

Floor Alert

National Conference of State Legislatures
Office of State-Federal Relations

October 25, 2017

Protect State Sovereignty – Protect the SALT Deduction

Vote No on the Senate Budget Resolution

The National Conference of State Legislatures (NCSL), the bipartisan organization representing the legislatures of the nation's states, commonwealths and territories strongly opposes any tax reform measure that includes modifying or eliminating the State and Local Tax (SALT) deduction. **It is for this reason that we request you vote against the Senate Budget Resolution, unless the congressional leadership guarantees that the SALT deduction will not be eliminated or capped in any tax reform legislation.**

As a central tenet of tax reform is to provide tax relief for the middle class, NCSL is dismayed that the released framework will eliminate the SALT deduction, a deduction vital to middle-class taxpayers. The SALT deduction has existed in the federal tax code since its inception, which coincidentally was also when the federal tax code was at its simplest, because federal tax writers have always been cognizant to not tax an individual's income twice. Eliminating this deduction will lead to higher tax burdens for tens of millions of middle-class taxpayers of every political affiliation, an outcome contrary to the stated goal of providing meaningful relief to taxpayers.

Unlike the federal government, states do not have the luxury of borrowing hundreds of billions of dollars each year to fund the vital public services that Americans expect from them. Eliminating the SALT deduction will make it even more difficult for states to provide these services and it will impede their ability to invest in infrastructure, fund education, and respond to the needs of their citizenries.

Quite simply, it is not sound public policy for Congress to transfer even more tax dollars from local decisionmakers to Washington D.C. State sovereignty, or states' rights, is not a doctrine of convenience. Rather, it's the idea that states, and their citizens, know best how to govern themselves. Ensuring that the incomes of American workers are not taxed twice hardly counts as a special interest tax break or loophole that needs to be closed. NCSL strongly supports preservation of the SALT deduction and opposes any attempt to harm middle-class taxpayers and their communities.