



February 15, 2017

For Immediate Release



Action Alert

AB 71 (Chiu) Takes Away the Interest Deduction for Vessels that Qualify as Second Homes!

This bill eliminates the interest deductions for *Second Homes*, including previously qualifying vessels. It abolishes a tax incentive that can make or break the decision to purchase a vessel.

It is estimated there are roughly 40-45,000 boats in California that could qualify for this exemption if they are currently financed. If just a small percentage of future sales are lost due to this change, it could have a significant impact on the many boating businesses that serve these boaters.

This bill will be scheduled to be heard in the Assembly Housing and Community Development Committee in the near future. We need you to contact the members of this committee to let them know you are opposed to AB 71!

Here is a link to a page that includes the contact information for all the members of the committee:
<http://ahcd.assembly.ca.gov/membersstaff>

Please take the time to write to each member of the committee. For your convenience, below is draft text to insert in your email.

I am writing to ask you to vote **"NO" on AB 71** when it is before you in the Housing and Community Development Committee. This bill would eliminate the interest deduction on second homes, which also includes vessels that qualify as second homes. Because of the high cost of purchasing a boat, the tax implications can be a deciding factor for a potential buyer considering a vessel purchase. Eliminating this deduction will not only impact the sales of new and used vessels, but the loss of those sales will also impact the businesses that would have otherwise served those buyers.

Boating has a total economic impact of \$8.4 billion, with annual boating spending of approximately \$3.8 billion. Additionally, there are over 800,000 registered vessels in California. In times of economic uncertainty, we should be looking for ways to stimulate economic activity, not hinder it by creating disincentives. For this reason, I strongly urge your **"NO" VOTE ON AB 71**.