

Congress of the United States
Washington, DC 20515

April 22, 2019

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232, The Capitol Building
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
H 204, The Capitol Building
Washington, DC 20515

Dear Speaker Pelosi and Leader McCarthy:

We write to express our concerns regarding the State and Local Tax (SALT) deduction cap enacted in the Tax Cuts and Jobs Act. The \$10,000 SALT deduction cap imposes higher federal taxes on millions of middle-class Americans, imposes an anti-family marriage penalty, and jeopardizes state and local services funded by these taxes. We urge you to make the rollback of the SALT deduction cap a priority in the 116th Congress.

The State and Local Tax deduction has existed in the United States Tax Code since the modern federal income tax was enacted in the Revenue Act of 1913. While it has been modified since its inception, some version of the SALT deduction has existed for over a century. It is a longstanding belief in our tax system that income used to pay state and local taxes should not be counted as federal taxable income. Taxing this income at the federal level, in addition to at the state and local levels, results in unfair double taxation for the 29.5% of tax units, such as individuals or married couples filing jointly, that claimed the SALT deduction directly in recent years. Nationwide, the average SALT deduction is \$12,500, a full \$2,500 above the new \$10,000 limit.

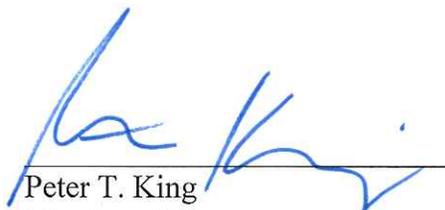
Since the SALT deduction applies to tax units, not individuals, the cap creates a marriage penalty within the tax code. An unmarried couple filing separately as individuals can deduct \$20,000, as each person may deduct up to \$10,000 each. A married couple filing jointly as a single tax unit is limited to one \$10,000 deduction. This imposes an unfair penalty on couples who choose to marry and begin life as a family. In addition, the SALT deduction limit has a major structural flaw as the limit is not indexed to inflation. As time goes on, and the purchasing power of the dollar decreases due to inflation, it will harm more Americans each year. Soon, the \$10,000 deduction limit effectively will be much less.

We look forward to working with you to address the SALT deduction cap enacted in the Tax Cuts and Jobs Act. Thank you for your consideration and leadership.

Sincerely,



Katie Porter
Member of Congress



Peter T. King
Member of Congress

Tom Malinowski

Tom Malinowski
Member of Congress

Lee Zeldin

Lee Zeldin
Member of Congress

Jerold Nadler

Jerold Nadler
Member of Congress

Eleanor Holmes Norton

Eleanor Holmes Norton
Member of Congress

Bill Pascrell Jr.

Bill Pascrell Jr.
Member of Congress

Gilbert R. Cisneros, Jr.

Gilbert R. Cisneros, Jr.
Member of Congress

Brian Higgins

Brian Higgins
Member of Congress

Ed Case

Ed Case
Member of Congress

Rosa L. DeLauro

Rosa L. DeLauro
Member of Congress

Harley Rouda

Harley Rouda
Member of Congress

Jackie Speier

Jackie Speier
Member of Congress

Max Rose

Max Rose
Member of Congress

Eric Swalwell

Eric Swalwell
Member of Congress

Mark DeSaulnier

Mark DeSaulnier
Member of Congress

Kathleen M. Rice

Kathleen M. Rice
Member of Congress

Anthony Brindisi

Anthony Brindisi
Member of Congress



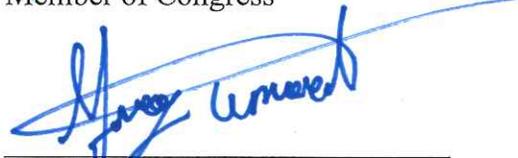
Antonio Delgado
Member of Congress



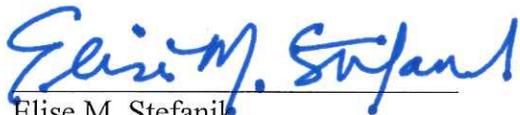
Josh Gottheimer
Member of Congress



Thomas R. Suozzi
Member of Congress



Gregory W. Meeks
Member of Congress



Elise M. Stefanik
Member of Congress



Rashida Tlaib
Member of Congress



Mikie Sherrill
Member of Congress