



## **House Ways and Means Committee Holds Hearing on Corporate Tax Reform; Loews CEO James S. Tisch Testifies and Announces Formation of New America Gains Coalition for Corporate Capital Gains Tax Reform**

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WASHINGTON--(BUSINESS WIRE)--May 9, 2006--Today, Cong. Dave Camp, (R - Michigan), Chairman of the House Ways & Means Subcommittee on Select Revenue Measures, heard testimony from economists and U.S. business leaders regarding impediments created by the current federal tax code. The Subcommittee also heard proposals on how to strengthen and simplify the federal corporate tax system to create jobs at home and to increase U.S. competitiveness abroad.

One prominent panelist James S. Tisch, is President and CEO of Loews Corporation (NYSE: LTR; CG), a large holding company based in New York City. Loews either owns or is a majority shareholder in six separate and unique businesses, including commercial property & casualty insurance, tobacco, offshore oil drilling services, interstate natural gas pipelines, hotels, and watches.

Mr. Tisch addressed the historically high corporate capital gains tax rate, which currently is at 35%. "U.S. corporations pay one of the highest rates of tax in the entire world. By lowering the rate on corporate capital gains, you would unleash a huge amount of capital into the economy, which would fuel domestic job growth as the new capital infusion generates ever more efficient capital deployment."

Tisch quoted a recent study by Harvard Associate Professor Mehir Desai which concluded that the current 35% corporate capital gains tax rate has prevented over \$800 billion of corporate capital from being reinvested because that tax rate makes new investment economically impossible.

Tisch added, "along with this 'lock-in' effect on capital investment, you have companies facing double -- and even triple -- taxation on the same dollar of profit under the current tax code."

Tisch also announced that he will spearhead an effort along with like-minded business leaders to form a coalition called "America Gains" to educate policy makers and the public about this problem, and to "put corporate capital gains reform at the forefront of federal tax reform."

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