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December 9, 2010

The Honorable Harry Reid
Majority Leader, United States Senate
522 Hart Senate Office Building
Washington, DC 20510

Dear Senator Reid:

The 1.1 million members of the NATIONAL ASSOCIATION OF REALTORS® are pleased that Congress will vote shortly on a major tax package that will extend many important provisions of current law and also provide additional tax relief. We support this legislation and urge you to support it, as well.

Despite improvement in some localities, neither the housing market nor the commercial real estate sector has recovered from the impact of the crisis that began in 2007. Homeowners, prospective buyers and sellers, real estate investors and Realtors® all will benefit from a stable tax environment as we move to 2011. Instability and uncertainty about tax rules are enemies of the slow but steady progress we've made.

The pending compromise legislation provides certainty on a number of issues. These include:

- Retention of the 15% capital gains rate,
- Reinstatement of the stepped –up basis rules under the estate tax,
- Expansion of the estate tax exclusion,
- Lower estate tax rates,
- Shorter depreciation recovery periods for leasehold improvements,
- Enhanced expensing for some assets,
- Energy tax credits, and
- Alternative Minimum Tax relief.

The package also adds temporary tax relief from payroll taxes. This relief will be particularly valuable to Realtors®. As self-employed workers, real estate sales agents pay both the employer and employee portions of payroll taxes. Thus, this provision will put money directly in their pockets as they weather the challenges of the current real estate market.

We urge quick passage and enactment of this tax relief.

Sincerely,

A handwritten signature in blue ink that reads 'Ron Phipps'.

Ron Phipps, ABR, CRS, GRI, GREEN, e-PRO
2011 President, National Association of REALTORS®

