



National Venture Capital Association

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**NATIONAL VENTURE CAPITAL ASSOCIATION PRAISES FINAL  
CONGRESSIONAL APPROVAL OF AMT PATCH WITHOUT CARRIED INTEREST  
PROVISION**

*Association Applauds Measure That Provides Tax Relief While Continuing to Support US  
Start-Up Community*

**December 19, 2007, Washington, D.C.** – The National Venture Capital Association (NVCA) today expressed strong support for the passage of a bill which will provide Alternative Minimum Tax (AMT) relief for millions of Americans while continuing to support long-term venture capital investment in start-up companies. The bill is expected to go to President Bush for signature this week.

The legislation, which was approved by a bi-partisan vote of 352 to 64, did not include a provision to alter the tax rate of carried interest from capital gains to ordinary income, which would have doubled the taxes that venture capitalists pay when they build successful companies. For months, the NVCA has expressed its concern that this type of alteration to the tax code would discourage venture capital investment and harm a significant engine of the U.S. economy.

“NVCA applauds both Congress and the Administration for their hard work to ensure that a key tool in America’s innovation arsenal – the current tax framework for venture capital -- was protected in the AMT patch legislation,” said Mark Heesen, President of the NVCA. “This critical support clearly demonstrates that a broad, bipartisan coalition understands that the current tax framework for innovation represents a fundamental incentive for venture capitalists to invest in America’s most promising young innovation companies. Simply put, the carried interest incentive has existed for more than 30 years and has helped make the U.S. economy the envy of the world.”

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The National Venture Capital Association (NVCA) represents approximately 480 venture capital and private equity firms. NVCA's mission is to foster greater understanding of the importance of venture capital to the U.S. economy, and support entrepreneurial activity and innovation. According to a 2007 Global Insight study, venture-backed companies accounted for 10.4 million jobs and \$2.3 trillion in revenue in the United States in 2006. The NVCA represents the public policy interests of the venture capital community, strives to maintain high professional standards, provides reliable industry data, sponsors professional development, and facilitates interaction among its members. For more information about the NVCA, please visit [www.nvca.org](http://www.nvca.org).