

NAIOP

COMMERCIAL REAL ESTATE
DEVELOPMENT ASSOCIATION



INFRASTRUCTURE AND TRANSPORTATION

KEY POINTS

- The United States ranks below most major industrialized countries on the quality of its infrastructure. Increased investment in infrastructure systems is needed to maintain our long-term economic competitiveness.
- An increase in private sector participation in the financing of major infrastructure projects, including the expanded use of public-private partnerships (P3s), would provide new and flexible funding sources to offset the cost of these investments to the taxpayer.
- Efforts to streamline regulatory and administrative approvals for major infrastructure projects must be continued in order to reduce costs and speed project completion.
- Repealing the Foreign Investment in Real Property Tax Act of 1980, a provision that unfairly targets foreign investments in real estate and infrastructure, would provide these projects with a much-needed source of capital.

FOR MORE INFORMATION, CONTACT:

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OUR POSITION

NAIOP supports increased investment in our nation's infrastructure and transportation systems. We favor direct federal support and investment for transportation and infrastructure projects of national importance, a streamlined and transparent regulatory environment, and fair tax treatment of foreign investment in infrastructure projects. The use of public-private partnerships (P3s) should be increased to provide additional funding sources for infrastructure development.

- The availability of modern and efficient infrastructure systems is a major factor in real estate development and investment decisions. The success of commercial real estate projects, leading to stronger job creation and economic growth for communities, is dependent on access to quality roads, ports, rail and other infrastructure systems.
- Direct federal investment, particularly for projects of national importance, is needed. Priority should be given to major infrastructure projects that have economic impact beyond their regions and affect all or major portions of the country. Funding criteria for project selection should be transparent and consistently applied.
- New and innovative ways to fund infrastructure development should be pursued. These include policies that increase the participation and contributions of the private sector, such as increased flexibility for and expanded use of P3s.
- Regulatory obstacles that unnecessarily deter investment in infrastructure projects should be eliminated. Permitting and approval processes should be streamlined to improve project delivery times and reduce costs.
- The Foreign Investment in Real Property Tax Act of 1980 (FIRPTA) imposes capital gains tax on foreign investments in real estate, the only asset class that faces this additional tax burden. Because of the broad interpretation of the FIRPTA statute, this tax is also applied to infrastructure projects.
- The bipartisan **Invest in America Act (H.R. 2210)** would repeal FIRPTA and eliminate this unnecessary barrier, and instead would encourage the much-needed flow of foreign capital into this key sector.