



ANGEL CAPITAL ASSOCIATION

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Angel Capital Association Board Chair David Verrill Urges Congress to Support Angels' Seed Stage Investing by Not Increasing Capital Gains Tax Rates

Washington, DC—September 20, 2012—David Verrill, chairman of the Angel Capital Association, testified to a joint Congressional committee today that an increase in the long-term capital gains tax rate above its current 15% maximum would likely reduce angel investment in startups and diminish job creation in the U.S.

“An increase in the capital gains tax would be like taking our foot off the gas pedal at a time when we are trying to get the economy moving faster,” said Verrill. “Any tax disincentives for angels to invest in startups would strike a blow to entrepreneurship and job creation that is essential to our nation’s economic health. ACA recommends that the capital gains rate remain at 15%.”

Verrill, who is also managing director of Hub Angels Investment Group in Boston, cited studies that showed high-growth startups, for which angels provide a significant amount of seed capital, make up only 1% of businesses, but create 20% of gross new jobs in any given year.

“Angel-backed companies are the wellspring of our innovation economy,” Verrill said. “We provide not just capital, but time, expertise, mentorship, and governance; and successful angels plow returns back into new startups, generating more successful companies, which pay taxes and create jobs.”

Verrill testified at a Joint Hearing on Tax Reform and Tax Treatment of Capital Gains of the House Ways and Means and Senate Finance committees. His full testimony is available online on the [ACA's Website](#).

More information about the Congressional hearing, including additional testimonies and video footage, can be accessed on the [Website for the United States Senate Committee on Finance](#).

The **Angel Capital Association (ACA)** is the North America trade association of angel groups and investors that invest in high growth, early-stage ventures. ACA provides professional development for angel groups, family offices and individuals, delivers services to support the success of members’ portfolio companies and serves as the public policy voices for the US angel community. ACA membership includes 170 angel groups, with nearly 8,000 accredited investors, and another 20 affiliated organizations. www.angelcapitalassociation.org

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