

## **CCIM Mounts Effort to Keep 1031 Exchanges**

**WASHINGTON, D.C. – March 17, 2015 – (RealEstateRama)** — CCIM Institute Regional Vice President Craig Fernsler, CCIM, GRI, SRES, will meet with several influential members of the U.S. Congress on March 17 in Washington, D.C., to discuss the strong economic stimulus that Internal Revenue Code Section 1031 exchanges provide to the U.S. economy. Fernsler, along with several members of the National Association of Realtors, is countering the recommendation from the Obama administration’s budget for fiscal year 2016 to limit the deferral provisions of Section 1031.

Currently, no law or regulation is pending in Congress, but reforming business tax laws recently has been discussed on both sides of the aisle.

“The 1031 exchange creates momentum in real estate transactions and benefits the overall economy,” says Fernsler, vice president of Investment Services at KW Commercial, in Blue Bell, Pa. “Legislators may not fully understand the impact of the change would have on the economy. Every day, I live and breathe the 1031 exchange.”

“Based on my knowledge and experience, ending this tax deferral could dampen our economic recovery. For example, every 1031 exchange includes several professionals who facilitate it and charge fees that are taxed as regular income, which further stimulates the U.S. economy. Additionally, the 1031 exchange stimulates the economy without any government stimulus.”

A fixture in tax law since 1924, 1031 like-kind exchange rules permits the deferral of capital gains taxes if the taxpayer fulfills the requirements and transacts both a sale and a purchase within 180 days. NAR believes the current law provides investors with the flexibility needed to manage their real estate portfolios. The 1031 is a tax deferral, not a tax elimination.

Fernsler is scheduled to meet with Rep. Patrick Meehan, R-Pa.; Sen. Patrick Toomey, R-Pa.; and Sen. Tom Carper, D-Del.; who serve on the House Ways and Means, and the Senate Banking and Finance committees respectively. He expects to return and meet with more U.S. Congress members May 11–16, for CCIM Institute’s 2015 Capitol Hill Visit during the Realtors Legislative Meetings & Trade Expo in Washington, D.C.