



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

500 New Jersey Avenue, N.W.
Washington, DC 20001-2020
202.383.1194 Fax 202.383.7580
www.realtors.org/governmentaffairs

Vicki Cox Golder
CRB
President

Dale A. Stinton
CAE, CPA, CMA, RCE
Chief Executive Officer

GOVERNMENT AFFAIRS DIVISION
Jerry Giovaniello, Senior Vice President
Gary Weaver, Vice President
Joe Ventrone, Vice President
Jamie Gregory, Deputy Chief Lobbyist

December 15, 2009

United States Senate
Washington, DC 20510

Dear Senator:

The tax extenders bill passed by the House includes a change in the tax treatment of carried interests as a pay-for. The National Association of REALTORS® and its 1.2 million members, along with affiliates the Institute of Real Estate Management and CCIM Institute, strongly oppose changing the current tax law on carried interest. The loss of capital gains treatment for real estate investment partnership interests would turn long-established taxation rules upside down and have a dramatic negative impact on the commercial real estate industry.

Real estate partnerships, from the smallest venture to the largest investment fund, have a carried interest component. Approximately \$1 trillion of commercial and residential rental real estate is held privately in America today. The great majority of these properties are held by partnerships. Unlike hedge fund managers and other Wall Street financiers, carried interest in real estate is based on the appreciation of a physical asset, i.e. a building, at the time of sale. Changing the tax rates on carried interest from capital gains rates to ordinary income rates would be devastating to these businesses.

Just as importantly, given our still struggling economy and real estate markets, such a policy would also have a dramatic negative impact on commercial real estate values and the local communities in which they are located. We urge you to strongly oppose any efforts to change the taxation of carried interests.

Sincerely,

A handwritten signature in cursive script that reads "Vicki Cox Golder".

Vicki Cox Golder, CRB
2010 President, National Association of REALTORS®