



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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November 7, 2007

U.S. House of Representatives
Washington, DC 20515

Dear Representative:

The NATIONAL ASSOCIATION OF REALTORS® has carefully reviewed H.R. 3996, the AMT patch and tax extenders package that the House will consider this week. Extending the so-called AMT patch will be a benefit to many of our members and particularly to citizens who live in communities with high property taxes.

Two of the extenders are provisions that NAR has sought and supported for nearly a decade. These are the 15-year cost recovery period for leasehold improvements and the provision that permits a deduction for costs associated with brownfields clean up. These two provisions create jobs. The leasehold improvement provision reflects economic reality and facilitates renovation, upgrades and renewal of nonresidential property. The brownfields clean up provisions provide an incentive for the arduous, skilled and important environmental work of eliminating contaminants. While we continue to work to make these provisions permanent, we nonetheless support the one-year extension.

We are particularly appreciative that the Ways and Means Committee has sent a strong signal about the importance of the mortgage cancellation relief provision that passed the House in October on a vote of 386 – 27. Including that provision in the extenders bill emphasizes the importance of providing this relief on a timely basis. Securing enactment of that relief is among our top priorities.

We do have many concerns about the so-called “carried interest” provision. As real estate professionals who are engaged in every facet of real estate ownership and investment, our members have a core belief that real estate is fully distinguishable from securities. Thus, we do not believe it is appropriate to extend the carried interest provision to real estate partnerships.

We look forward to an ongoing discussion about many of these issues.

Sincerely,

Pat V. Combs, ABR, CRS, GRI, PMN
2007 President, National Association of REALTORS®