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NAIOP National lauds congressional action on key issues; urges attention

January 23, 2008 - Front Section

NAIOP applauds the 110th Congress on actions taken in its first session on key issues critical to NAIOP members and the commercial real estate industry.

Specifically, in passing year-end tax legislation, Congress chose not to include a provision that would have more than doubled taxes on many partners in real estate development partnerships by taxing "carried interests" as ordinary income rather than as capital gains. Increasing taxes on carried interests of real estate partnerships could have been devastating to the industry, affecting both large and small partnerships.

"Carried interest was obviously at the forefront of members' minds this year," said NAIOP president Thomas J. Bisacquino. "We are pleased that Congress took responsible action on this important matter that would have otherwise debilitated the sector and undermined the economy."

In addition, NAIOP applauds Congress for passing energy legislation that does not include unrealistic energy efficient mandates for state building codes. NAIOP is committed to working toward increased building energy efficiency and looks forward to a continuing dialogue with Congress in 2008 to promote practical goals.

Finally, NAIOP approves of the decision by Congress to pass a seven-year extension of the Terrorism Risk Insurance Act (TRIA), allowing property insurance protection against terrorism-related losses. Without an extension of the program, the nation's economy would have faced severe economic disruption from a lack of affordable, comprehensive terrorism insurance for businesses and commercial properties.

Throughout the year, NAIOP members were instrumental in the association's success on Capitol Hill. "We were extremely pleased to see record numbers of NAIOP members involved in the political process in 2007," said Bisacquino. "Members contacted their respective representatives in Congress to voice concerns on issues and insist on swift and responsible action, which obviously made a difference this year."

Several key items were left unaddressed by Congress prior to ending their work in 2007. Among these are the extension of several expiring tax provisions of critical importance to NAIOP members and the commercial real estate industry. These "tax extenders" include 15-year tenant improvement depreciation and brownfields remediation expensing. In the past, these provisions have been extended annually. NAIOP urges Congress immediately upon their return to pass, on a retroactive basis, these important tax extenders.

In addition, Congress must continue to reject any increases that are proposed to comply with House pay-as-you-go requirements that would have a harmful impact upon the commercial real estate sector in particular, and on the nation's economy as a whole.

NAIOP will continue to work with leaders in both parties to address the subjects that matter most to

its members and the commercial real estate industry as a whole.

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