

## In The News

# Sanford Davis Quoted in *The Real Deal New York* on Outlook for REITs Under White House's Tax Reform Plan

May 9, 2017

Sanford “Sandy” Davis was quoted in an article titled, “Trump Tax Plan Could Bruise REITs,” by *The Real Deal New York*. The article highlights the potential impact the White House’s tax reform plan may have on real estate investment trusts (REITs), whose dividends are currently taxed as ordinary income, with a maximum rate of 39.6 percent under current law. Davis discussed how the White House’s proposal to lower rates on corporations and pass-through entities to 15 percent could affect the current tax structure of a REIT.

*The Real Deal New York* wrote, “Sandy Davis, a tax attorney at the Akerman law firm, said the huge drop in the corporate taxes, with no changes to REIT dividend taxation, could make the decision to form either a REIT or a normal corporation a close call. If bosses chose the typical corporate route, the company would first owe just 15 percent in corporate taxes and stockholders would then pay individual taxes from dividends or capital gains after that, and in some cases would come out the other end better than they would have as a REIT. As a result of these contemplated changes, Sandy commented, ‘The burden of two levels of taxation is reduced, so it’s possible that the comparative differential of tax burden might narrow ... Based on the lack of clarity so far in the Trump plan, it’s hard to make a comparison.’”

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Sanford J. Davis

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