

## "Sleezy Realtors" Rent Seeker (2006)

### Sleezy Realtors: Stop Rent Seeking



Honestly, I kind of feel sorry for [David Lereah](#).

David is the Chief Economist at the [National Association of Realtors](#) -- the man with the sordid job of serving as the [paid shill](#) for Realtors' rent seeking through the tax code.

Tax reform has been in the news recently. Why? Because -- thanks to rent-seekers like the Realtors -- every few decades we're forced to clean out a clutter of special tax credits, deductions, and other handouts that muck-up the tax code over time.

Those special tax handouts get inserted into the code by rent-seeking latches like Lereah, who profit handsomely from them. And the rest of us get screwed, paying higher tax rates and dealing with more complex taxes as a result.

How does tax reform fix this? By clearing out complicating credits and deductions from the tax code, we're able to lower everyone's tax rates, but still raise the same tax revenue. That good for our pocket books, it's good for the economy, and it's good public policy. Win, win, win.

But guess who's taking a dump on our tax-reform pool party? The National Association of Realtors. And their dancing-bear economist, David Lereah.

The Realtors hate tax reform because the tax code is riddled with goodies they profit from. In particular, they fight tooth and nail to preserve one special tax subsidy that [economists unanimously denounce as unjustified baloney](#): the home mortgage interest deduction.

Sure, it sounds fuzzy and nice. But simple economics shows the home mortgage interest deduction is a fraud on U.S. taxpayers.

[It's regressive](#), channelling huge tax benefits to super-wealthy taxpayers with million-dollar homes. It carves a massive hole in the federal tax base, forcing up tax rates for the rest of us. And it encourages the U.S. economy to be housing-rich and plant-and-equipment-poor, lowering U.S. worker productivity and [depressing workers' wages](#).

That's bullshit, Realtors.

As if dodging your annoying members at cocktail parties isn't bad enough. Time to stop rent seeking.

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