



November 29, 2007

The Honorable Charles B. Rangel
Chairman
Ways & Means Committee
US House of Representatives
1102 Longworth House Office Bldg.
Washington, DC 20515

The Honorable Jim McCrery
Ranking Member
Ways & Means Committee
US House of Representatives
1139E Longworth House Office Bldg.
Washington, DC 20515

RE: H.R. 4159: Tax Technical Corrections Act of 2007 (the "Act"), Section 7(d), relating to Section 848 of the American Jobs Creation Act of 2004, amending Section 470 of the Internal Revenue Code

Dear Chairman Rangel and Ranking Member McCrery:

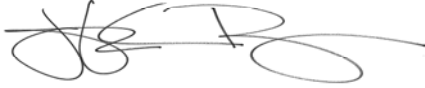
As Vice President, Federal Policy, of the National Venture Capital Association ("NVCA") and on behalf of the NVCA, our organization commends you on H.R. 4159's technical correction to the amendment to Internal Revenue Code section 470 that was enacted under the American Jobs Creation Act of 2004 (the "Section 470 Amendment").

In particular, we appreciate you and your staff working closely with us since 2004 to understand the venture capital industry and the effects that the Section 470 Amendment would have on the venture capital industry. In particular, the Section 470 Amendment, while laudably shutting down certain abusive arrangements, would have caused negative tax consequences to venture capital funds with both taxable and tax-exempt partners – in effect, almost every venture capital fund – that were unintended by that legislation.

We further understand that there were many ways in which this unintended consequence could have been rectified. We were especially pleased that the straightforward exception for partnerships included in H.R. 4159 will allow venture capital funds to avoid the negative tax consequences of the Section 470 Amendment without complex determinations or calculations that often result in uncertainty. This, in turn, supports and encourages the enviable innovation- and knowledge-based economy that venture capital funds have helped create in the United States.

Thank you once again for your support of the venture capital industry and your willingness to work with us on this and other issues. Please feel free to contact me at 703.524.2549 or Mary Kuusisto, the NVCA's outside tax counsel, at 617.526.9760 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to be 'JCD', with a long horizontal line extending to the right.

Jennifer Connell Dowling
Vice President for Federal Policy