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The Community Bank and Automotive Industry Recapitalization Act (H.R. 1313)

America's economy was dealt a tough blow by the 2008 economic and financial crisis. While we're beginning to bounce back, there remains a crisis in commercial lending. The inability of business to find capital, particularly in the automotive sector, threatens job creation and could halt economic recovery.

To address this problem, the Community Bank and Automotive Industry Recapitalization Act encourages much-needed investment by providing a capital gains tax waiver for investments in community banks and the automotive industry. This will draw private investment to these beleaguered industries and reduce the need for taxpayer-funded bailouts.

What does the Community Bank and Automotive Industry Recapitalization Act do?

- ✓ This bill will drive much needed capital into sectors that are hobbled by a lack of investment. Community banks will immediately see an increase in available lending to small businesses and individuals. Automotive and automotive parts companies will find access to investor capital as they reinvent the industry, which will reduce the need for layoffs and grow again.

Benefits of capital gains investment incentives:

- ✓ Allows investors of all economic means, including small and innovative companies, to be able to compete equally for capital and participate with no minimum investment amount
- ✓ Provides an immediate injection of private capital and investment in our industries and neighborhoods while the minimum holding period guards against speculation, rewards companies that offer real value, and encourages investors to remain committed to communities
- ✓ Stabilizes home values by providing a capital gains tax waiver for investment property to help quickly reduce excess supply. Reducing vacancies reduces blight and increases public safety
- ✓ Alleviates local property tax shortfalls by bringing properties out of foreclosure and into private ownership
- ✓ Preferential tax treatment has been a proven means of generating investment as used in Section 1241 of the American Recovery and Reinvestment Act

Supporting Organizations

- ✓ Mortgage Bankers Association

H.R. 1313 was introduced with Representative Mike Coffman (R-CO).