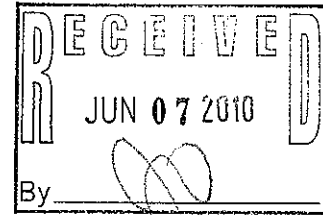


United States Senate

WASHINGTON, DC 20510-7012

May 24, 2010



Mr. Brad Schnepf
Post Office Box 96694
Naiop, Southern Nevada Chapter
Las Vegas, NV 89193-6694

Dear Mr. Schnepf:

Thank you for contacting me with regard to legislation extending certain expired tax provisions, and in particular, your concern about changes to the tax treatment of real estate activities.

I certainly share your view that real estate development has many positive effects for communities in Nevada and across the country. I also understand your belief that changing the way "carried interest" is taxed would have a negative impact on real estate developers. As you know, this change was motivated by concerns that private equity firms, hedge fund operators and others use this structure to recharacterize as capital gain income that more closely resembles income from personal services, which is taxed at ordinary income tax rates.

The Tax Extenders Act of 2009 (H.R. 4213) was introduced in the House of Representatives on December 7, 2009, and passed with a vote of 241-181 on December 9, 2009. This bill changes the tax treatment of carried interest so that it is taxed ordinary income. The legislation was sent to the Senate, which modified the legislation and did not include the change to the tax treatment of carried interest. The Senate bill passed with a vote of 62-36 on March 10, 2010. The House and Senate are currently working to resolve differences between the two bills. Please be assured that I will keep your concerns in mind should it come to the full Senate for consideration.

Again, thank you for taking the time to share your thoughts with me. For more information about my work for Nevada, my role in the United States Senate Leadership, or to subscribe to regular e-mail updates on the issues that interest you, please visit my Web site at <http://reid.senate.gov>. I look forward to hearing from you in the near future.

My best wishes to you.

Sincerely,

A handwritten signature in black ink that reads "Harry Reid". The signature is written in a cursive, flowing style.

HARRY REID
United States Senator
Nevada