



The State and Local Tax (SALT) Deduction and Your District

The tax reform outline released by the “Big Six” leaders in Washington on September 27, 2017 would eliminate the state and local tax deduction (SALT). This federal tax deduction claimed by 44 million American taxpayers helps support vital investments in infrastructure, public safety, home ownership and education. Elimination of SALT would cost households, 86 percent of whom make less than \$200,000, \$1.3 trillion over a ten year period. NYSSBA **opposes** any proposal to eliminate or restrict the SALT deduction.

- **SALT prevents double taxation.** SALT has been a feature of the tax code for more than 100 years. In 1913, the first federal income tax form allowed taxpayers to deduct state and local taxes, one of only six deductions allowed at the time. SALT prevents double taxation of Americans by allowing taxpayers to claim a deduction for the state and local taxes they have already paid from their income.
- **SALT benefits the middle class.** Nearly 86 percent of taxpayers who claim the SALT deduction have an adjusted gross income of under \$200,000. The Tax Policy Center analysis indicates that nearly 30 percent of taxpayers with incomes between \$50,000 and \$150,000 would see a tax increase under the tax plan that eliminates the deduction for state and local taxes (SALT).
- **SALT benefits homeowners.** Eliminating the SALT deduction would raise taxes on middle class homeowners – even if the standard deduction were doubled. A recent study commissioned by the National Association of Realtors found that homeowners with an adjusted gross income between \$50,000 and \$200,000 would see an average tax increase of \$815 if SALT were eliminated and the standard deduction were doubled.
- **SALT supports the community.** If SALT is eliminated, vital public sector services, including education, will be at risk. This is because the after tax cost to taxpayers of these services will increase, and state and local governments will find it harder to maintain the necessary level of services.
- **SALT is bipartisan and national.** SALT is claimed by 44 million taxpayers in all 50 states, in both Democratic and Republican districts.

SALT must be fully preserved – without limitation or modification