New York State School Boards Association

# Memorandum of SUPPORT

## Restore the State and Local Tax (SALT) Deduction

The Tax Cuts and Jobs Act, adopted at the end of 2017, placed a $10,000 cap on state and local tax (SALT) deduction. This federal tax deduction, previously claimed by 44 million American taxpayers, has helped support vital investments in infrastructure, public safety, home ownership and education. NYSSBA **opposed** the adoption of this cap, and urges Congress to **restore full SALT deductibility.**

- **SALT deductibility 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 deductibility benefits the middle class.** Nearly 86 percent of taxpayers who claim the SALT deduction have an adjusted gross income of under $200,000.

- **SALT deductibility benefits homeowners.** Limiting the SALT deduction is raising taxes on middle class homeowners – even with the doubling of standard deduction.

- **SALT deductibility supports the community.** The limits placed on the SALT deduction place vital public sector services, including education, at risk. The after tax cost to taxpayers of these services has now effectively increased.

- **SALT deductibility is bipartisan and national.** The SALT deduction is claimed by 44 million taxpayers in all 50 states, in both Democratic and Republican districts.

- **SALT deductibility is good for New York and New Yorkers.** NYSSBA calls on all officials elected to represent our state to support policies that are good for New York and oppose those that harm New Yorkers. Capping SALT deductibility is hurting New Yorkers.

**The SALT deduction must be fully restored.**

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