



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

700 Eleventh Street, NW
Washington, DC 20001-4507
202.383.1194 fax 202.383.7580
www.realtor.org/federalissues

Catherine B. Whitley, CIPS, CRS, GRI, ITRG
President

Terrence M. McDermott,
EVP/CEO

GOVERNMENT AFFAIRS
Jerry Giovaniello, Senior Vice President
Walter J. Witck, Jr., Vice President

May 22, 2003

United States House of Representatives
Washington, D.C. 20515

Dear Representative:

On behalf of more than 880,000 members of the NATIONAL ASSOCIATION OF REALTORS® (NAR), I urge you to vote in favor of H.R. 2, the Jobs and Growth Act of 2003.

This bill is well designed to stimulate jobs, particularly in the real estate industry. The bonus depreciation provision includes leasehold improvements among the eligible assets. Building owners or tenants will be able to quickly recover the costs of improvements they make, thereby creating new construction jobs. The small business expensing provision is also a significant benefit to real estate businesses.

The reduced capital gains tax rate will facilitate the unlocking of real estate transactions. When individuals purchase real estate, they often make substantial improvements in those properties to immediately add value to their investment. This again has the benefit of creating new jobs as owners upgrade existing spaces. While we are disappointed that the conference report does not reduce the depreciation recapture tax rate for real estate sales, we believe that, on balance, the reduced tax rate can enhance investment.

NAR salutes the conferees for designing the dividends provisions to do no harm to the low-income housing tax credit. NAR is expanding its advocacy for affordable housing and believes that preservation of this credit is a critical feature of an affordable housing agenda.

Real estate has led the economy throughout the current economic downturn. We are pleased that the provisions in H.R. 2 will help sustain the industry's momentum. We urge your support for this important legislation.

Sincerely,

Jerry Giovaniello
Senior Vice President, Government Affairs

