

Representative Danny K. Davis Introduces Legislation to Spur Economic Development in Real Estate

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For Immediate
Release

March 16,
2010

Washington,
D.C. - On March 12, 2010 Congressman Danny K. Davis (D-IL), along with Representatives Peter Roskam (R-IL) and Patrick Tiberi (R-OH) introduced, H.R. 4839, a bill that will enhance economic development in underserved areas. The bill will modify Section 118(a) of the federal tax code to reflect the increased use of partnerships or Limited Liability Corporations (LLCs), an exemption already provided to corporations.

At the time
of enactment of Section 118 (a) in 1954, corporations were the predominant form of business entity. Since then, the uses of partnerships and LLCs have increased dramatically. Modifying Section 118 (a) will extend a tax

exemption to LLCs or partnerships provided to corporations when entering into local development contracts such as tax increment financing (TIFs).

Davis stated, "I am hopeful that the passage of this bill will encourage more development and redevelopment of blight areas that would otherwise be unfeasible. As the economy begins to recover, there will be many opportunities to develop underserved markets nationwide. I am also encouraged that with this change, we can pioneer a new era of real estate development that will change many poorer inner city areas and many underserved communities."

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