

# Assembly Member Perea introduces bill to extend tax relief on mortgage debt

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Henry T. Perea

Assembly Member Henry T. Perea, D-Fresno, has introduced another bill that would extend state tax relief on mortgage debt for one more year.

Assembly Bill 99 continues the Mortgage Forgiveness Relief Act sparing California homeowners from paying taxes on their mortgage debt after a short sale or principal loan modification. The forgiven debt is considered taxable income.

Homeowners whose debt was forgiven by their lender before Jan. 1, 2015 could qualify.

This is the second bill Perea has introduced to help struggling homeowners. Last year, Gov. Jerry Brown signed AB 1393 to extend the tax relief program through 2013.

“With the federal government extending mortgage debt forgiveness for 2014, it’s important California follow suit and provide tax relief to homeowners who are on the brink of losing their homes,” Perea said in a news release.

“A lot of families who were in financial trouble — needed and received a loan modification from their lender,” he said. “They can’t afford to pay an additional tax on money they never received. This bill will help hard working families stay in their homes.”



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