

Harry Salzman

From: Elizabeth Mendenhall and Bob Goldberg <action@realtors.org>
Sent: Thursday, December 21, 2017 2:07 PM
To: Harry Salzman
Subject: Thank you for Supporting the REALTOR Party on Tax Reform



NATIONAL
ASSOCIATION *of*
REALTORS®



Dear Harry –

We wanted to write to you today to say thank you for responding to NAR's Calls for Action on the Tax Cuts and Jobs Act of 2017.

Although the final tax reform bill is far from perfect and the results are mixed, it is significantly better for homeowners than previous versions. That's thanks to the efforts you made. REALTORS® generated over 300,000 emails and telephone calls to members of Congress over two Calls for Action and held countless in-person meetings with legislators, all of which helped shape the final product. All of this grass-roots support truly helped NAR as we worked with members of the House-Senate conference committee to help educate them on how to improve the final bill.

We saved the exclusion for capital gains on the sale of a home and protected the mortgage interest deduction for primary and secondary homes. Many agents and brokers who earn income from personal services will also see some significant new benefits in their business.

Last-minute changes to the bill include the following improvements:

- **Capital gains exclusion.** In a huge win for current and prospective homeowners, current law is left in place on the capital gains exclusion of \$250,000 for an individual and \$500,000 for married couples on the sale of a home. Both the House and the Senate had sought to make it much harder to qualify for the exclusion.
- **Mortgage interest deduction.** The maximum mortgage amount for households deducting their mortgage interest has been decreased to \$750,000 from the current

\$1 million limit on primary and secondary homes. The House bill sought a reduction to \$500,000.

- *State and local tax deductions.* Both property taxes and state and local income taxes remain deductible, although with a combined limit of \$10,000. Both the House and Senate bills sought to eliminate the state and local income tax deduction altogether.
- *Pass-through entities.* The bill significantly reduces the effective rate of tax on business income earned by independent contractors and income received from pass-through entities. This change will lower the taxes of many real estate professionals.

Next steps

Despite these successes, we still have some hard work ahead of us. Significant legislative initiatives often require fixes to address unintended consequences, and this bill is no exception. The new tax code will fundamentally alter the benefits of homeownership by nullifying incentives for individuals and families while keeping those incentives in place for large institutional investors.

You can be sure that enactment of the bill does not end NAR's effort to reduce the negative impact on homeowners. We promise that REALTORS®' work on tax issues will continue and we look forward to joining members of Congress from both sides of the rotunda on that endeavor. We will continue our efforts to make sure we have the best REALTOR Champions who support property ownership in Congress.

Once again, thank you for lending your voice during this critical time for the real estate industry.

Sincerely,

Elizabeth Mendenhall
NAR President



Bob Goldberg
NAR CEO



Elizabeth G. Mendenhall

Bob Goldberg

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