

AGENDA



2022 NAR NXT

FEDERAL TAXATION COMMITTEE

Friday, November 11, 2022

1:30 PM–4:00 PM ET

CHAIR: Nathan Bell (TX)

VICE CHAIR: Erin Stumpf (CA)

COMMITTEE LIAISON: Donna Smith (SC)

STAFF EXECUTIVE: Evan Liddiard (DC)

PURPOSE

To develop policy on all matters of federal taxation affecting real estate; to coordinate with the Business Issues Policy Committee in developing policy on those tax matters that affect the business operations of REALTORS®; and to provide guidance to NAR staff on lobbying strategies and positions.

1:30pm – 1:40pm

I. Call to Order

- Jim Bell, Chair and Erin Stumpf, Vice Chair
 - o Welcome and Introductions
 - o NAR Ownership Disclosure and Conflict of Interest Policy – [Exhibit](#)
 - o NAR Presidential RPAC Challenge Status

1:40pm – 1:42pm

II. Approval of Previous Meeting's Minutes

- Jim Bell, Chair – Exhibit ([Minutes from May 3, 2022 Legislative Meeting](#))

1:42pm – 1:45pm

III. Introduction of Agenda for Today

- Jim Bell, Chair

IV. 1:45on – 2:00pm

Update on Tax Legislation Affecting Real Estate

- Evan Liddiard, Staff Executive

V. 2:00pm – 2:30pm

Political Perspective on Midterm Election and Outlook for 2023

- Helen Devlin, VP, Strategy and Advocacy Operations, NAR
- Vijay Yadlapati, Director, Federal Legislative and Political Affairs, NAR

2:30pm – 2:45pm

VI. Committee Discussion

VII. 2:45pm – 3:15pm

Old Business

- Consideration of recommendations of Work Group on Historical Policy Motions

3:15pm – 3:50pm

VIII. New Business

- Consideration of policy motion addressing purchases of starter homes by very large investors who turn them into rental units and thus restrict supply of homes to first-time buyers.

Draft Policy Motion:

1. To support policies designed to discourage very large investors in single-family residential rental property (defined as owning more than 10,000 houses) from acquiring more units through the enactment of impactful changes to the tax law that would provide a strong disincentive to such growth, while enabling greater access to homeownership and more housing stock for first-generation and first-time homebuyers.

- or -

2. To support impactful changes to the tax law that would disincentivize very large investors in single-family residential rental property (defined as owning more than 10,000 houses) from acquiring more units, while enabling greater access to homeownership and more housing stock for first-generation and first-time homebuyers.

Rationale: To enhance and complement NAR's existing policy that supports tax incentives to *encourage* investors in single-family rental homes to sell them to first-time or first-generation homebuyers who would occupy them, additional policy is needed that would also *discourage* additional purchases of such units by the very largest investors of such residential rental properties. These very large investors (many of which own tens of thousands or more single-family rental units) typically purchase starter-home-type residential properties, often with cash, and sometimes in areas that are highly concentrated with minority families. This has exacerbated the shortage of starter homes available for purchase by would-be first-time home buyers. Stopping or slowing the growth of these very large residential landlords should make more inventory available for traditional owner-occupant buyers, including Black, Hispanic, and other families of color, and other young families, who are today facing unprecedented difficulties in acquiring their first home. Tax law changes that could provide a strong disincentive for these investors to continue growing may include the suspension or disallowance of the deduction for interest on debt of over a certain amount, as is currently faced by families who purchase their own home, and/or the denial of other tax benefits that currently tilt the current playing field in favor of investor-landlords over owner-occupants of single-family homes.

3:50pm – 4:00pm

IX. Other Business and Announcements

Jim Bell, Chair and Erin Stumpf, Vice Chair

4:00pm

X. Adjournment

*Note: the symbol * next to an item indicates that it is accompanied by Issues Briefing Paper contained in the committee meeting materials.*