

November 10, 2021

Minority Leader Mitch McConnell
Capitol Building S-230
Washington, DC, 20510

Minority Leader Kevin McCarthy
Capitol Building H-204
Washington, DC 20515

Ranking Member Mike Crapo
Dirksen Senate Office Building SD-239
Washington, D.C. 20510

Ranking Member Kevin Brady
Longworth House Office Building 1011
Washington, D.C. 20515

Dear Senate Minority Leader McConnell, House Minority Leader McCarthy Ranking Member Crapo, and Ranking Member Brady,

We, the undersigned organizations representing millions of taxpayers and retirement savers across the country, would like to thank you for your steadfast leadership in opposing this reckless \$3.5 trillion social welfare bill. President Biden and Congressional Democrats have proposed sweeping changes to individual retirement accounts (IRAs) – which they claim will close “loopholes” that only benefit the super-rich.¹ In reality, Biden’s IRA changes are a direct assault on middle class retirement savers from every generation – including Millennials, small business owners, middle-aged families, and retirees.² This is a blatant attempt by Democrats to steal millions of Americans’ hard-earned retirement savings to fund their multi-trillion social bill.

If passed, Biden’s IRA changes would ban many after-tax contributions from being converted to a Roth IRA for investors making under \$400,000 per year, making this a potential violation of President Biden’s tax pledge.³ Worst of all, Biden’s IRA changes would result in additional audits, retroactive taxation, and a list of accounts over \$2.5 million – likely the next target when Congress needs more money. Biden’s IRA changes would create insecure retirements for millions.

Since their creation in 1998, Roth IRAs have enjoyed strong bipartisan support in Congress. They are also popular with Americans, with the total value of assets in roth IRAs quintupling from 2008 to 2018.⁴ Thanks to the financial benefits Roth IRAs provide retirement savers, they have become the bedrock of America’s retirement system.

It is estimated that more than 56 percent of Americans nationally invest in IRAs.⁵ A Joint Economic Committee found that IRAs contribute to a “high national saving rate [which] allows long-term interest rates to fall, creating an environment conducive to economic growth.”⁶ Rather than supporting programs that stimulate our economy, President Biden and the Democrats want to destroy IRAs.

Ike Brannon, a conservative economist, recently wrote that instead of attacking the IRA system, Congress “should be thinking critically about how to boost savings all across the income distribution rather than basing our tax policy on spite.”⁷

Former U.S. Senator Max Baucus (D-Mont.) emphasized that changes to retirement should be done in a bipartisan manner, recalling how he and Senator Chuck Grassley (R-Iowa) worked together “on Republican bills, Democratic bills and bipartisan bills.”⁸

President Biden and congressional Democrats are attempting to pass their massive spending bill at the expense of hardworking Americans’ retirement savings on a completely partisan basis. This Democrat tax hike on the middle class must be stopped.

On behalf of the millions of Americans worried more than ever about their retirement, we thank you for your leadership and ask that you ensure these dangerous provisions never become law – protecting retirement savers of all income levels.

Sincerely,

David Williams, Taxpayers Protection Alliance

Phil Kerpen, American Commitment

Grover Norquist, Americans for Tax Reform

Ryan Ellis, Center for a Free Economy

Andrew F. Quinlan, Center for Freedom and Prosperity

Tom Schatz, Citizens Against Government Waste

Gerard Scimeca, Consumer Action for a Strong Economy (CASE)

Andrew Langer, Institute for Liberty

Tom Giovanetti, Institute for Policy Innovation

Brandon Arnold, National Taxpayers Union

Karen Kerrigan, Small Business & Entrepreneurship Council

¹ [*MarketWatch*](#), 'People are upset.' Will proposed IRA tax changes targeting the rich hurt smaller nest eggs?, by Andrew Keshner, September 23, 2021

² [*Forbes*](#), How Budget Reconciliation's IRA Regs Undermine Bipartisan JOBS Act, by John Berlau, October 8, 2021

³ [*Yahoo Finance*](#), Democrats want to cut way back on those 'backdoor Roths', by Ben Werschkul, September 23, 2021

⁴ [*Congressional Research Service*](#), Traditional and Roth Individual Retirement Accounts (IRAs): A Primer, February 3, 2021

⁵ [*U.S. Census*](#), Wealth, Asset Ownership, & Debt of Households Detailed Tables: 2018, October 8, 2021

⁶ [*Joint Economic Committee*](#), Expanding IRA Benefits, December 1997

⁷ [*Forbes*](#), Thiel's Roth Account Is Not A Policy Failure, by Ike Brannon, October 4, 2021

⁸ [*USA Today*](#), Leave existing Roth IRAs alone, by former Sen. Max Baucus, October 12, 2021