

For Immediate Release:

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**The Invest in America Coalition Joins Reps. Brady, Crowley to Relaunch Bipartisan FIRPTA Reform**

*Brady/Crowley Legislation Reforms Artificial Barrier to Investment and Job Growth*

**(Washington, DC) April 30, 2015** – The **Invest in America Coalition** today joined **U.S. Reps. Kevin Brady (R-TX)** and **Joseph Crowley (D-NY)**, Vice Chair of the Democratic Caucus, on a teleconference to introduce the *Real Estate Investment and Jobs Act of 2015 (H.R. 2128)*. The bipartisan legislation seeks to reform an outdated portion of the U.S. tax code (*the Foreign Investment in Real Property Tax Act of 1980 – FIRPTA*) that has discouraged inbound investment in U.S. commercial real estate since 1980.

*The Real Estate Investment and Jobs Act of 2015* would unlock billions of dollars in new, long-term, investable capital to flow into the U.S. commercial real estate market — sustaining credit markets, funding infrastructure repair and modernization, and creating jobs and economic opportunities for communities across America.

“The tax code shouldn’t discourage foreign capital from investing in U.S. commercial real estate, nor discriminate against it with higher taxes than other U.S. Modernizing FIRPTA and encouraging foreign investment will boost job growth and expand our local economies,” said **Rep. Brady**.

“The U.S. is among the world’s best places to invest – but foreign investments in commercial real estate are sorely behind other industries because of uneven tax treatment. I’m pleased to once again join Congressman Brady in reintroducing legislation to reform the outdated law and open the door to billions in investments for the U.S. economy,” said **Rep. Crowley**.

Strongly backed by the *Invest in America Coalition* — an alliance of business groups, unions and allied trades — a similar measure received unanimous approval in the Senate Finance Committee in February.

“Washington has the opportunity to generate new job opportunities in commercial development and infrastructure repair and construction through this bipartisan legislation,” said **Kenneth Rigmaiden, general president of the International Union of Painters and Allied Trades (IUPAT)**. “This reform is long overdue, especially as our economy continues to need every boost it can get to fuel its ongoing recovery.”

“There is no doubt that the current regressive FIRPTA rules discourage significant foreign investment in both infrastructure and in the US commercial real estate market,” said **Peter Lowy, CEO of Westfield, LLC**, one of the world’s leaders in retail real estate. FIRPTA reform is a cost-effective way to unlock private capital and encourage significant investment right here in the U.S.”

“Interior design businesses have been hit hard by this burdensome law, notably as we are a large segment of America’s small businesses making their living from real estate construction and renovation work – both commercial and residential. FIRPTA reform is overdue and we look forward to partnering with Congressmen Brady and Crowley to push for passage of this legislation,” said **Randy Fiser, CEO, American Society of Interior Designers**.

“The legislation is a real game changer for the U.S. real estate industry’s ability to attract capital for inbound U.S. investment. Until now, we were operating at a significant disadvantage vis-à-vis the return opportunity available to foreign investors targeting non-U.S. jurisdictions. This common sense proposal levels the playing field and will provide a big boost to the U.S. real estate sector,” said **Ronald M. Dickerman, President and Founder of Madison International Realty**.

*Specifically, the Real Estate Investment and Jobs Act of 2015 would:*

- 1. Align FIRPTA with other rules applicable to real estate investment trusts (REITs) by increasing the ownership stake that a foreign investor can take in a U.S. publicly traded REIT without triggering FIRPTA liability.** The legislation would increase the FIRPTA exemption for “portfolio investors” in a publicly traded U.S. REIT from 5 percent to 10 percent, and extend the exemption to certain foreign collective investment vehicles. *This provision passed the Senate Finance Committee unanimously on Feb. 11, 2015 and in 2010, the House passed a similar provision by 402-11.*
- 2. Improve tax parity and spur investment from a large and growing source of foreign capital by removing the tax penalty that FIRPTA imposes on real estate and infrastructure investment by foreign pension funds.** The legislation would exempt foreign pension funds from FIRPTA altogether.

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