



## **NEW YORK STATE BUILDERS ASSOCIATION, INC.**

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FOR IMMEDIATE RELEASE

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### **NATIONAL STUDY FINDS THAT STATE TAX CREDIT WILL SPUR HOME SALES AND NEW YORK'S ECONOMY**

ALBANY, MAY 19, 2009... The National Association of Home Builders (NAHB) issued a report today which determines that a proposed \$7,000 state income tax credit for home buyers will generate enough revenue for New York State to offset any loss of proceeds and also induce many more prospective buyers to purchase homes this year than would otherwise have been the case.

The report also finds that the home buying activity created by the \$7,000 tax credit will generate fees for real estate agents, income for the professionals who provide services at closing, and additional spending on items such as home appliances and furnishings, and this activity will generate income, sales, and other tax revenue for the New York State government. Increased home buying means that vacant units for sale on the market will be absorbed more quickly and allow production of new housing to recover from its current depressed condition to more normal levels.

The legislation, (A. 7125/S.3900) sponsored by Assemblyman Vito Lopez and Senator Joseph Addabbo, Jr., provides for a tax credit in the amount of \$7,000 for the purchase of a home with a price of \$1 million or less. The tax credit applies to coops and condos in addition to one and two family residences, irrespective of whether it is an existing or new construction, and may be taken for the first three years of ownership of such primary residence.

"Real estate sales and housing starts in New York State have undergone a precipitous decline," said NYSBA Executive Vice President Philip LaRocque. "This NAHB study clearly shows that the tax credit will create economic stimulus for New York State's real estate market, and will encourage buyers to make home purchases with resulting positive impacts on the economy."

The tax credit will work in tandem with the federal housing tax credit to jumpstart the economy, assist in stabilizing home values, slow the rate of foreclosure and help mortgage portfolios. Home buying activity which is stimulated by a tax credit results in positive multiplier and ripple effects throughout the economy not just in the housing sector. A tax credit is an investment by the state which will be repaid throughout the economy.

The New York State Builders Association (NYSBA) is a not-for-profit trade association comprised of 16 local affiliates across the state. Chartered in 1951, NYSBA represents 3,500 single and multi-family builders, remodelers, developers, and associate member firms; ensuring that their interests are represented at the State level. These members perform over \$5 billion in single and multi-family new and rehab residential construction annually and employ over 250,000 across New York State.

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