



The Voice of the 1031 Industry



An Update from the FEA Government Affairs Committee

June 2015

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GOVERNMENT AFFAIRS UPDATE

Brent Abraham, Suzanne Goldstein Baker & Max Hansen, Chairs

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Results of EY Study Resonate with Members of Congress

It's been almost three months since the March 17th release of the [Ernst & Young Economic Impact of Repealing Like-Kind Exchange Rules study](#). The study provides important quantitative analysis which demonstrated that a repeal of Section 1031 would harm local economies and the overall U.S. economy and is at cross-purposes with tax reform.

So, how is this critical information being used by the FEA and our coalition partners? What benefit is our investment bringing to bear in our fight to preserve Section 1031?

Most importantly, the study is being widely-distributed and cited by FEA and Coalition members during our meetings on Capitol Hill and In-District with Members of Congress. House Ways and Means Committee Chairman Paul Ryan (R-WI) enthusiastically received the study, as did Ohio Congressman Jim Renacci. A copy of the study and a one-page synopsis have been hand-delivered by FEA representatives to many Members and their staff during meetings.

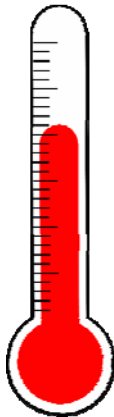
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FEA PAC Update



**2015 FEA PAC
Fundraising Goal:**

\$ 150,000.00

**THANK YOU TO OUR
1031 PAC DONORS**

Thank you PAC donors! The FEA 1031 PAC is a vital part of our strategy to influence Congress to keep 1031 exchanges.

For information on how to make a personal PAC contribution,

Dr. Robert Carroll, National Director of Ernst & Young's Quantitative Economics and Statistics group, and primary author of the study, attended several meetings with FEA members and our coalition partners. Dr. Carroll was willing and able to succinctly describe the methodology and the results of the study. His participation was, and continues to be, invaluable to our cause.

The study is being used by other contributors in their meetings with Congressional leaders. When a Member of Congress hears from many different constituents that their livelihoods would be affected by a repeal of like-kind exchanges, that Member is more inclined to consider the impact of repeal and what he or she can do to preserve Section 1031. Our message is reinforced as many Coalition members talk about the strong points in the study.

Not only are our Coalition partners delivering the study during their visits with Members of Congress, they are using the study results as talking points to prepare their own members for Hill visits. The indirect impact of like-kind exchanges on ancillary businesses (title insurers, escrow closers, realtors, surveyors, appraisers, lenders, contractors, attorneys, accountants, etc.) is a connection that is not universally apparent. Many FEA members and Coalition partners have found this angle to be useful when talking with Senators, Representatives and their staff. Many Members have never considered this perspective. The ideas and evidence presented in the Coalition study bring great support to our message, and draw attention to these often-overlooked effects of a repeal.

Call to Action

Please thoughtfully consider supporting the FEA's ongoing efforts to preserve our industry. Advocacy efforts are expensive, and your contributions help support our activities on Capitol Hill and to support legislators in the House and Senate who are champions for the like-kind exchange industry.

Please consider the importance of Section 1031 to your business—large or small—and the impact that repeal would have on your business.

Then, take these **two important steps** to preserve your business:

- 1. Submit a Permission to Solicit form for the **FEA1031 PAC**.** The 2015 fundraising goal for the FEA1031 PAC is \$150,000. Contributions to the FEA1031 PAC must come from individuals and are used to support legislators who will in-turn support our industry. Visit the website at www.fea1031pac.org or contact Naomi Weitzel for details.
- 2. Please send in your additional member (company) contribution of \$2,500, payable to FEA.** This contribution—the approximate value of two-to-three exchanges—will support our ongoing

*please contact Naomi Weitzel
at naomi.weitzel@cdec1031.com*

SAVE THE DATE!



**2015 Annual Conference
September 16 - 18, 2015**

**Hyatt Regency Austin
Austin, Texas**

[Learn More](#)

efforts to preserve Section 1031. [A contribution form can be found here.](#)

**Support from individuals and member
companies is imperative to preserving our
industry.**

GAC ACTIVITY

On May 28th, GAC members Suzanne Goldstein Baker and Hugh Pollard attended a fundraising event for Rep. Bob Dold (R-IL), the newest member of House Ways & Means Committee. HWM Chairman, Paul Ryan was also there. Rep. Dold is a good addition to this committee because he is a businessman. He understands the cash flow benefits of 1031, particularly as it affects trade-ins of vehicles used in his family's pest control business. The Congressmen commented that there is much work for the committee to accomplish this summer (international, highway trust fund, trade and extenders) but they have not given up on business tax reform if there is an opportunity. Thanks to several meetings with Reps. Ryan and Dold, they have developed a visible level of comfort with section 1031, greeting Suzanne as "the 1031 lady," and joking about how the comments by both men, in answer to Suzanne's question, would be like-kind. At a previous fundraiser for Rep. Ryan for which FEA was a sponsor, the chairman commented that he did not have a problem with section 1031; that he understood that it only provided a timing benefit. We have made great progress with these influential policy makers.

Mary Cunningham, Brent Abraham and David Franasiak joined House Ways & Means committee member Rep. Adrian Smith (R-NE) for a dinner hosted by W&J to discuss tax reform and specifically 1031s.

Margo McDonnell met with Senator GT Thompson (R-PA) in an in-district meeting.

The FEA PAC co-sponsored a fundraiser for Senate Finance Committee member Michael Bennet (D-CO), held in Denver, CO on June 6th. This event was further supported by more than a dozen individual FEA members. The Senator acknowledged that "we" (the FEA community) are making a compelling case to retain 1031s due to its stimulative impact to the economy and job growth.

Other associations have multiple issues, so direct FEA involvement with coalition partners has been helpful to carry the 1031 message and provide more depth to their members on the 1031 issue. If you are involved with other associations, take the opportunity to be the 1031 spokesperson. They will thank you for it.

Suzanne Goldstein Baker prepped ALTA members on the 1031 issue during their fly-in last month and participated in their Hill Visits.

David Franasiak and Brent Abraham provided a 1031 legislative update to members of the AED (Associated Equipment Distributors) during the AED's 2015 fly-in. The AED is a 1031 coalition member. David and Brent made several subsequent hill visits focusing on House Ways and Means, Ag and Small Business committee members.

Mary Cunningham & Suzanne Goldstein Baker attended the Real Estate Roundtable's Tax Policy Advisory Meeting on June 3 in Washington, DC as invited guests. Dr. Robert Carroll, the primary author of the EY economic impact study, was also invited and presented a brief summary of the results to this group of influential real estate tax professionals. During the meeting we were publicly thanked for all of the work FEA has done on the 1031 issue, which is very important to RER members.

Rep. Jim Renacci (R-OH) spoke at the RER meeting. Rep. Renacci is a particularly important member of House Ways and Means because he is a CPA with extensive business experience, not only on behalf of clients, but also as a direct owner of multiple businesses. He characterized himself as a turn-around specialist who acquired troubled companies, turned them around and made them profitable. He brings great practical business gravitas to House Ways and Means. Rep. Renacci commented that he is an advocate for tax reform and emphatically made the point that while much change is needed, Section 1031 is important, needs to be retained and he will fight for it.



Are you the FEA Key Contact for your Member Company?

The FEA 1031 PAC is a vital part of our strategy to influence Congress to keep 1031 exchanges.

The FEA 1031 PAC is limited to owners and employees of our members companies. The key contact for a member company must give FEA permission to solicit. We must have this permission form completed before you can participate by contributing to the FEA 1031 PAC and help preserve IRC Section 1031.

If you have not given FEA permission, please take a moment to complete and return the [FEA 1031 PAC Permission to Solicit form](#). Even if you are the only employee of the company, we need your completed form in order to provide you with additional information on the FEA 1031 PAC.

Only individuals can give to the FEA 1031 PAC.

It's quick and easy to do!
Every dollar counts.

What Good is the PAC?

Your contributions to the FEA 1031 PAC, along with contributions to the FEA are critical. The PAC has afforded us the opportunity to host and attend fundraisers for legislators who we think can champion our cause or who are otherwise critical policy-makers.

Attending a fundraiser guarantees an opportunity to speak directly to the legislator, rather than through a staffer.

Members of FEA leadership sponsored a recent fundraiser for House Ways & Means Chairman Paul Ryan in April and were able to speak privately with Rep. Ryan for 20 minutes. In so doing, we were able to identify misunderstandings and directly debunk myths about 1031. We would not likely have gotten this level of access and focus with Rep. Ryan in Washington.

We are hosting a fundraiser for Rep. Roskam (R-IL) in July. FEA members have recently sponsored and/or attended fundraisers for:

Sen. Michael Bennet (D-CO)	Sen. Johnny Isakson (R-GA)
Rep. Kevin Brady (R-Tex.)	Rep. Sam Johnson (R-Tex.)
Sen. Sherrod Brown (D-Ohio)	Rep. Mike Kelly (R-PA)
Sen. Richard Burr (R-NC)	Sen. Rob Portman (R-Ohio)
Sen. Mike Crapo (R-ID)	Sen. Jim Renacci (R-Ohio)
Rep. Bob Dold (R-Ill.)	Rep. Paul Ryan (R-Wisc.)
Sen. Michael Enzi (R-WY)	Rep. Adrian Smith (R-Neb.)
Sen. Chuck Grassley (R-Iowa)	Rep. Pat Tiberi (R-Ohio)
Sen. Dean Heller (R-Nev.)	Rep. Sam Johnson (R-Tex.)
Rep. George Holding (R-NC)	

ABOUT THE FEA GOVERNMENT AFFAIRS COMMITTEE

The FEA Government Affairs Committee promotes taxpayer-friendly legislation, monitors regulatory activity, provides commentary to the IRS, House Ways and Means Committee, and Senate Finance Committee, and has met with the Joint Committee on Taxation as well as state and federal legislators. The GAC is led by co-chairs Brent Abraham, Suzanne Goldstein Baker, and Max Hansen, in partnership with our lobbying partners Williams & Jensen.

The FEA Government Affairs Committee actively responds to legislative and regulatory initiatives at both the state and federal levels and advocates on behalf of the FEA and consumers.

Additionally, the FEA monitors the activities of state legislatures and regulatory agencies through the vigilance of our members. In several significant instances, the FEA provided commentary and testimony 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.

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.

For more information on the threats to section 1031 and how you can help, visit www.1031TaxReform.com

Federation of Exchange Accommodators

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