

U.S. Rep. John Campbell has unveiled a plan that would do away with the capital gains tax in 2009.

Just like many states and cities across the country offer annual sales tax holidays that boost back-to-school sales at shopping malls, Campbell believes the proposal would encourage people to buy homes, property, stocks, bonds and businesses.

The proposal would eliminate all capital gains taxes on assets purchased in 2009, regardless of when the asset is sold.

“This is to make it [the Capital Gains tax] go to zero, so that people say, ‘Wait a minute, that really gives me the potential for a lot of increased return,’ ... now we’re dealing with trying to make a recession shorter and shallower,” said Campbell in an interview with CNBC’s Maria Bartiromo on Monday.

A member of the House Financial Services Committee, Campbell believes the tax holiday would increase revenue to the U.S. Treasury this year. The loss of tax revenue down the road would be offset by a hopefully better economy.

“You would want it to be fairly short term to stimulate activity. Once the activity is stimulated, the economy will run with the ball on that,” Campbell said.

There has not been any research done to determine how much tax revenue the federal government would stand to lose from a capital gains tax holiday yet, Campbell said.