NAR wants permanent tax relief for distressed homeowners

During testimony on Wednesday before the U.S. House Ways and Means Subcommittee on Tax Policy in Washington, the National Association of Realtors (NAR) urged Congress to reinstate recently expired tax relief for homeowners following a foreclosure, short sale or loan modification. Following the passage of a Republican tax bill in December, NAR officials have been working to amend a provision in the "Tax Cuts and Jobs Act" to permanently enact an exclusion for mortgage debt cancellation that would exclude up to $2 million of homeowner's forgiven debt from being taxed as income. "The exclusion for mortgage debt cancellation delivers a huge dose of fairness," Barry Grooms, vice president of the trade association's Florida chapter, testified on Wednesday inside the Longworth House Office Building in D.C. "When the investment in a home goes well, and the owner sells at a gain, the tax code generously waives capital gains up to $500,000. " "But what happens when things go s...

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