

United States Senate Tax Reform Talking Points

NAR is **OPPOSED** to the “Tax Cuts and Jobs Act” tax reform plan released by the Senate Finance Committee. This plan, like its companion in the House of Representatives, is a direct threat to homeownership, to millions of middle-income families, and to our businesses. Not only will millions of homeowners not benefit from the proposal, many will get a tax increase. Additionally, homeowners could lose substantial equity from the more than 10 percent drop in home values likely to result if the bill is enacted.

What the Legislation Would Do

- **Retains the current mortgage interest deduction level**
 - MID is *not indexed to inflation*, causing its value to diminish over time.
 - **Doubles the standard deduction**
 - Combined with the elimination of most itemized deductions, this puts homeownership tax incentives beyond the reach of more than 94 percent of American families.
 - **Limits the exemption on Capital Gains Tax from the sale of a primary residence**
 - New rules would require homeowners to live in their home for five of eight years before a sale to qualify for the exemption versus just two of previous five years today. This will create a hardship to homeowners who have to move inside that five-year window.
 - **Eliminates the interest deduction on all Home Equity Loans**
 - **Eliminates the deduction for ALL state and local taxes (including property taxes)**
 - **Eliminates the deduction for moving expenses with an exemption for military families**
 - **Requires a Presidential Declaration of Disaster to use the deduction for personal casualty losses**
- All this from a bill that is supposed to improve the current tax system. Not only is this legislation a clear and present danger to American homeownership, it will cost our children and grandchildren at least \$1.5 trillion in new federal debt.
- Millions of middle class homeowners would see a tax hike under this plan.
 - This plan attacks homeownership and sticks future generations with a \$1.5 trillion price tag.
 - America’s homeowners, who already pay 83 percent of all Federal income taxes, should not have to pay for corporate tax cuts.
 - Hard-working homeowners will lose money when their home values fall, while corporations will get a huge tax break.
 - Homeowners in all 50 states would be double taxed on the money they pay for state/local taxes.
 - If you buy a home and then have to move within five years, you could be hit with a big tax bill under this plan.