THE NEW ENGLAND COUNCIL

July 7, 2026

RE: Support for H.R. 2089/S. 1839, the GROWTH Act

Dear Members of the New England Congressional Delegation,

The New England Council strongly urges members of the New England Congressional Delegation to co-sponsor the GROWTH Act (H.R. 2089/ S. 1839) and support its passage before the end of the year. This bipartisan, commonsense legislation, already sponsored by multiple members of the delegation, would modernize outdated tax rules that unfairly penalize millions of mutual fund investors with surprise capital gains taxes on investments they never sold.

With affordability top of mind, New England families are working hard to save for their futures, and mutual funds remain one of the most common tools middle-class households use to build long-term financial security. Millions of New Englanders rely on mutual funds to save for retirement, college, and homeownership. This reform would strengthen those savings by allowing more investment earnings to remain invested and continue compounding over time.

Under current law, mutual fund investors who automatically reinvest capital gains distributions are taxed annually, even though they have not sold their shares or realized those gains. This unequal tax treatment reduces the long-term growth potential of those investments and places mutual fund investors at a disadvantage compared to investors in other investment vehicles.

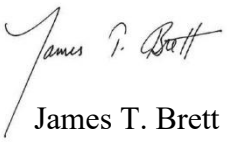
The GROWTH Act offers a practical solution by allowing investors to defer taxes on capital gains distributions that are automatically reinvested until they sell their mutual fund shares. By aligning the tax treatment of mutual funds with that of other investment products, the legislation promotes fairness while helping Americans keep more of their money invested toward long-term financial goals.

The New England Council believes this targeted reform will strengthen household savings, encourage long-term investment, and support the financial security of millions of families across our region. We respectfully urge you to join your colleagues in co-sponsoring the GROWTH Act

and working toward its enactment in this Congress. Modernizing the tax treatment of mutual fund reinvestments is a straightforward, bipartisan step that will help New England families build wealth and better prepare for retirement, education expenses, and homeownership.

Thank you for your attention to this matter. Should you have any questions, please contact Natasha Silva, Director of Federal Affairs, at nsilva@newenglandcouncil.com.

Sincerely,



James T. Brett
President & CEO