

\$2 Trillion Stimulus Bill Good News for Commercial Real Estate, says NAIOP

Article

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According to NAIOP, the \$2 trillion economic stimulus bill agreed upon by House and Senate leaders this morning would include the following actions that are beneficial to the commercial real estate industry:

- Provide a technical correction to the Qualified Improvement Property (QIP) depreciation drafting error from the 2017 Tax Cuts and Jobs Act that resulted in a 39-year depreciation period for QIP, rather than making it eligible for immediate expensing.
- Allow 5-year carryback of net operating losses (NOL) for non-REIT businesses for 2018, 2019 and 2020.
- Increase the limitation on deductible business interest from 30% to 50% of EBITDA (earnings before interest, taxes, depreciation, amortization) for 2019 and 2020.
- Exclude from income the cancellation of debt related to new, emergency small business loans.
- Provide small businesses, many of whom are CRE tenants, with \$367 billion in loan assistance to help keep employees on payrolls and continue paying obligations.

The legislation must now be voted on by the House, which is complicated by the need for Congressional members to travel back to Washington. Instead, a "unanimous consent" procedure may be used, essentially requiring sign off from each member.

We will continue to monitor the bill as it moves through the legislative process and provide you with updates as they become available.

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