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GFOA - Now is the Time to Act on SALT Tax Reform

What Can You Do?

Call Your Representative on the House Ways and Means Committee. Is your Congressional representative on the House Ways and Means Committee? Call them right away and urge them to voice their opposition to eliminating deductibility. The GFOA Report, "The Impact of Eliminating the State and Local Tax Deduction," shows the percentage of tax filers in their districts that use the deduction and the potential impact of eliminating it.

Call Your U.S. Senators and Representatives. Even if your Congressional representation is not on the committee, it is still important to let them know how important this issue is. It's important to bring as much attention as possible to this threat. To make more of an impact, make an appointment to visit with or call their district staff directors.

Activate Your Community. Congress also needs to hear from voters, taxpayers, businesses, realtors, homebuilders, educators, and anyone else in your cities and counties who will be harmed by this proposal.

Share Feedback. Please let GFOA's Federal Liaison Center know about any actions you take and commitments or feedback you receive by e-mailing Emily S. Brock or Michael Belarmino.

Talking Points

- If our taxpayers lose the federal deduction for their state and local income, property, and sales taxes, they will face "double taxation."
- Simply put, this change would basically be forcing taxpayers – who make up the backbone of our economy – to pay taxes a second time on the same income instead of allowing working families in every one of our communities to deduct the amount they pay in state and local taxes.
- Research shows that 39% of taxpayers with annual earnings between $50,000 to $75,000 use this deduction, as do 70% of taxpayers with annual earnings between $100,000 and $200,000.
- The proposal to eliminate deductibility would have a drastic impact on home ownership and the value of current homes. Reducing or eliminating this deduction is a tax hike for homeowners.
- This deduction has existed for more 100 years, since the federal tax code was established.
- States and local governments use revenues from property, sales, and income taxes to help finance long-term infrastructure projects, local law enforcement, emergency services, education, and many other services.
- By eliminating the federal deductibility of these taxes, Congress would shift the intergovernmental balance of income taxation and force cuts in critical state and local services.
- Federal laws or regulations should not preempt, limit, or interfere with the constitutional or statutory rights of states and local governments to develop and operate our own tax systems.
- This is not just a fight over money and taxes. It is perhaps the most important debate about the proper balance and true partnership between local governments, states, and the federal government.

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