

Statement for the Record By

Henry H. Chamberlain  
President and Chief Operating Officer  
Building Owners and Managers Association (BOMA) International



1101 15th St., NW  
Suite 800  
Washington, DC 20005  
Phone: (202) 408-2662  
Fax: (202) 326-6377  
[info@boma.org](mailto:info@boma.org)

Before a Hearing of the Committee on Ways & Means  
United States House of Representatives

“Benefits of Permanent Tax Policy for America’s Job Creators”

April 8, 2014

April 8, 2014

Congressman Dave Camp  
Chairman  
House Committee on Ways & Means  
1101 Longworth HOB  
Washington, DC 20515

Congressman Sander Levin  
Ranking Member  
House Committee on Ways & Means  
1101 Longworth HOB  
Washington, DC 20515

Dear Chairman Camp and Ranking Member Levin:

BOMA International urges you to immediately pass the package of “tax extenders” that includes incentives of tremendous importance to the commercial real estate industry. These extenders include the fifteen-year straight-line cost recovery for qualified leasehold improvements and the energy efficient commercial buildings deduction (179d). Renewing these provisions will provide certainty the industry needs to continue to provide the much-needed jobs to the overall economy.

Requiring leasehold improvements to be depreciated at a rate of 1/39th per year until the improvement goes “out of service” runs counter both to common sense and the reality of the marketplace. With the average lease running from five to ten years, such reconfigurations are commonplace, and insisting on a 39-year depreciation schedule is simply a hidden and inequitable tax that is passed along to the small businesses that lease space from commercial real estate property owners.

Furthermore, a reduced timeline for leasehold improvements spurs activity in other parts of the economy. An increase can be seen in the output and employment of construction companies, building material suppliers and construction-related services as well as industries that supply goods and services to the construction industry, many of which are small businesses themselves.

In addition, Congress must extend the incentive for commercial buildings to upgrade their energy efficiency. Improving the energy efficiency of buildings is the most cost-effective means available for moving the nation toward energy independence and energy security. Section 179d encourages building owners to install high performance heating, lighting, windows, roofs, and other systems by accelerating the cost recovery of the upfront investment. The provision should be extended with modifications that unleash its full potential by facilitating building retrofit projects.

BOMA International is an international federation of more than 100 local associations and affiliated organizations. Founded in 1907, its 18,000-plus members own or manage more than 9 billion square feet of commercial properties. BOMA International’s mission is to enhance the human, intellectual and physical assets of the commercial real estate industry through advocacy, education, research, standards and information.

Again, BOMA International requests that you renew these tax policies immediately. Should you or your staff need any information or assistance, please contact Jason Todd, Director of Legislative Affairs at (202) 326-6356 or jtodd@boma.org.

Respectfully yours,



Henry H. Chamberlain  
President and Chief Operating Officer, BOMA International

CC: Members of the Senate Committee on Finance