



May 22, 2025

The Honorable Mike Johnson
Speaker of the House
United States House of Representatives
United States Capitol
Washington, D.C. 20515

Dear Speaker Johnson:

On behalf of the NATIONAL ASSOCIATION OF REALTORS®, I extend our appreciation to you and House Leadership for your efforts in developing and advancing the tax provisions included in H.R. 1, *The One Big Beautiful Bill Act*, and for bringing this important legislation to the House floor.

This Act includes many positive changes to tax policy. We are encouraged by the strong progress it represents, and we believe its enactment would provide a very beneficial outcome for the nation's economy and for the real estate sector specifically.

I would like to highlight the following as particularly necessary and supportive for current and prospective homeowners, in order to help alleviate the nation's housing crisis and assist the struggling commercial real estate market:

- A boost in the amount of the Qualified Business Income deduction, which recognizes the value to the economy of Main Street businesses and independent contractors, such as the great majority of REALTORS®.
- The extension of the reduced income tax rates brought about by the Tax Cuts and Jobs Act of 2017, which should aid more prospective buyers in affording a first home.
- The expansion of the Low-Income Housing Credit, which will create many thousands of new housing units for those struggling to find affordable places to live.
- The rejuvenation and enhancement of the Opportunity Zone program, which can result in a surge in commercial real estate development and the creation of new affordable housing units.
- A substantial increase in the amount of state and local tax (SALT) deductions that will contribute to making homes more affordable for millions of Americans.
- Creation of Tax-Advantaged Child Investment Accounts that can be used for qualified expenses of the beneficiary such as first-time home purchases.

Furthermore, we appreciate the preservation of important tax code provisions that support homeownership, encourage economic growth and development, and preserve fairness in the tax code, such as:

- Preserving the 1031 like-kind exchange, which remains a critical tool for fostering investment and economic growth in the real estate industry.
- Preserving the mortgage interest deduction – a reduction in the value of the amount of mortgage loans, the interest of which is deductible, would have made homes less affordable and harder to obtain.

- Preserving the deduction of business-related state and local property tax payments, a repeal of which would have especially harmed real estate enterprises.
- Preserving the capital gains tax treatment for real estate projects – a reduction of the ability of real estate development entrepreneurs to be incentivized by lower capital gains rates as a reward for their sweat equity, non-cash risks, and business acumen when creating jobs and building businesses could slow necessary real estate development in communities across the country.
- Preserving the tax treatment of nonprofit organizations – averting unfair changes that would have forced tax-exempt trade groups to pay Unrelated Business Income Tax in cases where their name or logo is licensed.

The One Big Beautiful Bill Act supports America's middle class and the real estate economy. A recent survey commissioned by the NATIONAL ASSOCIATION OF REALTORS® shows strong, bipartisan voter support for key provisions in the Act that make housing more affordable. From extending lower tax rates and SALT relief to incentives for small businesses and community investment, this Act delivers real benefits.

REALTORS® recognize the difficulty of crafting comprehensive legislation that must balance revenue and spending constraints, and we are grateful for your leadership and efforts to develop and move legislation that will result in economic growth, resilient communities, and the opportunity for more people to achieve the American Dream.

Sincerely,



Kevin Sears
President, National Association of REALTORS®