

Suite 800  
1101 15th Street, NW  
Washington, DC 20005  
OFFICE: 202-326-6300  
FAX: 202-326-6377  
www.boma.org

May 11, 2011

The Honorable Kent Conrad  
United States Senate  
530 Hart Senate Office Building  
Washington, DC 20510

Dear Senator Conrad:

On behalf of the Building Owners and Managers Association (BOMA) International, I want to thank you and Senator John Cornyn for agreeing to introduce S. 687, a bill that would permanently extend the 15-year recovery period for the depreciation of leasehold improvements. BOMA strongly supports this legislation.

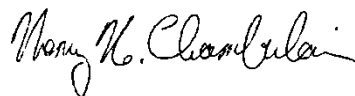
Requiring leasehold improvements to be depreciated at a rate of 1/39th per year until the improvement goes "out of service" runs counter both to common sense and the reality of the marketplace. With the average lease running from five to ten years, such reconfigurations are commonplace, and insisting on a 39-year depreciation schedule is simply a hidden and inequitable tax that is passed along to the small businesses that lease space from commercial real estate property owners.

Furthermore, a reduced timeline for leasehold improvements spurs activity in other parts of the economy. An increase can be seen in the output and employment of construction companies, building material suppliers and construction-related services as well as industries that supply goods and services to the construction industry, many of which are small businesses themselves.

BOMA International is an international federation of more than 100 local associations and affiliated organizations. Founded in 1907, its 18,000-plus members own or manage more than 9 billion square feet of commercial properties. BOMA International's mission is to enhance the human, intellectual and physical assets of the commercial real estate industry through advocacy, education, research, standards and information.

Again, BOMA International thanks you for your leadership on this important issue to the commercial real estate industry and we look forward to working with you on this legislation. If you or your staff needs any information or assistance, please contact Jason Todd, Director of Federal Affairs at (202) 326-6356 or jtodd@boma.org.

Sincerely,



Henry H. Chamberlain  
President, BOMA International

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