



July 29, 2008

The Honorable Harry Reid
Senate Majority Leader
528 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Mitch McConnell
Senate Minority Leader
361-A Russell Senate Office Building
Washington, D.C. 20510

The Honorable Max Baucus
Chairman
Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Charles Grassley
Ranking Member
Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Messrs. Reid, McConnell, Baucus, and Grassley:

The Securities Industry and Financial Markets Association (SIFMA), which represents more than 650 members of the financial services community, supports S. 3335, the *Jobs, Energy, Families, and Disaster Relief Act of 2008*.

In particular, SIFMA supports the extension of the active financing rules. These rules ensure that U.S.-based financial services firms are not double taxed on the active financing income earned through their international operations. Extension of these rules provides the financial services sector with the same tax treatment as other industries and is critically important to our global competitiveness. Failure to extend the active financing rules would result in a substantial tax increase on the U.S. financial services sector and place U.S.-based companies at a significant disadvantage compared to their foreign-based competitors.

We urge Congress to work in a bipartisan manner to send the President legislation extending the active financing rules that will be signed as soon as possible. We look forward to working with you to make technical and clarifying changes as the legislation moves forward. Thank you for your leadership on energy and tax extenders legislation.

Sincerely,

Scott DeFife
Senior Managing Director
Government Affairs

Richard Hunt
Senior Managing Director
Government Affairs