



June 7, 2004

Honorable William Thomas
Chairman
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515-0521

NATIONAL
ASSOCIATION
OF
REAL ESTATE
INVESTMENT
TRUSTS®
♦ ♦ ♦
REITs
A KEY TO
DIVIDENDS
& PORTFOLIO
DIVERSIFICATION

Dear Chairman Thomas:

The National Association of Real Estate Investment Trusts® (NAREIT) hereby expresses its support for the American Jobs Creation Act of 2004, H.R. 4520. NAREIT is the national trade association for real estate investment trusts (REITs) and publicly traded real estate companies. Members are REITs and other public businesses that own, operate and finance income-producing real estate, as well as those firms and individuals who advise, study and service these businesses.

Replacing the FSC/ETI tax regime with the international reforms contained in H.R. 4520 is vitally important to the ability of U.S. businesses to compete with foreign companies and to create more U.S. jobs. Job creation is the backbone of a healthy economy and consequently a healthy U.S. real estate industry.

NAREIT also appreciates the inclusion in H.R. 4520 of improvements to the REIT rules that would remove some uncertainties and provide corrections largely arising from enactment of the REIT Modernization Act in 1999 and would provide the IRS tools to impose monetary penalties, in lieu of REIT disqualification, for the non-intentional failure to meet certain REIT rules. These rules are meant to enable REITs to operate more efficiently and to compete more effectively in the international equity marketplace.

Finally, NAREIT also supports your inclusion in H.R. 4520 of provisions that would reduce the current depreciation of leasehold improvements for property placed in service prior to 2006 from 39 years to 15 years and provisions that would allow the retroactive expensing of environmental cleanup costs through 2005.

Once again, NAREIT expresses its support for The American Jobs Creation Act of 2004. Thank you for your continued acknowledgement of the REIT and real estate industry's important contributions to the economy.

Sincerely,

Steven A. Wechsler
President & CEO

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