



---

## **Coalition of Local Governments, Schools, and Realtors Urging New York's Congressional Delegation to Oppose Tax Reforms that Overtax NYers**

The associations representing New York State's schools, local governments, and realtors today applauded New York's Congressional Members who voted no on the Federal Budget Resolution that narrowly passed in the House of Representatives, and renewed their request that the State's delegation oppose cutting or weakening the State and Local Tax (SALT) deduction as congress continues to negotiate the terms of federal tax reform.

The House of Representatives voted by a 216-212 margin to adopt a budget resolution, clearing the way for action on a tax reform bill. Several Republican members of the New York delegation opposed the budget resolution to protest plan to eliminate or alter the SALT deduction. Representatives Donovan, Faso, Katko, King, Stefanik, Tenney, and Zeldin voted no on the budget resolution.

Nearly 96 percent of federal income tax itemizers utilize the state and local tax (SALT) deduction. In 2015, over 3.3 million households in New York State claimed the SALT deduction, at the highest average of any state in the nation at around \$24,000. In addition, a recent study by PwC commissioned by the National Association of Realtors found that homeowners with AGI between \$50,000 and \$200,000 would see an average annual tax increase of \$815 if the deduction for state and local taxes is eliminated, even when paired with a doubling of the standard deduction.

The SALT deduction for federal income tax purposes has been a part of the tax code since its official inception in 1913, and even earlier with the precedent set by President Lincoln and the Civil War income tax. The deduction was one of the six original federal tax deductions because it represents a core principle of federalism in that it prevents double taxation since state and local taxes are mandatory payments.

In light of its anticipated impact on New York State tax filers, the respective leaders from New York State are asking the congressional delegation to continue opposing efforts to eliminate or weaken the SALT deduction as they consider the overall federal tax reform package.

### **Onondaga County Executive Joannie Mahoney, President of the New York State County Executives Association said:**

“Clearly, our congressional members understand that cutting the SALT deduction would have a direct and negative impact on our homeowners and local governments. Today we ask them to hold firm to their convictions and oppose weakening the SALT deduction in

future negotiations and votes.”

**Peter A. Baynes, Executive Director of the New York State Conference of Mayors said:**

"Any narrowing of the SALT deduction would mean higher taxes for New Yorkers, cause fiscal stress on local governments, and further spur the fleeing of taxpayers out of our state. Mayors across New York urge our congressional delegation to reject any tax reform plan that attacks the SALT deduction and double-taxes New Yorkers."

**Putnam County Executive MaryEllen Odell, President of the New York State Association of Counties said:**

“Eliminating the SALT deduction would be double taxation. Our homeowners would be taxed at the local and state levels, and then forced for the first time in the nation’s history to pay federal taxes on the state and local taxes they already paid. We appreciate our congressional members who are standing up for our residents, and against cutting SALT.”

**Timothy G. Kremer, Executive Director of the New York State School Boards Association said:**

“Since the introduction of New York’s local property tax cap six years ago, school boards have been very responsible in keeping their tax levies at or below the cap. However, the loss of the federal SALT deduction would unfairly punish school boards—and could reduce educational opportunities for students as taxpayers withdraw their support of public schools.”

**Gerry Geist, Executive Director of the Association of Towns of the State of New York said:**

“Thank you to the many New York representatives who stood up for New Yorkers today by voting no on the budget bill. These proposed measures to eliminate the SALT deduction will drive residents out of New York State, as the costs will be too much for many to bear. The elimination of these property tax deductions not only subjects New Yorkers to double taxation, but severely impacts the ability of Americans to afford homeownership and access to crucial services, like education, clean drinking water and public safety.”

**Duncan MacKenzie, CEO of the 56,000 member New York State Association of REALTORS said:**

“Thank you to Reps. Donovan, Faso, Katko, King, Stefanik, Tenney and Zeldin who stood up for all of New York and against their house leadership during today’s budget resolution vote. From all of the information we have thus far, the resolution passed today sets in motion tax changes that will disproportionately burden New York taxpayers and homeowners. We can only hope that fairness to all Americans, including New Yorkers, will guide Congress as it moves forward with tax reform.”