

Chris Polychron, CIPS, CRS, GRI  
2015 President

Dale A. Stinton  
Chief Executive Officer

**GOVERNMENT AFFAIRS  
DIVISION**

Jerry Giovaniello, Senior Vice President  
Gary Weaver, Vice President  
Joe Ventrone, Vice President  
Scott Reiter, Vice President  
Jamie Gregory, Deputy Chief Lobbyist

500 New Jersey Ave., NW  
Washington, DC 20001-2020  
Ph. 202-383-1194 Fax 202-383-7580  
www.REALTOR.org

February 3, 2015

The Honorable Paul Ryan  
Chairman  
House Ways and Means Committee  
1233 Longworth House Office Building  
Washington, DC 20515

The Honorable Sander Levin  
Ranking Member  
House Ways and Means Committee  
1236 Longworth House Office Building  
Washington, DC 20515

Dear Chairman Ryan and Ranking Member Levin:

On behalf of the more than one million members of the NATIONAL ASSOCIATION OF REALTORS®, I am writing to thank you for including H.R. 636, America's Small Business Tax Relief Act of 2015, in today's Ways and Means Committee markup, and to encourage a strong vote of approval by Members on both sides. This timely legislation would restore permanently the amount of investment in business property that small enterprises may immediately write off – often known as Section 179 expensing – to \$500,000. The Act would also include certain limited improvements to real property in the higher threshold and permanently index it to inflation.

The ability of small businesses to immediately deduct the cost of qualified investment in the year purchased, rather than having to recover the cost through depreciation over several years, has been a key to the survival of many thousands of such firms over the past decade. Since 2003, Congress has steadily increased the annual expensing limit from \$25,000 to \$500,000, where the limit stood until December 31, 2014.

Unfortunately, the higher limit of this provision was only temporary and was allowed to expire at the end of last year. On New Year's Day 2015, the expensing limit plunged to a paltry \$25,000, and the incentive value of this benefit is now a mere shadow of its former self. Support for the higher limit is deep and wide, cutting across party lines and all regions of the nation.

For REALTORS® and their clients, this provision is doubly significant. First, included in the permanent increase of this legislation are three types of investment in real property – namely, qualified leasehold improvement property, qualified restaurant property, and qualified retail improvement property. Though limited in scope, the increased expensing afforded by the Act will incentivize the remodeling or rebuilding of many business properties in every Ways and Means Member's district and throughout the nation, thus creating new jobs and increasing business activity in both the improved spaces and those surrounding them.

Second, the great majority of REALTORS® are small businesses themselves, and these higher expensing limits will encourage them to invest in new computers, automobiles, and other types of business equipment. This investment will have tremendous secondary effects as these new business purchases are magnified throughout the economy.



The approval of legislation that permanently restores the small business expensing threshold to \$500,000 will go a long way towards improving economic growth, as well as reducing the very real burdens of uncertainty and excess complexity that small enterprises face. Many thousands of your constituents and millions of Americans everywhere in our great Nation will thank you for your support of this key legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Polychron". The signature is fluid and cursive, with a long horizontal stroke at the end.

Chris Polychron  
2015 President, National Association of REALTORS®

cc: Members of the House Ways and Means Ccommittee