



## ▶ MRAA Supports Second Home Mortgage Interest Deduction

**Legislative Objective** — The Marine Retailers Association of the Americas (MRAA) supports the Second Home Mortgage Interest Deduction and its application to recreational boating. MRAA asks Congress to keep this vital provision in the tax code, which is critical for economic stability in the boating industry.

**Legislative Background** — Deductions for mortgage interest have been part of the tax code since its inception in 1913, making the mortgage interest deduction an economic cornerstone of American housing and boat ownership. The Second Home Mortgage Interest Deduction makes boating more affordable for middle-class families. A taxpayer can currently deduct mortgage interest for a principal or secondary home up to a total value of \$1.1 million and up to \$100,000 of home equity loan debt. A boat must provide basic living accommodations, including sleeping space, head and cooking facilities, in order to qualify. Many Americans use a boat in place of a second “vacation” home.

Prospective middle-class boat owners are asking marine dealers about the Second Home Mortgage Interest Deduction, and the deduction has become a pivotal part of the purchase/affordability decision. The annual median household income for boat owners is between \$50,000 and \$75,000, and consumer boat loans average \$48,000. There's a major misconception that the Second Home Mortgage Interest Deduction is used by wealthy Americans to help finance their purchase. This is clearly not the case.

Cuts to or elimination of the Second Home Mortgage Interest Deduction would adversely affect middle-class Americans' ability to purchase a boat. A change to the tax law in this regard would likewise jeopardize thousands of blue-collar jobs in the boating industry. It's clear to MRAA that middle-class boat buyers and the industry's blue-collar employees would be the most negatively impacted by this change to the tax code.

**Action Needed** — MRAA asks Congress to oppose all efforts to eliminate or reduce the Second Home Mortgage Interest Deduction for recreational boats when the U.S. Tax Code is revised.



### ASK CONGRESS...

**To oppose all efforts to eliminate the Second Home Mortgage Deduction.**

### ▶ Key Facts

- ▶ Annual median HHI for boat owners is between \$50,000 and \$75,000.
- ▶ The average boat loan totals \$48,000.
- ▶ Second-home mortgage interest deduction makes boating more affordable for middle class families.

### ▶ Contact

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