



The Voice of the 1031 Industry



An Update from the FEA Government Affairs Committee

November 2015

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GOVERNMENT AFFAIRS UPDATE

Brent Abraham, Suzanne Goldstein Baker & Max Hansen, Chairs

The unexpected storm of Congressional activity sparked by former House Speaker John Boehner's resignation and subsequent "clearing the barn" of the stalled legislative agenda leaves a new Speaker of the House, a new leader and member on the House Ways and Means Committee, and a signed Federal Budget that funds the government through March 2017. Section 1031 like-kind exchanges—modified and limited in the President's FY2016 proposal—were not included in the final package.

While Section 1031 is clear of the Budget, the current environment on Capitol Hill is a dangerous one for tax bills. The process that produced the budget deal was urgent and chaotic, finalized in closed-door meetings after midnight without the opportunity for input or commentary. The absence of wording modifying like-kind exchanges can be attributed to the FEA's proactive strategy of education and advocating with Members of Congress. FEA members and leaders have met continuously with Members of Congress to discuss Section 1031 and dispel myths since before the 2014 proposals that included calls for repeal. Without the opportunity to respond to legislation, we must rely on legislators' recognition of like-kind exchanges as a positive and important tool. We cannot become complacent.

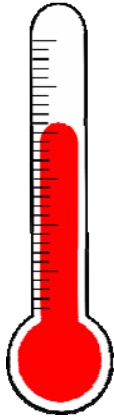
The \$325 billion transportation funding bill passed the House this week and will need to be reconciled with the Senate bill. Negotiation on tax "extenders" comes later this year. Both of these pose a lesser threat that like-kind exchanges could be

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Derrick Tharpe
Dan Wagner
Naomi Weitzel
John Wunderlich

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, please

used as a "pay-for." The limitation found in the FY2016 budget proposal is also repeated in a still-pending pension bill.

Because of our proactive stance, the new Congressional leaders are knowledgeable about Section 1031. House Speaker Paul Ryan understands and is friendly toward the like-kind exchange industry. FEA members have met and discussed like-kind exchanges with Rep. Ryan multiple times: on the Hill, in a very productive in-district visit where FEA members focused on several misunderstandings about 1031, and for nearly 20 minutes at a fundraiser that was co-sponsored by the FEA 1031PAC. He has welcomed the FEA-sponsored EY study on the effects of a repeal of like-kind exchanges.

Williams and Jensen, FEA's lobbying partner, has sponsored events for Rep. Kevin Brady and FEA members have met with his staffers on the Hill. As a former chamber of commerce executive and business advocate, he understands the benefits of Section 1031. Rep. Tom Rice (R-SC) was selected Thursday to fill the vacancy on House Ways and Means Committee and members of Williams and Jensen have previously met with his staffers. As a former tax attorney with a master's degree in accounting, the Congressman is aware of Section 1031 and its uses.

The FEA is relying on contributions to the FEA 1031 PAC to build a war chest to continue to educate lawmakers. Our strategy of staying connected with leaders and keeping them informed about the positive social and economic benefits of like-kind exchanges is helping us immensely, and we must continue. PAC contributions provide funding for fundraisers that permit a different type of access than in Hill visits and facilitate further in-depth meetings. These opportunities allow us to build relationships with Members of Congress. By laying the groundwork today and throughout 2016, we are preparing for the strong potential that comprehensive tax reform will be addressed in 2017.

The lightning-strike legislative events of the past week set a precedent and justify the FEA's vigilance. The proactive approach initiated by the FEA years before the current hectic Congressional activity, once viewed by some as unnecessary, has been validated by members of our Coalition. We must continue to educate legislators and others about the importance of Section 1031 like-kind exchanges to our businesses, our communities, and our national economy.

GAC Activity

Contributions for the FEA 1031PAC and commitments from individuals have made several events possible.

Thanks to Mary Cunningham & Naomi Weitzel of CDEC, John Wunderlich, Suzanne Baker & Hugh Pollard of IPX1031, and Marty Edwards of Accruit for representation at a fundraiser for Illinois Republican Representative Bob Dold last week.

Also in October, Williams and Jensen representatives attended an event for Rep. Kevin McCarthy (R-CA) in Washington, D.C.

The GAC continues to work with Coalition partners.

contact Naomi Weltzel
at naomi.weltzel@cdec1031.com

Save the Date!



**FEA 2016 Annual Conference
September 14 - 16, 2016
Las Vegas, Nevada**

Monte Carlo
Las Vegas Resort and Casino
www.montecarlo.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.



Call to Action

Like-kind exchanges remain intact after lightning-strike budget negotiations, but still face important obstacles in the coming weeks. Connections with Members of Congress cannot be undervalued. The FEA 1031 PAC sponsors events that grant access and opportunities to build relationships with important Members of Congress.

[Sign and return the Permission to Solicit Form TODAY and help bring the message to Congress.](#)

While FEA members often speak with staffers during Hill visits, Senators and Representatives are often pressed for time on Capitol Hill. Fundraisers provide the opportunity for direct conversations with Members of Congress, where we can best catch their attention and let them know that our issue is important to voters in their states and home districts.

New 1031taxreform.com Addresses

The FEA's tax reform site has a new address for its grassroots advocacy page. When referring your contacts, please use these web addresses:

Main Advocacy Site (same):
www.1031taxreform.com

Grassroots Letters (new):
www.1031taxreform.com/take-action

Affiliates First

FEA Recognizes Affiliates First on Website

Use an FEA Affiliate Member to assist you with your business. Check out the [FEA Affiliate Members page](#) dedicated to our affiliate partners at 1031.org. Find a list of Affiliate Members in alphabetical order by company, with their key contacts listed.

(Be sure to login first to click on a company name to see more details about that member company.)

[Visit the Affiliates First page on www.1031.org](http://www.1031.org)

Affiliate Member Spotlight



Seacoast Commerce Bank



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Stan Johnson Company
THE NET LEASE AUTHORITY®



Seacoast Commerce Bank is a commercial bank headquartered in San Diego that focuses on the needs of small businesses throughout the Western United States. Our mission is simple: provide clients with exemplary service, and the products and services to grow their business faster and easier. We achieve this by developing long lasting relationships with our clients through professional expertise, customized banking solutions, and access to executive management. For the 1031 Exchange Industry we offer competitive rates for both the segregated account structure and trust structure. A few of the services we offer are the use of escrow agreements, a marketing agreement, a full line of cash management services and the choice of multiple statements being sent out to both you and your clients. We also have a dedicated team of bankers with the expertise and experience to give you the great service that the 1031 Exchange Industry has come to both expect and deserve.

Contact: Thomas Cheek, tcheek@sccombank.com



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 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.

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)	Rep. Kevin McCarthy (R-CA)
Sen. Mike Crapo (R-ID)	Sen. Rob Portman (R-Ohio)
Rep. Bob Dold (R-Ill.)	Sen. Jim Renacci (R-Ohio)
Sen. Michael Enzi (R-WY)	Rep. Peter Roskam (R-Ill.)
Sen. Chuck Grassley (R-Iowa)	Rep. Paul Ryan (R-Wisc.)
Sen. Orrin Hatch (R-Utah)	Rep. Adrian Smith (R-Neb.)
Sen. Dean Heller (R-Nev.)	Rep. Pat Tiberi (R-Ohio)
Sen. John Hoeven (R-ND)	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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