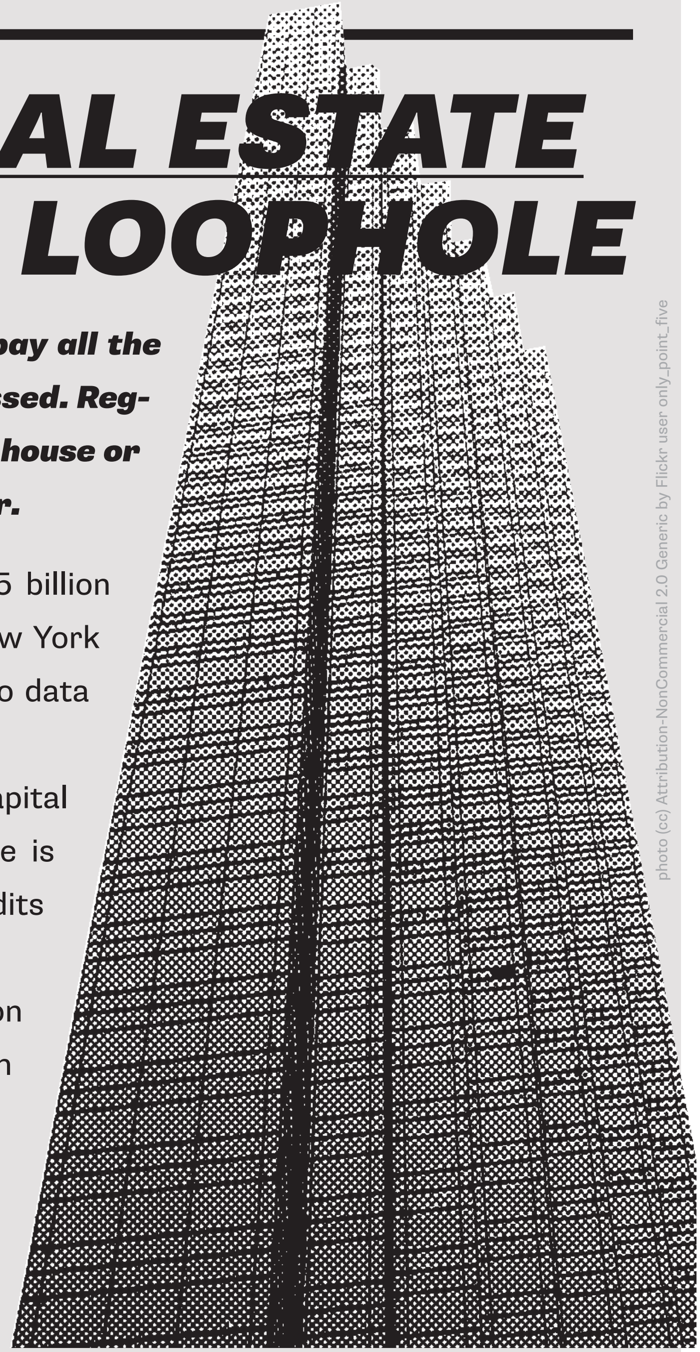
CLOSE THE REAL ESTATE PARTNERSHIP LOOPHOLE



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Right now, many real estate partnerships don't pay all the taxes they owe when a building is sold or repossessed. Regular people can't get out of taxes when they sell a house or small business, but big investors do. That's not fair.

In 2005, New York real estate investors underpaid $5 billion in taxes to the federal government, $385 million to New York State and millions more to New York City, according to data reviews by former IRS agents.

How and why: underreporting or misreporting of capital gains from real estate investments. The main scheme is failure to report prior-year depreciation credits—credits the 1% use but regular people don't get.

Pulitzer-Prize winning reporter David Cay Johnston says this scam costs our state from $200 to $700 million every year—and former IRS agents agree.

New York could get up to $1 billion from prior-year audits, and hundreds of millions per year after that. Audits and enforcement of the tax laws on real estate partnerships—it just makes sense.

TAX FAIRNESS AND TAX REFORM ARE GOOD FOR NEW YORK

Governor Cuomo and the Legislature did right by New Yorkers last year when they made the Personal Income Tax more progressive and more fair with a new Millionaires Tax and middle-class tax cuts.

We need to keep it going in 2012: reform corporate taxes to close loopholes and stop the special deals for big business and the 1%.

New York shouldn't cut programs for the poor, slash pensions for workers, stop services for seniors and cut colleges if we can close corporate loopholes and enforce tax laws as an alternative.

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