

Ronald Reagan Presidential Library  
Digital Library Collections

---

This is a PDF of a folder from our textual collections.

---

**Collection: Baker, James A.: Files**  
**Folder Title: [Oklahoma A-OKL]**  
**Box: 13**

---

To see more digitized collections  
visit: <https://reaganlibrary.gov/archives/digital-library>

To see all Ronald Reagan Presidential Library inventories visit:  
<https://reaganlibrary.gov/document-collection>

Contact a reference archivist at: [reagan.library@nara.gov](mailto:reagan.library@nara.gov)

Citation Guidelines: <https://reaganlibrary.gov/citing>

National Archives Catalogue: <https://catalog.archives.gov/>

**NOVAK  
REALTY  
INC.**

**DEVELOPERS OF COMMERCIAL INVESTMENTS**



6497 BRECKSVILLE ROAD • CLEVELAND, OHIO 44131 • PHONE: (216) 524-8171

December 11, 1984

Mr. James A. Baker III  
Chief of Staff  
The White House - 1600 Pennsylvania Ave.  
Washington, D. C. 20500

Dear Mr. Baker:

We urge you to immediately take a strong position against the tax reform proposals recently issued by the U.S. Department of Treasury. The uncertainty of future legislation is causing havoc in the investment community. This uncertainty is likely to result in an acceleration of the recessionary pressures already building in the present economic climate.

We believe that if enacted, certain provisions contained in the Treasury proposal would create a disincentive for capital formation, thus greatly damaging the economy of the United States. This in turn will cripple the construction and development industries resulting in the loss of millions of jobs, and ultimately creating a severe housing shortage and higher rents for millions of tenants across the United States. The proposal is economically damaging and ineffectual and conflicts with the underlying philosophy of the Reagan administration and re-election. We, therefore, urge you, in the strongest terms, to publicly oppose the recent Treasury proposal.

Sincerely,

NOVAK REALTY, INC.

*John E. Farnold*  
*J. F. Hatten*  
*Clyde R. Fawcett*  
*Chuck A. Shrank*  
*J. Blimera*

/bp

December 21, 1984

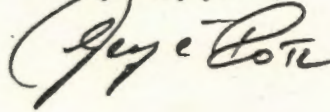
Re: Treasury Department Tax Reform Proposals

Dear James A. Baker III

I(We) urge you to immediately take a strong position against the tax reform proposals recently issued by the U.S. Department of Treasury. The uncertainty of future legislation is causing havoc in the investment community. This uncertainty is likely to result in an acceleration of the recessionary pressures already building in the present economic climate.

I(We) believe that if enacted, certain provisions contained in the Treasury proposal would create a disincentive for capital formation, thus greatly damaging the economy of the United States. This in turn will cripple the construction and development industries resulting in the loss of millions of jobs, and ultimately creating a severe housing shortage and higher rents for millions of tenants across the United States. The proposal is economically damaging and ineffectual and conflicts with the underlying philosophy of the Reagan administration and re-election. I, therefore, urge you, in the strongest terms, to publicly oppose the recent Treasury proposal.

Very truly yours,



Postscript:

In letters to Senators and Congressional Representatives, you may wish to include the following paragraph or a modification thereof:

This proposal may appear to somewhat lower the Federal tax for low to moderate income households. However, it completely ignores the intent embodied in the existing tax code to help provide decent and affordable housing for low to moderate income households. In today's marketplace, fully 35 to 40% of the total rental housing capital investment is equity which is compensated solely through tax deferral and conversion with no current yield. Current rent will only support a market competitive cash yield for 60 to 65% of the construction cost (typical mortgage financing). If the pass through tax benefits are illuminated under the Treasury proposal, new rental construction will stop and rents on existing rental housing will quickly adjust to a 50% increase, thereby costing the average American renter about \$2,000 per year. In essence, Treasury proposal is a government mandated rent increase.

MWF/njt

# HAUSSER+TAYLOR

CERTIFIED PUBLIC ACCOUNTANTS, 1410 TERMINAL TOWER, CLEVELAND, OHIO 44113, (216) 523-1900

December 18, 1984

James A. Baker III, Chief of Staff and  
Assistant to the President  
The White House  
1600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20500

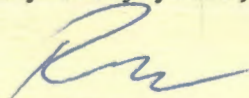
Re: Treasury Department Tax Reform Proposals

Dear Mr. Baker:

I urge you to immediately take a strong position against the tax reform proposals recently issued by the U.S. Department of Treasury. The uncertainty of future legislation is causing havoc in the investment community. This uncertainty is likely to result in an acceleration of the recessionary pressures already building in the present economic climate.

I believe that if enacted, certain provisions contained in the Treasury proposal would create a disincentive for capital formation, thus greatly damaging the economy of the United States. This in turn will cripple the construction and development industries resulting in the loss of millions of jobs, and ultimately creating a severe housing shortage and higher rents for millions of tenants across the United States. The proposal is economically damaging and ineffectual and conflicts with the underlying philosophy of the Reagan administration and re-election. I therefore, urge you, in the strongest terms, to publicly oppose the recent Treasury proposal.

Very truly yours,



Ronald L. DeGrandis

RLD/mk

December 17, 1984

James A. Baker, III,  
Chief of Staff  
The White House  
Washington, D.C. 20500

Dear Mr. Baker,

I ask you to publicly reject the Treasury Department's Tax reform proposal as it relates to the petroleum industry. While we do need tax reform, proposals to repeal percentage depletion and the expensing of intangible drilling costs would be counter productive (primarily to independent producers) in achieving energy independence. If we want to locate and develop oil and gas reserves here in the United States, we must continue to provide the necessary financial incentives to do so.

Again, please reject the Treasury Departments tax proposal regarding oil and gas depletion and the intangible drilling cost deductions. I would like to hear from you regarding this matter.

Very truly yours,



Karl Koett  
854 Deacon Circle  
Columbus, OH 43214



2176 Hewitt Ave., Dayton, Ohio 45440 513 / 434-6099

December 13, 1984

James A. Baker III
Chief of Staff and Assistant to the President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Re: Treasury Department Tax Reform Proposals

Dear Mr. Baker:

We urge you to immediately take a strong position against the tax reform proposals recently issued by the U.S. Department of Treasury. The uncertainty of future legislation is causing havoc in the investment community. This uncertainty is likely to result in an acceleration of the recessionary pressures already building in the present economic climate.

We believe that if enacted, certain provisions contained in the Treasury proposal would create a disincentive for capital formation, thus greatly damaging the economy of the United States. This in turn will cripple the construction and development industries resulting in the loss of millions of jobs, and ultimately creating a severe housing shortage and higher rents for millions of tenants across the United States. The proposal is economically damaging and ineffectual and conflicts with the underlying philosophy of the Reagan administration and re-election. I, therefore, urge you, in the strongest terms, to publicly oppose the recent Treasury proposal.

Very truly yours, [Signature] Paradise
GATEWAY ASSOCIATES, INC.

[Signatures: Jannie Markster, Richard D. Logan, W.C. Mattingly, Anne Spyrud]

[Signatures: D. A. Johnson, William D. Barbour, Jerry M. Butts, M. J. Smith, L. S. Salen, Hal Sprinkle, Joe Watts, Ruth North, Pamela Taylor, Thomas [unclear], Wm. N. Schatzman]

[Signatures: Alvin C. Campbell, Marcia M. White, Helen Decker, Doug M. C. Dowd, Linda Andriaco, Chuck Fortner, Marcia Bernheisel, Mike Kabealo, Tony A. Gillison]



## Apartments

101 Brookside Dr., Suite One, P.O. Box 8 • Dover, Ohio 44622 • (216) 364-4454 or 364-6425

December 11, 1984

James A. Baker III  
Chief of Staff & Assistant to the President  
The White House  
1600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20500

Re: Treasury Department Tax Reform Proposals

Dear Mr. Baker:

I urge you to immediately take a strong position against the tax reform proposals recently issued by the U.S. Department of Treasury. The uncertainty of future legislation is causing havoc in the investment community. This uncertainty is likely to result in an acceleration of the recessionary pressures already building in the present economic climate.

I believe that if enacted, certain provisions contained in the Treasury proposal would create a disincentive for capital formation, thus greatly damaging the economy of the United States. This in turn will cripple the construction and development industries resulting in the loss of millions of jobs, and ultimately creating a severe housing shortage and higher rents for millions of tenants across the United States. The proposal is economically damaging and ineffectual and conflicts with the underlying philosophy of the Reagan administration and re-election. I, therefore, urge you, in the strongest terms, to publicly oppose the recent Treasury proposal.

Sincerely,

Dale R. Waldenmyer  
DRW/clb

December 17, 1984


James A. Baker, III,  
Chief of Staff  
The White House  
Washington, D.C. 20500

Dear Mr. Baker,

I ask you to publicly reject the Treasury Department's Tax reform proposal as it relates to the petroleum industry. While we do need tax reform, proposals to repeal percentage depletion and the expensing of intangible drilling costs would be counter productive (primarily to independent producers) in achieving energy independence. If we want to locate and develop oil and gas reserves here in the United States, we must continue to provide the necessary financial incentives to do so.

Again, please reject the Treasury Departments tax proposal regarding oil and gas depletion and the intangible drilling cost deductions. I would like to hear from you regarding this matter.

Very truly yours,

  
Jim Penker  
P.O. Box 496  
Goshen, OH 45122



C. E. CRONBAUGH Realty, Inc.

1533 South Water Street

Kent, Ohio 44240 • (216) 678-5300

INDUSTRIAL · COMMERCIAL · PROPERTY MANAGEMENT

December 11, 1984

James A. Baker III, Chief of Staff  
and Assistant to the President  
The White House  
1600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20500

Re: Treasury Department Tax Reform Proposals

Dear Mr. Meese:

We urge you to immediately take a strong position against the tax reform proposal recently issued by the U.S. Department of Treasury. The uncertainty of future legislation is causing havoc in the investment community. This uncertainty is likely to result in an acceleration of the recessionary pressures already building in the present economic climate.

We believe that if enacted, certain provisions contained in the Treasury proposal would create a disincentive for capital formation, thus greatly damaging the economy of the United States. This in turn will cripple the construction and development industries resulting in the loss of millions of jobs, and ultimately creating a severe housing shortage and higher rents for millions of tenants across the United States. The proposal is economically damaging and ineffectual and conflicts with the underlying philosophy of the Reagan administration and re-election. We, therefore, urge you, in the strongest terms, to publicly oppose the recent Treasury proposal.

Very truly yours,

Clarence E. Cronbaugh

J. David Caldwell, MAI-SRPA



1125 Shawnee Road • Lima, Ohio 45805 • (419) 227-7070

December 13, 1984

James A. Baker III, Chief of Staff and Assistant to the President  
The White House, 1600 Pennsylvania Avenue, N.W.  
Washington, D. C. 20500

RE: Treasury Department Tax Reform Proposals

Dear Mr. Baker:

I urge you to immediately take a strong position against the tax reform proposals recently issued by the U. S. Department of Treasury. The uncertainty of future legislation is causing havoc in the investment community. This uncertainty is likely to result in an acceleration of the recessionary pressures already building in the present economic climate.

I believe that if enacted, certain provisions contained in the Treasury proposal would create a disincentive for capital formation, thus greatly damaging the economy of the United States. This in turn will cripple the construction and development industries resulting in the loss of millions of jobs, and ultimately creating a severe housing shortage and higher rents for millions of tenants across the United States. The proposal is economically damaging and ineffectual and conflicts with the underlying philosophy of the Reagan administration and re-election. I, therefore, urge you, in the strongest terms, to publicly oppose the recent Treasury proposal.

Very truly yours,

Donald R. Smith, GRI  
Broker



RESIDENTIAL • COMMERCIAL • INVESTMENT • FARM

December 17, 1984

James A. Baker, III,  
Chief of Staff  
The White House  
Washington, D.C. 20500

Dear Mr. Baker,

I ask you to publicly reject the Treasury Department's Tax reform proposal as it relates to the petroleum industry. While we do need tax reform, proposals to repeal percentage depletion and the expensing of intangible drilling costs would be counter productive (primarily to independent producers) in achieving energy independence. If we want to locate and develop oil and gas reserves here in the United States, we must continue to provide the necessary financial incentives to do so.

Again, please reject the Treasury Departments tax proposal regarding oil and gas depletion and the intangible drilling cost deductions. I would like to hear from you regarding this matter.

Very truly yours,

*Don Bailey*  
Don Bailey  
6396 Westward Dr.  
Loveland, OH 45140

December 17, 1984


James A. Baker, III,  
Chief of Staff  
The White House  
Washington, D.C. 20500

Dear Mr. Baker,

I ask you to publicly reject the Treasury Department's Tax reform proposal as it relates to the petroleum industry. While we do need tax reform, proposals to repeal percentage depletion and the expensing of intangible drilling costs would be counter productive (primarily to independent producers) in achieving energy independence. If we want to locate and develop oil and gas reserves here in the United States, we must continue to provide the necessary financial incentives to do so.

Again, please reject the Treasury Departments tax proposal regarding oil and gas depletion and the intangible drilling cost deductions. I would like to hear from you regarding this matter.

Very truly yours,

  
Mike Gorby  
6390 Westward Dr.  
Loveland, OH 45140

December 17, 1984

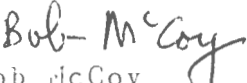
James A. Baker, III,  
Chief of Staff  
The White House  
Washington, D.C. 20500

Dear Mr. Baker,

I ask you to publicly reject the Treasury Department's Tax reform proposal as it relates to the petroleum industry. While we do need tax reform, proposals to repeal percentage depletion and the expensing of intangible drilling costs would be counter productive (primarily to independent producers) in achieving energy independence. If we want to locate and develop oil and gas reserves here in the United States, we must continue to provide the necessary financial incentives to do so.

Again, please reject the Treasury Departments tax proposal regarding oil and gas depletion and the intangible drilling cost deductions. I would like to hear from you regarding this matter.

Very truly yours,

  
Bob McCoy  
P.O. Box 301  
Loveland, OH 45140



MESARVEY, RUSSELL & CO.

Certified Public Accountants

Suite 825, First National Building, Springfield, Ohio 45502  
Springfield (513) 325-4639 Dayton (513) 864-1652

December 12, 1984

We deliver.....Solutions!

James A. Baker, III  
Chief of Staff and Assistant to the President  
The White House  
1600 Pennsylvania Ave., N.W.  
Washington, DC 20500

RE: Treasury Department Tax Reform  
Proposals

Dear Mr. Baker:

We urge you to immediately take a strong position against the tax reform proposals recently issued by the U.S. Department of Treasury. There are several features of the proposal which I believe will cause significantly more harm than good; specifically by reducing investment incentive, hindering small investors, and increasing recessionary pressures. These features are as follows:

1. 35-Limited Partner Rule - This would tax partnerships with more than 35 limited partners as corporations. This will restrict small investors from investing in larger investment properties.
2. Repeal of the 60% exclusion on capital gains. This will significantly reduce investment incentive.
3. Application of at risk rules to real estate.
4. Extension of 18 year depreciation period for real estate to 33 years.
5. Repeal of ITC.

This proposal may appear to somewhat lower the Federal tax for low to moderate income households. However, it completely ignores the intent embodied in the existing tax code to help provide decent and affordable housing for low to moderate income households. In today's marketplace, fully 35 to 40% of the total rental housing capital investment is equity which is compensated solely through tax deferral and conversion with no current yield. Current rent will only support a market competitive cash yield for 60 to 65% of the construction cost (typical mortgage financing). If the pass through tax benefits are eliminated under the Treasury proposal, new rental construction will stop and rents on existing rental housing will quickly adjust to a 50% increase, thereby costing the average American renter about \$2,000 per year. In essence, Treasury proposal is a government mandated rent increase.

We believe that if enacted, certain provisions contained in the Treasury proposal would create a disincentive for capital formation, thus greatly damaging the economy of the United States. This in turn will cripple the construction and development industries resulting in the loss of millions of jobs, and ultimately creating a severe housing shortage and higher rents for millions of tenants across the United States. The proposal is economically damaging and ineffectual and conflicts with the underlying philosophy of the Reagan administration and re-election. I, therefore, urge you, in the strongest terms, to publicly oppose the recent Treasury proposal.

Very truly yours,

Mesarvey, Russell & Co., CPAs