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The Honorable Jenniffer González-Colón
U.S. House of Representatives
1529 Longworth House Office Building
Washington, DC 20515


Dear Representative González-Colón:

On behalf of the 1.3 million members of the National Association of REALTORS® (NAR), thank you for introducing H.R. 5430, The Puerto Rico Real Estate Exchange Act, which would extend like-kind exchange tax treatment between real property in Puerto Rico and the rest of the United States. This provision will create an important incentive for economic investment on the island.

The members of the Puerto Rico Association of REALTORS® (PRAR) work with buyers from the 50 States who are looking for investment and business development opportunities. Under today's tax law, however, real estate in Puerto Rico does not meet the definition of "like-kind" with other U.S. properties, and thus, the tax deferred treatment of Section 1031 of the Internal Revenue Code is not available. Extending Section 1031 like-kind treatment to Puerto Rico will provide another option and incentive to prospective investors. It may encourage many real estate investors to consider exchanging properties for parcels in Puerto Rico, and thus help spur economic growth and job creation on the island.

Again, thank you for introducing this legislation. NAR looks forward to working with you as this bill moves through the legislative process.

Sincerely,



Elizabeth Mendenhall
2018 President, National Association of REALTORS®

