



February 16, 2017

For Immediate Release



This alert is a replacement for the previous alert on AB 71 you may have received. For logistical reasons, we have changed the request from contacting the legislative committee in which the bill will be considered, and are now asking you to contact your elected representative directly.

Action Alert

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

This bill eliminates a tax incentive that can make or break the decision to purchase a vessel. If this deduction is eliminated, it will affect many aspects of boating, not just those purchasing vessels.

It is estimate 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.

Please contact your elected representatives to express your opposition to this bill. You can find your representatives on the following website: <http://findyourrep.legislature.ca.gov/>

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 include vessels that qualify as second homes. Because of the high cost of purchasing a boat, the tax implications can be a deciding factor for 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 serve 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**.