



The Voice of the 1031 Industry

IRC Section 1031 is a vital, cost effective, and revenue neutral stimulant to the U.S. economy and to job creation, and should not be repealed or modified under tax reform initiatives.

Recent threats to IRC §1031 Like-Kind Exchanges

Misconceptions about like-kind exchanges have led to the introduction of several detrimental proposals in Congress. Whether calling for a repeal of §1031 or a severe limitation of its application, these proposals undermine a vital economic tool used by a diverse group of taxpayers that stimulates investment, promotes job growth, and strengthens the economy.

Implications of §1031 repeal

Like-kind exchanges benefit millions of American investors and businesses every year. Section 1031 exchanges encourage businesses to expand and keep dollars moving in the U.S. economy. Without the tax-deferral benefit that §1031 exchanges provide, small and medium sized businesses would not be able to reinvest in their businesses, real estate values would decline, the U.S. economy would suffer, and enterprises of all sizes would forego opportunities to increase capital investment and grow their businesses.

How can you help prevent a repeal or modification of §1031?

Communicating with your Congressional Representatives and Senators is the most effective effort you can make to persuade lawmakers that proposals like these should not be passed. Help educate and persuade legislators about the critical economic benefits provided by like-kind exchanges.

Speak out to preserve IRC Section 1031

www.1031taxreform.com

- **Send a letter to Congress through the website;**
- **Learn more about the pending legislative threats;**
- **Share this information with your contacts, ask them to write their Congressional representatives.**

Legislative Timeline

2016 The FY2017 budget proposal restricts like-kind exchanges for real estate and personal property, excludes collectibles and art exchanges.

2015 Section 1031 listed as the second largest corporate tax expenditure by JCT. The FY2016 Budget proposal calls for restrictions on like-kind exchanges for real estate, excludes collectibles and art exchanges.

2014 Senate Finance Committee Republicans release tax reform paper "Comprehensive Tax Reform for 2015 and Beyond." Section 1031 listed as the third largest corporate tax expenditure.

House discussion draft "Tax Reform Act of 2014" calls for repeal of §1031. Submitted as H.R. 1, the bill expires but elevates the prospects of repeal of §1031.

Joint Committee on Taxation projects tax cost of \$98.6B for retention of §1031 over 5 years. Revenue from a repeal of §1031 estimated at \$40.9B over 10 years.

The FY2015 budget proposal includes a limitation on real property like-kind exchanges to \$1M per taxpayer, per year.

2013 Senate discussion draft "Cost Recovery and Accounting," calls for repeal of §1031.

These Agriculture, Conservation, Real Estate, and Industry Organizations Support IRC Section 1031 Like-Kind Exchanges

- ADISA, Alternative & Direct Investment Securities Assn.
- Agricultural & Food Transporters Conference
- Agricultural Retailers Association
- American Car Rental Association
- American Farm Bureau Federation
- American Farmland Trust
- American Institute of Architects
- American Land Title Association
- American Mushroom Institute
- American Petroleum Institute
- American Rental Association
- American Seniors Housing Association
- American Sheep Industry Association
- American Soybean Association
- American Sugarbeet Growers Association
- Appraisal Institute
- Asian American Owners Hotel Association
- Associated Equipment Distributors
- Associated General Contractors of America
- Association of Equipment Manufacturers
- Association of Manufacturing Technology
- Building Owners and Managers Association International
- CCIM Institute
- Connecticut Bar Association
- Equipment Leasing and Finance Association
- Far West Equipment Dealers Association
- Federation of Exchange Accommodators
- Inland Real Estate Group
- Institute of Real Estate Management
- International Council of Shopping Centers
- Investment Program Association
- International Council of Shopping Centers
- Iowa Farm & Land Chapter #2
- Iowa-Nebraska Equipment Dealers Association
- Iowa-Nebraska Equipment Distributors
- Iowa Soybean Association
- Land Trust Alliance
- Livestock Marketing Association
- Minnesota-South Dakota Equipment Dealers Assn.
- Montana Equipment Dealers Association
- NAIOP, the Commercial Real Estate Development Assn.
- National All-Jersey Inc.
- National Alliance of Forest Owners
- National Apartment Association
- National Association of Home Builders
- National Assn. of Real Estate Investment Trusts
- National Association of Manufacturers
- National Association of REALTORS®
- National Assn. of State Depts. of Agriculture
- National Association of Wheat Growers
- National Automobile Dealers Association
- National Barley Growers Association
- NCBA, National Cattlemen's Beef Association
- National Corn Growers Association
- National Cotton Council
- National Council of Farmer Cooperatives
- National Milk Producers Federation
- National Multifamily Housing Council
- National Peach Council
- National Pork Producers Council
- National Potato Council
- National Renderers Association
- National Sorghum Producers
- National Sunflower Association
- National Tool and Machining Association
- National Turkey Federation
- North American Equipment Dealers Association
- Ohio Equipment Dealers Association
- Peconic Land Trust
- Precision Machined Products Association
- Precision Metalforming Association
- Professional Rodeo Cowboys Association
- Public Lands Council
- Real Estate Board of New York
- The Real Estate Roundtable
- REALTORS® Land Institute
- Society of Industrial and Office REALTORS®
- Southwest Council of Agribusiness
- The Conservation Fund
- The Nature Conservancy
- The Trust for Public Land
- Truck Renting and Leasing Association
- United Egg Producers, Inc.
- United Equipment Dealers Association
- U.S. Apple Association
- U.S. Canola Association
- U.S. Chamber of Commerce
- U.S. Sweet Potato Council
- USA Rice Federation
- Western Growers Association

Learn more at www.1031taxreform.com