

# **Bond Case Briefs**

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## **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- **Repeal SALT Deduction:** The SALT deduction would be repealed for individual and business tax filers.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.

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