



Senate GOP Plans to Tax Americans Twice

Eliminating Tax Deductions Hurts All 50 States

President Trump and Senate Republicans' tax proposal threatens to take the state and local tax deduction (SALT) away from over **40 million households**.¹ State and local deductions are not a partisan issue—both red and blue state families use them to save hard-earned money on their federal tax returns. The SALT deduction ensures Americans are not taxed twice on the same income. These deductions include write-offs for state sales, income, and property taxes. By eliminating the deduction, working Americans will face tax hikes costing hundreds or even thousands of dollars.

Families across the nation enjoy much needed tax relief from state and local tax deductions. In New Mexico, losing the SALT deduction would cost the average taxpayer a deduction worth more than \$7,000, resulting in a tax hike of nearly \$900.²

Many who use the SALT deduction come from working families. In Ohio, more than 800,000 households making less than \$100,000 claim state deductions. In Alaska, more than one-third of SALT deductions benefit those making less than \$100,000.³ The SALT deduction prevents working families from getting taxed on their earnings twice, putting more money in their pockets to invest in the economy and fuel growth.

The SALT deduction also reduces the cost of home ownership, by allowing for the deduction of property taxes. Removing the deduction would increase the cost of owning a home, which could have a substantial impact on the housing market.⁴ Similar Republican tax proposals have been estimated to cause drops in housing prices of more than 10 percent.

¹ <http://www.taxpolicycenter.org/statistics/state-and-local-tax-deduction>

² JEC Democratic Staff Calculations based on data from the Internal Revenue Service (IRS)

³ JEC Democratic Staff Calculations based on data from the IRS

⁴ https://realtorparty.realtoractioncenter.com/site/Advocacy?cmd=display&page=UserAction&id=4976&utm_source=rorg&utm_medium=website&utm_campaign=tax2017&src=website&subsrc=rorg;
<http://www.chicagotribune.com/business/ct-biz-gop-tax-plan-mortgage-deduction-20171103-story.html>

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State	Average Deduction for Income or Sales Taxes	Average Deduction for Property Taxes	SALT Elimination Would Lead to Tax Increase of at Least	Number of People Making Less than \$100K Claiming SALT Deduction	% of SALT Deductions Taken By Those Making Less Than \$100K
Alabama	\$4,549	\$1,442	\$719	317,420	31%
Alaska	\$1,168	\$4,430	\$672	32,580	34%
Arizona	\$4,670	\$2,691	\$883	475,570	28%
Arkansas	\$7,248	\$1,937	\$1,102	155,720	24%
California	\$13,645	\$5,877	\$2,343	2,962,500	15%
Colorado	\$6,394	\$2,631	\$1,083	424,220	22%
Connecticut	\$12,306	\$7,635	\$2,393	344,870	19%
Delaware	\$7,023	\$2,652	\$1,161	72,930	25%
District of Columbia	\$13,608	\$4,529	\$2,176	65,390	14%
Florida	\$3,381	\$5,111	\$1,019	1,131,720	28%
Georgia	\$6,332	\$3,080	\$1,129	862,110	27%
Hawaii	\$8,151	\$2,290	\$1,253	107,620	26%
Idaho	\$6,471	\$2,574	\$1,085	122,780	31%
Illinois	\$6,355	\$6,747	\$1,572	982,030	27%
Indiana	\$6,388	\$2,309	\$1,044	390,460	28%
Iowa	\$6,539	\$3,614	\$1,218	240,020	29%
Kansas	\$5,784	\$3,584	\$1,124	178,520	27%
Kentucky	\$7,540	\$2,390	\$1,192	289,640	31%
Louisiana	\$4,989	\$2,190	\$861	261,620	25%
Maine	\$7,008	\$4,369	\$1,365	103,170	32%
Maryland	\$9,427	\$4,399	\$1,659	725,890	25%
Massachusetts	\$9,745	\$6,236	\$1,918	568,910	20%
Michigan	\$5,712	\$4,020	\$1,168	682,300	29%
Minnesota	\$9,417	\$3,617	\$1,564	481,730	21%
Mississippi	\$4,377	\$2,048	\$771	184,270	34%
Missouri	\$6,717	\$3,057	\$1,173	403,860	26%
Montana	\$6,851	\$2,839	\$1,163	80,170	31%
Nebraska	\$6,966	\$4,099	\$1,328	133,010	27%
Nevada	\$3,385	\$2,995	\$766	180,910	33%
New Hampshire	\$5,728	\$7,359	\$1,570	101,790	32%
New Jersey	\$9,579	\$9,491	\$2,288	864,200	22%
New Mexico	\$4,773	\$2,654	\$891	119,940	31%
New York	\$15,925	\$8,731	\$2,959	1,701,850	18%
North Carolina	\$6,738	\$2,980	\$1,166	735,470	27%
North Dakota	\$4,147	\$3,342	\$899	34,310	21%
Ohio	\$6,687	\$4,216	\$1,308	838,200	30%
Oklahoma	\$5,945	\$2,621	\$1,028	217,030	25%
Oregon	\$9,299	\$4,123	\$1,611	364,950	29%
Pennsylvania	\$6,590	\$5,163	\$1,410	921,610	28%
Rhode Island	\$6,833	\$5,438	\$1,472	94,180	30%
South Carolina	\$6,387	\$2,174	\$1,027	340,060	29%
South Dakota	\$2,664	\$3,979	\$797	35,820	34%
Tennessee	\$3,360	\$2,825	\$742	290,620	34%
Texas	\$2,668	\$6,371	\$1,085	1,196,710	30%
Utah	\$6,059	\$2,428	\$1,018	262,850	32%
Vermont	\$6,798	\$5,973	\$1,533	48,090	28%
Virginia	\$7,377	\$4,073	\$1,374	706,770	22%
Washington	\$3,273	\$4,692	\$956	470,920	32%
West Virginia	\$7,608	\$1,743	\$1,122	68,760	24%
Wisconsin	\$7,213	\$4,673	\$1,426	494,790	31%
Wyoming	\$3,707	\$2,708	\$770	28,940	24%

Source: JEC Democratic Staff Calculations based on data from Internal Revenue Service (IRS).

Notes: Income levels are adjusted gross incomes, as reported by IRS. Average deduction for property taxes is comprised of "real estate deduction," and does not include personal property tax deductions. Number of people claiming SALT deduction for each state calculated as the maximum of people taking the income and sales deduction (combined) or property deduction since filers cannot take both the sales and income deduction. Average deduction calculated by dividing total number of people who took deduction by total amount of deduction. Average deduction was calculated for state income and sales taxes, and real estate taxes, respectively. Tax increase based on marginal tax rate of 12%.