



NATIONAL ASSOCIATION OF REALTORS®

*The Voice For Real Estate®*

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June 17, 2003

U. S. House of Representatives  
Washington, D. C. 20515

Dear Representative:

The NATIONAL ASSOCIATION OF REALTORS® (NAR) represents over 900,000 real estate professionals who participate in activities including sales, leasing, brokerage and property management. NAR has long supported the repeal of the estate tax. We urge you to vote in favor H.R. 8, a bill that will make the provisions of the 2001 estate tax repeal permanent.

Failure to make the 2001 estate tax repeal permanent is already causing significant problems for our members. As owners of small businesses, Realtors must plan for their own retirement and the perpetuation of their business. This so-called “succession planning” requires that they have viable estate plans in effect. Current law generates considerable complexity and uncertainty for business owners because of phase-outs, followed by repeal, followed by either pre-2001 law or some other unknown modification. This requires a minimum of three different succession plans, all driven by different estate tax consequences. Making the estate tax repeal permanent will provide certainty for Realtors and other small business owners.

The 2001 changes to the estate tax also include important provisions that would be made permanent if H.R. 8 is enacted. These changes clarify the treatment of real estate and other property in any family’s estate at the time of full repeal. The preservation of the \$250,000/\$500,000 exclusion for heirs of a parent’s principal residence is a significant benefit to families. In addition, two narrower provisions will assist a smaller but significant group of property owners. The first provides a fair result for transfers of depreciable property with debt in excess of basis. In addition, flexible community property rules are helpful to residents of community property states.

We urge your support for H.R. 8 and permanent estate tax repeal.

Sincerely,

Senior Vice President, Government Affairs

