

To the Members of the California State Assembly:

I am signing Assembly Bill X8 6 and Assembly Bill X8 9.

Last week, I sent a letter to the Legislature indicating my concerns with the gas tax swap proposed by Assembly Bill X8 6 that resulted in a tax increase on commuter rail services, and the fact that the Legislature provided no tax reductions to help stimulate job growth. Earlier today, the Legislature passed a measure to fix technical problems with the gas tax swap bill and passed two key tax reductions as part of my jobs package. The package of bills as written will provide significant benefit to the state's general fund and will help put Californians back to work. For these reasons, I am signing these bills.

I commend the Legislature for acting today on the \$200 million homebuyers' tax credit. This successful program will lower taxes on the sale of both new and existing homes, stimulating the housing industry and creating jobs for thousands of Californians. Similarly, the tax exemption on the purchase of clean-technology manufacturing equipment will spur investment in solar manufacturing, renewable energy, fuel cells and zero-emission vehicles in California, creating jobs and maintaining California's leadership in the field of clean-technology.

I commend the Legislature for your strong bi-partisan actions on these measures. I encourage you to maintain this momentum and ask that before adjourning for Spring Recess the Legislature send me measures to relieve homeowners from tax penalties associated with the sale of their homes in a "short sale," and extend federal tax provisions to renewable energy projects funded with federal stimulus dollars. These two measures are critical and time sensitive. I look forward to working with you to move our state and our economy forward. Thanks for the great work.

Sincerely,

Arnold Schwarzenegger