



SACRAMENTO, CA - The California Building Industry Association issued the following statement on the proposed Federal Tax Cuts and Jobs Act:

“California’s homebuilders are encouraged by the efforts to simplify our nation’s tax system, stimulate economic growth and generate job creation. While we appreciate these endeavors, and know that more work remains to be done, we are strongly concerned with the provisions in the Act related to housing.

The dream of homeownership is a fundamental aspiration and core value for hardworking Americans. Housing is a major stimulus to the economy, a tremendous job generator, and an essential component for wealth creation for first-time homebuyers, minorities and middle-class families.

With too many Californians already falling into poverty and housing becoming increasingly out-of-reach for so many, we would strongly encourage changes to the Act that incentivize, promote, and assist more hardworking Americans to achieve that American dream of homeownership.

Specifically, we would ask for the following:

- **Maintain the Existing Mortgage Interest Deduction of up to \$1 million.** In states such as California where the median price of a home is \$533,000, it is essential for homeowners to be able to deduct the full amount of the mortgage interest deduction. We are concerned that the limits to the deduction in the Act will create a depressive effect particularly in California which could lead to a nation-wide housing recession.
- **Protect Private Activity Tax-exempt Bonds for Affordable Housing.** Throughout the nation and in California especially, the growing housing crisis is having a profound impact on struggling families and causing poverty rates to skyrocket to unprecedented levels. Tax exempt bonds are a critical tool in financing the development of affordable housing. It is important that critical tools such as this be preserved and protected.
- **Preserve Property Tax Deductions.** Homeowners’ ability to write-off the full amount of their property taxes on their federal returns is vital to purchasing homes and safeguarding homeownership. The proposal in the Act unfairly disadvantages middle class homeowners in California who already suffer from high housing costs and a generally high cost of living.

As the debate on tax reform moves forward, our industry will continue to strongly advocate for a robust housing market in California and educate key decisionmakers on the fact that housing is a massive job creator and economic powerhouse. We encourage Congress in its pursuit of much-needed tax reform to promote and incentivize new housing and safeguard the dream of homeownership for all the hardworking men and women of our great nation.”

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