
Summary of Tax Proposals in Leaked Document Detailing Policy Proposals: Proskauer Rose

I. Introduction

On January 17, 2025, news sources reported that Republican members of Congress circulated a detailed list of legislative policy options, including tax proposals. This blog post summarizes some of the tax proposals and corresponding revenue estimates mentioned in the list.

II. Individuals

(a) SALT Reform Options

The $10,000 cap on the deductibility of state and local tax ("SALT") from federal taxable income for most non-corporate taxpayers is set to expire at the end of the year. The list includes several alternative proposals for SALT deductibility going forward.

- Repeal SALT Deduction: The SALT deduction would be repealed for individual and business tax filers. This would raise $1 trillion over ten years, as compared to extending the current TCJA deduction cap.
- Make $10,000 SALT Cap Permanent but Double for Married Couples: The current TCJA deduction cap for individual and business tax filers would remain, but the cap would be raised for married couples to $20,000 at an estimated cost of $100-200 billion over 10 years, as compared to extending the current TCJA deduction cap.
- $15,000/$30,000 SALT Cap: The current SALT deduction cap would be increased to $15,000 for individual taxpayers and $30,000 for married couples, with an estimated cost of $500 billion over 10 years, as compared to extending the current TCJA deduction cap.
- Eliminate Income/Sales Tax Deduction Portion of SALT: Only property taxes would be eligible for the SALT deduction, and the deduction would not be capped. This proposal would cost $300 billion over 10 years, as compared to extending the current TCJA deduction cap.
- Eliminate Business SALT Deduction: This policy option would eliminate the SALT deduction for business filers only, while maintaining the TCJA deduction cap for individuals. It would raise $310 billion over 10 years.

Continue reading.

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