

# National Association of Realtors® Applauds Passage of Tax Extenders Package



WASHINGTON (December 18, 2015) – A significant piece of tax legislation is now on its way to the President’s desk, and the bill includes the extension of a number of expired tax provisions important to supporting homeowners and real estate investment. Tom Salomone, National Association of Realtors® president and broker-owner of Real Estate II Inc. in Coral Springs, Florida, praised Congressional leaders today after the House and Senate passed a tax extenders package that includes many provisions supported by NAR.

“These tax extenders offer critical support for consumers, homeowners, commercial property investors and small businesses alike,” said Salomone. “A strong economy requires certainty, and this proposal gives a healthy dose of it to millions of American taxpayers.”

Salomone highlighted the decision to extend tax relief for mortgage debt forgiveness as a win for Realtors®. This provision protects underwater homeowners from incurring a large tax bill on phantom income in connection with a workout or a short-sale. Since 2007, this tax relief has strengthened individual communities and the broader economy as more distressed

homeowners were offered the flexibility to responsibly address an underwater mortgage. The tax extenders deal offers an additional two years of protection covering tax years 2015 and 2016.

The bill also includes a permanent extension of a 15-year cost recovery period for the depreciation of qualified leasehold improvements. This provision ensures that a commonsense cost-recovery period remains permanently in place for improvements made to nonresidential commercial property. Real-estate related provisions also include the renewal of certain incentives to promote energy efficient commercial and multifamily buildings. Similarly, an expired tax credit of between \$1,000 and \$2,000 for energy-efficient new homes is extended for an additional two years under the bill.

The legislation also permanently extends rules allowing small- and mid-sized businesses to immediately expense business equipment, rather than depreciate the equipment over several years. This is important to Realtors®, who purchase new computers, copiers, cameras and even vehicles in the course of doing business.

Finally, the tax bill also includes changes to the Foreign Investment in Real Property Tax Act (FIRPTA) that will ease restrictions on investment in commercial real estate.

NAR [sent a letter](#) to House and Senate tax-writing committees as the final package was being developed to ask for support on maintaining these key provisions. Salomone thanked members on the committee for their leadership and attention to Realtor® concerns.

“We’re grateful for the leadership shown on this important piece of legislation and look forward to continuing our work in support of homeownership,” said Salomone.

The bill is expected to be signed quickly into law by the President.

The National Association of Realtors®, “The Voice for Real Estate,” is America’s largest trade association, representing 1.1 million members involved in all aspects of the residential and commercial real estate industries.

