Dear Speaker Pelosi and Leader Hoyer,

As members of the New York Congressional Delegation, we urge you to insist on full repeal of the limitation on the State and Local Tax (SALT) deduction passed by Congress in 2017 and signed into law by former President Trump. This issue is so critical to our state and our constituents that we will reserve the right to oppose any tax legislation that does not include a full repeal of the SALT limitation.

The full SALT deduction is a matter of fundamental fairness in avoiding double taxation of the same income and was a fundamental part of the income tax system since its inception in 1913. Prior to passage of the limitation 2017, the SALT deduction was essential to New York and other progressive states. Through the property and income taxes our constituents pay, the State provides expansive and comprehensive benefits to our neediest residents, excellent public education, and some of the best transportation infrastructure in the country. The SALT deduction ensured that New York State middle-class families were not taxed twice on their income, which is critical when New Yorkers already pay about $40 billion more in federal taxes than they receive from the federal government.

Repeal of the SALT deduction limitation would be important at any time, but as New York’s residents and economy continue to recover from the impact of COVID-19, it has become imperative. New York was hit first and hit hardest by the pandemic, and as a result, it lost over 1 million jobs in 2020. Over 10 percent of the state’s workforce vanished, with New York City taking the hardest hit and losing over 500,000 jobs. Restoring the SALT deduction would ensure that the state is able to recover as quickly as possible without sacrificing the benefits on which our residents rely.

That is why Treasury Secretary Janet Yellen has indicated her willingness to work with Congress on changing the limitation and Majority Leader Chuck Schumer has introduced legislation to fully repeal the limitation. It is imperative that the House of Representatives also act quickly to repeal the limitation. We stand ready to work with you on this critical issue, and we will not hesitate to oppose any tax legislation that does not fully restore the SALT deduction.

Sincerely,

Jerrold Nadler

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Jamaal Bowman

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