

## Taxes

News came out Thursday that the Biden administration will propose that the capital gains rate for anyone making over \$1 million will rise from 20% to the ordinary income marginal rate of 39.6% and that the Obamacare investment income surtax of 3.8% remain in place. Equity markets fell about 1% on the news.

**Our Take:** A drastic increase in capital gains rates will likely pressure asset prices as buyers demand greater price appreciation in order to achieve the same after-tax returns on their investments.

## Municipals

Chicago issued a request for proposals for a casino. Interested developers may submit plans for the location of the casino along with plans for a hotel with up to 500 rooms, restaurants, bars, and meeting space. Bidders will be able to present their proposals to the public later this year and a winner will be chosen next year. The casino is slated to be open by 2025. City leaders estimate that a casino could generate \$200 million in revenue and would be used to help fund the city's fire and police pension funds.

**Our Take:** Mayor Lori Lightfoot stated that "the bottom line is to make sure we are getting revenue as quickly as possible." Even if a casino is a good idea, its estimated completion is still years away. While new future tax revenue directed to the underfunded pensions is a net positive, city leaders should focus on more immediate sources of funding, or perhaps pension reform.

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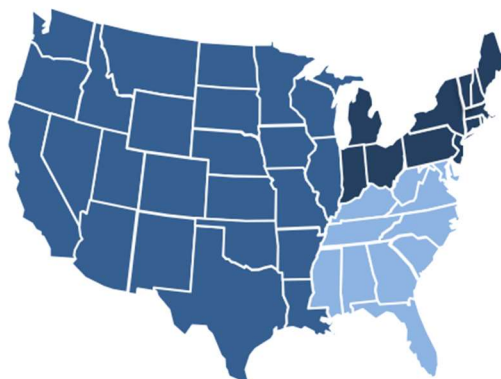
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