

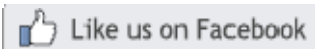


The Voice of the 1031 Industry



An Update from the FEA Government Affairs Committee

February 2017



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## FEA GOVERNMENT AFFAIRS COMMITTEE

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## GOVERNMENT AFFAIRS UPDATE

*Brent Abraham, Suzanne Goldstein Baker, Max Hansen, Chairs*

### Brady Comments Publicly on Section 1031 Repeal

House Ways and Means Committee Chair Kevin Brady (R-TX) spoke publicly for the first time about the potential elimination of Section 1031 like-kind exchanges at the National Association of REALTORS®' 2017 Federal Policy Conference & FPC Training in Washington, D.C. this month. As reported in an [article](#) in the REALTORS® Action Center blog, on February 8, Chairman Brady "admitted the [House Ways and Means] committee is considering eliminating the provision." The House Republican Blueprint does not specifically mention repeal. Previous FEA discussions with legislators have revealed that 1031s were on the table. The significance of the public statement to an audience with a vested interest cannot be understated; Section 1031 is officially on the chopping block.

[Read the REALTORS® article here.](#)

### January GAC Fly-In Recap

GAC members visited nearly 50 legislative offices during the week of January 23-27, 2017. Attendees included Brent Abraham, Mike Anderson, Julie Baird, David Brown, Suzanne Goldstein Baker, Mary Cunningham, Brendan Faber, Mary Foster,

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**Committee Members:**

Mike Anderson  
Julie Baird  
Michael Brady  
David Brown  
Steve Chacon  
Mary Cunningham  
Rob Egenolf  
Mary Foster  
Dennis Helmick  
Bill Horan  
Dan Imbior  
Joe Nugent  
Tom Oldfield  
Rob Onnen  
Jennifer Poindexter  
Hugh Pollard  
Ronald Raitz  
Scott Saunders  
Derrick Tharpe  
Dan Wagner  
Naomi Weitzel  
John Wunderlich

## FEA 1031PAC

FEA 1031 PAC contributions are a vital part of our strategy to influence Congress to keep 1031 exchanges, and are now more important than ever.

## Thank You FEA 1031 PAC Donors!

*For information on how to make a personal PAC contribution, please contact Naomi Weitzel at [naomi.weitzel@cdec1031.com](mailto:naomi.weitzel@cdec1031.com)*

## Affiliates First

**FEA thanks our Affiliate Members for their support, and in return, FEA members are encouraged to support our Affiliate Members.**

[Affiliates First Webpage](#)

**Click on the logos below for more information.**

Max Hansen, Bill Horan, Margo McDonnell, and Scott Saunders, along with David Franasiak, Laura Simmons, Sam Brooks, and Nick Karellas of the Williams and Jensen staff. The FEA was joined by representatives of the National Association of REALTORS®.

GAC attendees encountered a mood of uncertainty among members of Congress, but there remains a strong will among Republicans to move forward on tax reform. In separate emails sent earlier this month, Julie Baird and Margo McDonnell shared their experiences during the fly-in. FEA members are encouraged to participate in the upcoming fly-in during the FEA 2017 Midyear Meeting.

[Reread Julie Baird's perspective on her first fly-in here.](#)

[Reread Margo McDonnell's perspective here.](#)

## Speaker Ryan: Tax Reform this Year, with Drama

"We're going to get tax reform done, and there's going to be a whole bunch of drama you're going to enjoy covering between now and then," House Speaker Paul Ryan (R-WI) said to reporters last week, as reported by POLITICO. "It's going to be up, it's going to be down, it's going to be on, it's going to be off," said Ryan. "You're going to report 150 stories on tax reform's fate between now and when we get tax reform done."

Ryan and key members on the House Ways and Means committee are resolved to see tax reform go through Congress during this turbulent period. Several obstacles face House Republicans' efforts, including a timetable in flux, uncertainty about revenue sources, and increased partisanship. Republicans are looking to repeal the Affordable Care Act, which may free up funding for tax reform proposals. President Trump announced his intention to release a tax plan in the next few weeks. The Border Adjustment Tax (BAT), a key element of House Republicans' plans, is being debated. The outcome of these issues affects the vulnerability of Section 1031.

Our visits with legislators in January show that while House Republicans are promoting the House Republican Blueprint, some Senate voices are unconvinced. Major questions and concerns remain about the Blueprint. Particularly, if the proposal lowers corporate tax rates from 35 to 20 percent, fewer deductions are needed. The FEA and other groups have raised question as to why 100% immediate expensing is needed in this case.

However, 100% immediate expensing is a popular idea among House Republicans and is gaining traction. FEA has pointed out among these legislators that 1031 is still needed for land and other assets that are not covered by immediate expensing.

We continue to monitor the importance of the entire Blueprint and how each provision is predicated on acceptance of the overall package. Should the Blueprint not move forward in its current state, it will be critical that repeal of 1031 is not



Atlantic Capital



incorporated in any new bill or previously submitted bills as a pay-for and we continue to work with our coalition partners as we deliver this message.

### GAC Activity

FEA GAC members and FEA's lobbying partner, Williams and Jensen, attend FEA 1031PAC-sponsored events for our allies in Congress year-round. Scheduled activities for the first three months of 2017 include events for:

- Sen. Chuck Grassley (R-IA)
- Sen. Bill Nelson (D-FL)
- Rep. Kevin Brady (R-TX)
- Rep. Darrell Issa (R-CA)
- Rep. Mike Kelly (R-PA)
- Rep. Patrick McHenry (R-NC)
- Rep. Tom Reed (R-NY)
- Rep. Renacci (R-OH)
- Rep. Rice (R-SC)
- Rep. David Schweikert (R-AZ)
- Rep. Tiberi (R-NC)
- Rep. David Young (R-IA)

### The Mid-Year Meeting is Around the Corner

"If you are not at the table, you will most likely be on the menu." This couldn't ring more truthfully than where the 1031 industry finds itself this year.

Max, Suzanne, and Brent need your support this year more than any other year. The FEA Government Affairs Committee chairs believe this Mid-Year Fly-in is our industry's most critical fly-in ever hosted in our 25 years of existence.

Join us. Grab your seat at the table. Look members of Congress in the eye and remind them that 1031 exchanges:

- Stimulate the economy
- Support the fundamentals of strong tax policy
- Maintain the continuity of investment
- Promote not taxing cash flow
- Complement all the goals of the proposed pro-growth Tax Reform

The FEA Conference Committee welcomes FEA members on Monday, February 27, 2017. A fundraising event for Rep. Peter Roskam (R-IL) follows. FEA members will participate in educational presentations on Tuesday, February 28 and meet with legislators on Wednesday, March 1. An RSVP is appreciated for the event for Rep. Roskam. Send an email to Denise Hoffman at [meetings@1031.org](mailto:meetings@1031.org).

**2017 Mid-Year Meeting and Hill Visit  
February 27-March 1, 2017**



Melrose Georgetown Hotel  
2430 Pennsylvania Avenue, NW  
Washington, DC 20037

**[Schedule and Registration Here](#)**



**Thank You Conference Sponsors**

The FEA is grateful for the generous support of our 2017 Mid-Year Meeting and Hill Visit sponsors. Please make sure to visit them during the meeting:



- Stan Johnson Company**
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**About the FEA Government Affairs Committee**



The FEA Government Affairs Committee monitors legislative and regulatory activity, regularly meets with and provides commentary to the IRS, House Ways and Means Committee, Senate Finance Committee, and state and federal legislators. It proactively responds to legislative and regulatory initiatives at both the state and federal levels and advocates on behalf of the FEA and consumers. The GAC has provided input to state legislatures and regulatory agencies that shaped their approach to the licensing and regulation of exchange professionals and influenced state taxation and procedures for exchange transactions. GAC activities are led by co-chairs Brent Abraham, Suzanne Goldstein Baker, and Max Hansen, working closely with our lobbying partners at Williams & Jensen.



The GAC is grateful for the vigilance of our members. If you become aware of any 1031 legislative or regulatory activity in your state, please contact one of the GAC co-chairs.



The commitment and perseverance of FEA members, the Government Affairs Committee, and our volunteer leaders have made the FEA The Voice of the 1031 Industry.



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