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**Orange County Builders Applaud State Legislature
and Governor Schwarzenegger's
Decision to Approve Home Buyer Tax Credit**

Irvine, CA – Both Governor Schwarzenegger and the State Legislature have taken a critical step in reinvigorating the state's economy by passing and signing AB 183, a bill which will provide a \$10,000 tax credit to home buyers. With the housing industry making up some 11% of the state's overall Gross Domestic Product, an increasing number of economists and policy-makers agree; the recovery of the housing sector is essential to the recovery of the state's economy. Slumping new home production has been steadily killing jobs for the past two years.

The home buyer tax credit will go into effect May 1, and will provide \$200 million in tax credits for both new home buyers and first-time buyers of existing homes. Buyers can claim up to \$10,000 or 5 percent of the home price (depending upon which is less), for the purchase of a new home. Buyers must reside in their home for a minimum of two years and there is no income requirement. Even though the program is set to expire at the end of the year, buyers can't wait too long, last year's tax credit was extremely popular and funding was already dried up by mid-summer. Several Orange County builders experienced substantially higher new home sales as soon as the previous tax credit went into effect last year.

Kristine Thalman, CEO of the Building Industry Association of Orange County comments, "The reality is new construction creates jobs – up to 3 new jobs for every single home built. Renewing the homebuyer tax credit is a critical step in creating jobs and generating positive economic activity for the state. Since new construction generates approximately \$16,000 in state tax revenues alone, the new tax credit would more than pay for itself. The companies that are directly and indirectly affected by the housing industry reach across nearly every sector of our state's economy. It's not just home builders that will benefit; its trade contractors, professional services, news publications (ads), local small businesses, not to mention the considerable tax benefit to both the state and local governments. We applaud Gov. Schwarzenegger for taking decisive action in extending the tax credit program and putting people back to work. This truly is a win-win situation for the state and the economy as a whole."

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The Orange County Chapter of the Building Industry Association of Southern California (BIA/OC) is a non-profit trade association representing nearly 1,000 companies employing over 100,000 people affiliated with the home building industry. The BIA/OC mission is to promote proactive participation in the development of economic and community issues in Orange County. The BIA/OC is affiliated with the California BIA and the National Association of Home Builders.

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