law Project
National Women's Law Center
New Jersey Appleseed Public Interest Law Center
OLÉ Education Fund
Open Markets Institute
Oregon Consumer Justice
Oregon Consumer League
Partners for Dignity and Rights
People's Action Institute
Private Equity Stakeholder Project
Public Citizen
Public Justice Center
Rise Economy
Take On Wall Street
The Housing Rights Committee of San Francisco
Transparency Task Force
United Auto Workers
United for Respect
West Virginia Citizen Action Group