

3/13/2011
Dear Alfred Pollard, Re: flip TAX

I am MERLE HOLSTEIN - BROKER
GUTTERMAN Real Estate in GREAT NECK, N.Y.

My office (the oldest in Great Neck) has been in business here for 74 years. It was a family business and I am the daughter (2nd generation). I have been selling real estate in Great Neck most of my life.

"BRAVO" on reversing the position on the flip tax for CO-ops which I am very familiar with.

In October, 1987, the real estate market took a huge tumble down. One very large garden apartment here had a very big flip tax of \$22,000 a share which was paid by the owner of the apartment. The owner had paid 135,000.00 for a one bedroom apartment. Most had at least an \$80,000.00 or more mortgage which they could not pay off. They had to sell and all the apartments could not sell except to accept \$20,000.00 (a little more or less.) The banks accepted these prices and the CO-op put a moratorium on the flip tax as I urged them to do so. There was no money for an owner to pay a flip tax! After many years later when the real estate market rebounded the flip tax was reinstated. Today, we have a similar situation and there should be NO flip tax. Also I don't believe it's fair

for an owner to pay a flip tax based on the selling price if there is a broker commission involved in the sale! If the owner has to pay a flip tax it should be based on the net amount the owner receives! Each co-op has different regulations on their flip tax.

Therefore it is truly a blessing if there is NO FLIP TAX!!

Also in New York (I'm not sure where else) the "millionaire tax" on a sale should also be rescinded!

Thanks to Congressman Mary Ackerman for bringing this "Flip Tax Victory" to my attention.

Sincerely,
Muel Gutterman Holstein

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