



October 8, 2020

The Honorable Tom Emmer  
Minnesota Sixth Congressional District  
315 Cannon House Office Building  
Washington, DC 20515

Dear Congressman Emmer,

On behalf of the 2.2 million members of AMAC – Association of Mature American Citizens, we are pleased to support your legislation, the “Retirement Inflation Protection Act of 2020.” This important legislation will protect the savings of seniors by ensuring they are not taxed on inflation.

Since the 1980s, nearly the entire tax code has been indexed for inflation, yet capital gains taxes were not. This means millions of Americans, especially seniors who have saved for retirement, are paying taxes on their loss of buying power. The “Retirement Inflation Protection Act” will stop the government from taxing the increase in the value of savings due to inflation by indexing all assets sold by those over age 59½ to inflation since the asset was purchased.

This means seniors will have increased buying power by being able to keep more of their savings when it is most important. Similar proposals to eliminate the penalty caused by taxing inflation have been supported for decades and AMAC supports this bill because it helps seniors living on a fixed income compensate for rising costs.

As an example of this increase in buying power, if a worker purchased \$1,000 of an S&P 500 index fund in 2010 and sold it after retiring in 2020, the retiree would have a net gain of \$1,728, but \$332 is due to inflation and would not be taxed. This allows the retiree to save more of their savings rather than forfeiting it to the government.

I am pleased to offer our organization’s full support for the “Retirement Inflation Protection Act of 2020.”

Sincerely,

A handwritten signature in black ink that reads "Bob Carlstrom".

Bob Carlstrom  
President,  
AMAC Action