

# **Don't take the State and Local Tax (SALT) Deduction away from New Yorkers**

## **Talking Points for Mayors and Municipal Leaders**

If Congress votes to take away taxpayers' state and local tax deduction, millions of families in New York will be hit with a "one-two punch" of higher taxes and lower home values. This will harm city and village bottom lines and hurt our ability to provide key services.

### **Key Data Points:**

- In New York, 34% of taxpayers claim this deduction, with an average deduction of \$7,182.
- The state and local tax deduction is claimed by taxpayers across the income spectrum:
  - Nationally, 56% of tax filers with incomes between \$75,000 and \$200,000 use the state and local tax deduction.
  - And 87% of the tax filers who claim the deduction have income under \$200k.

### **Local governments will be hit hard:**

- If Washington takes away this deduction, local governments will face the consequences: If we reduce local taxes to make up for the federal tax increase, it would have a devastating impact on the services on which our constituents depend.
- It would likely require cuts to essential services, including emergency responders, infrastructure, education and more.

### **Long-term harm to housing market:**

- Eliminating this deduction will have long term consequences for the economic health and vitality of our neighborhoods. The State and Local Tax Deduction, along with the Mortgage Interest Deduction, are vital incentives for homeowners. Taking away those deductions will hurt homeowners and cause a shock to the housing market.
- Home sales would decline and home values would soon follow – only further eroding our tax base and reducing the wealth of millions of families.

### **Ask your Representative:**

- Are you opposing, or will you oppose eliminating the State and Local Tax Deduction?
  - If Representative agrees to oppose elimination of the SALT Deduction:
    - Thank You!
    - Will you publicly express your opposition to eliminating the SALT Deduction as part of any tax reform proposal and urge colleagues to join you in protecting local governments and taxpayers?
  - If Representative is not committed to oppose elimination of the SALT Deduction:
    - Consider the impact that eliminating this deduction will have on taxpayers in communities like ours. I will send you some materials about the harm that eliminating this deduction will have, and I would like to follow-up with you once you have had a chance to review them.

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