

September 30, 2004

The Honorable Bill Thomas
Chairman
Committee on Ways and Means
United States House of Representatives
2208 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Thomas:

The one million members of the NATIONAL ASSOCIATION OF REALTORS[®] (NAR) have been pleased to support H.R. 4520, the “Jumpstart Our Business Strength,” (JOBS) bill. The House and Senate versions of these bills are well-tuned combinations of domestic and international reforms that simplify business taxation, reduce corporate tax rates for many business sectors and assure that American workers have the most productive workplaces in which to conduct their operations.

The real estate industry has been a bright spot in the economy for several years. In order to sustain this momentum, more American workers need good, value-added jobs. They also need modern, well-equipped workplaces. Communities need all the tools they can muster to enhance the quality of life for residents. Thus, NAR supported both the House and Senate versions of this legislation.

Three provisions of great interest to REALTORS[®] are found in either the House or Senate versions of the bills. NAR urges the conferees to retain the following real estate provisions in the final version of the legislation:

- Retain the leasehold improvement provision that provides a 15-year cost recovery period for these assets. (House version) Make permanent, if possible.
- Retain the improvements and technical corrections related to the so-called “10-year rule of the mortgage revenue bond provisions (Senate version)
- Retain the Real Estate Investment Trust (REIT) technical corrections. (Both bills contain REIT changes that differ from one another. All should be enacted.)

These real estate provisions are consistent with the goals of enhancing productivity and increasing jobs. Improved capital recovery rules for leasehold improvements will assure that

workers have the best possible space in which to work. The process of making these improvements enables owners and/or tenants to create numerous jobs in construction trades.

Thus, the leasehold improvement provision has the dual benefit of both enhancing business output and increasing capital expenditures as new jobs come on line. The mortgage revenue bond provisions will expand homeownership opportunities in communities. Expanding homeownership, as we have seen in recent years, creates jobs and benefits families. Finally, the REIT provisions will enhance the efficiency of this important sector of the commercial real estate market.

We urge the speedy resolution of the conference issues in this important legislation. We urge you to recognize the inter-related benefits and jobs creation potential of expanded homeownership, a healthy commercial real estate economy and productive, up-to-date workplaces.

Sincerely,



Jerry Giovaniello
Senior Vice President and Chief Lobbyist

CC:

The Honorable Dennis Hastert
The Honorable Bill Frist
The Honorable Tom DeLay
The Honorable Roy Blunt
The Honorable Charles Rangel
The Honorable Charles Grassley
The Honorable Max Baucus
The Honorable Eric Cantor