



Office of the Governor

ARNOLD SCHWARZENEGGER
THE PEOPLE'S GOVERNOR

PRESS RELEASE

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Governor Schwarzenegger Signs \$10,000 Homebuyer Tax Credit Legislation

Governor Arnold Schwarzenegger today returned to the La Ventana Homes project in Fresno where he kicked off his campaign to extend and expand the hugely successful homebuyer tax credit to sign legislation that will do just that. **AB 183**, authored by Assemblymember Anna Caballero (D-Salinas) and Senator Roy Ashburn (R-Bakersfield), will provide a tax credit of up to \$10,000 to Californians who are buying their first home or purchasing a brand new home. This legislation, part of the Governor's larger *California Jobs Initiative*, will play a key role in getting our economy moving again by encouraging home ownership and stimulating job creation.

"I have been up and down the state pushing this important housing bill that will get people off the fence and into homes while creating jobs and stimulating our economy – and today I am proud to take action and put it into law," said Governor Schwarzenegger. "Creating jobs is my number one priority and I am glad that I have been able to sign two job-creating bills in two days. I applaud the legislature for their great work and encourage them to keep it up and pass the remaining job-creating elements of my *California Jobs Initiative*."

AB 183 was passed by the legislature on March 22 and gives the Franchise Tax Board authority to extend a total of \$200 million in tax credits to California homebuyers; \$100 million for buyers of new, unoccupied homes and another \$100 million for first-time buyers of existing homes. The credit will be extended from May 1, 2010 to December 31, 2010. The tax credit will be available to buyers on a first-come, first-served basis and is applied in equal amounts over a period of three taxable years. To qualify, the buyer must not be a dependant and must purchase a home that does not belong to a relative.

Governor Schwarzenegger fought hard to extend and expand the homebuyer tax credit after its successful run in 2009. That \$100 million tax credit, which was approved in February 2009, ran out after just four months with 10,659 Californians claiming the credit – increasing home purchases, jumpstarting building projects and boosting local economies. In fact, La Ventana Homes saw a 300 percent increase in sales when the tax credit went into effect.

The homebuyer tax credit is a part of the larger *California Jobs Initiative* that the Governor proposed in his State of the State address in January to create jobs and stimulate the economy. Today's bill is the second piece of it to be approved by the legislature. A sales tax exemption on green-tech manufacturing equipment was also approved to encourage green businesses to relocate and invest in California. The Governor signed that yesterday.

