

Dr. Ling Goes to Washington

Recent tax reform proposals from the chairmen of the Congressional tax-writing committees would repeal Section 1031 of the tax code, which allows taxpayers to defer the recognition of taxable gain on the exchange of like-kind real estate property, provided certain requirements are met. The President's FY 2015 budget submission also included a proposal to disallow to significantly limit the use of like-kind real estate exchanges.

In 2014 the Real Estate Roundtable (RER) issued a competitive call for research proposals that would evaluate the effects of eliminating real estate like-kind exchanges. The RER (<http://www.rer.org>) is an industry coalition that brings together leaders of the nation's top publicly-held and privately-owned real estate firms with the leaders of major national real estate trade associations to jointly address key national policy issues relating to real estate and the overall economy. By identifying, analyzing and coordinating policy positions, the RER seeks to ensure a cohesive industry voice is heard by government officials and the public about real estate and its important role in the global economy.

Professor Ling's real estate like-kind exchange research proposal, co-authored with Milena Petrova, a former U.F. finance Ph.D. student who is now a professor at Syracuse University, was selected for funding by RER. The \$125,000 grant resulted in a completed study by Ling and Petrova titled "The Economic Impact of Repealing or Limiting Section 1031 Like-Kind Exchanges for Real Estate Properties."

On July 9-10, Professor Ling was invited to Washington D.C. by the RER and coalition members to formally launch the release of the study. The events over the two days included a briefing/presentation for members of the press, a briefing for Capital Hill staff in the Capital Visitor Center, a briefing for the 14 real estate entities that sponsored the research, and a presentation to the Joint Committee on Taxation. Professor Ling was also invited by the Office of Tax Analysis (Department of Treasury) to present the results of the study to OTA's research economists.