



Republican Plan Taxes Americans Twice

Eliminating Tax Deductions Hurts All 50 States

President Trump and Congressional 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 more than \$1,100.²

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.

State	Average Deduction for Income and 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	\$899	317,420	31%
Alaska	\$1,168	\$4,430	\$840	32,580	34%
Arizona	\$4,670	\$2,691	\$1,104	475,570	28%
Arkansas	\$7,248	\$1,937	\$1,378	155,720	24%
California	\$13,645	\$5,877	\$2,928	2,962,500	15%
Colorado	\$6,394	\$2,631	\$1,354	424,220	22%
Connecticut	\$12,306	\$7,635	\$2,991	344,870	19%
Delaware	\$7,023	\$2,652	\$1,451	72,930	25%
District of Columbia	\$13,608	\$4,529	\$2,721	65,390	14%
Florida	\$3,381	\$5,111	\$1,274	1,131,720	28%
Georgia	\$6,332	\$3,080	\$1,412	862,110	27%
Hawaii	\$8,151	\$2,290	\$1,566	107,620	26%
Idaho	\$6,471	\$2,574	\$1,357	122,780	31%
Illinois	\$6,355	\$6,747	\$1,965	982,030	27%
Indiana	\$6,388	\$2,309	\$1,305	390,460	28%
Iowa	\$6,539	\$3,614	\$1,523	240,020	29%
Kansas	\$5,784	\$3,584	\$1,405	178,520	27%
Kentucky	\$7,540	\$2,390	\$1,490	289,640	31%
Louisiana	\$4,989	\$2,190	\$1,077	261,620	25%
Maine	\$7,008	\$4,369	\$1,706	103,170	32%
Maryland	\$9,427	\$4,399	\$2,074	725,890	25%
Massachusetts	\$9,745	\$6,236	\$2,397	568,910	20%
Michigan	\$5,712	\$4,020	\$1,460	682,300	29%
Minnesota	\$9,417	\$3,617	\$1,955	481,730	21%
Mississippi	\$4,377	\$2,048	\$964	184,270	34%
Missouri	\$6,717	\$3,057	\$1,466	403,860	26%
Montana	\$6,851	\$2,839	\$1,453	80,170	31%
Nebraska	\$6,966	\$4,099	\$1,660	133,010	27%
Nevada	\$3,385	\$2,995	\$957	180,910	33%
New Hampshire	\$5,728	\$7,359	\$1,963	101,790	32%
New Jersey	\$9,579	\$9,491	\$2,860	864,200	22%
New Mexico	\$4,773	\$2,654	\$1,114	119,940	31%
New York	\$15,925	\$8,731	\$3,698	1,701,850	18%
North Carolina	\$6,738	\$2,980	\$1,458	735,470	27%
North Dakota	\$4,147	\$3,342	\$1,123	34,310	21%
Ohio	\$6,687	\$4,216	\$1,635	838,200	30%
Oklahoma	\$5,945	\$2,621	\$1,285	217,030	25%
Oregon	\$9,299	\$4,123	\$2,013	364,950	29%
Pennsylvania	\$6,590	\$5,163	\$1,763	921,610	28%
Rhode Island	\$6,833	\$5,438	\$1,841	94,180	30%
South Carolina	\$6,387	\$2,174	\$1,284	340,060	29%
South Dakota	\$2,664	\$3,979	\$997	35,820	34%
Tennessee	\$3,360	\$2,825	\$928	290,620	34%
Texas	\$2,668	\$6,371	\$1,356	1,196,710	30%
Utah	\$6,059	\$2,428	\$1,273	262,850	32%
Vermont	\$6,798	\$5,973	\$1,916	48,090	28%
Virginia	\$7,377	\$4,073	\$1,717	706,770	22%
Washington	\$3,273	\$4,692	\$1,195	470,920	32%
West Virginia	\$7,608	\$1,743	\$1,403	68,760	24%
Wisconsin	\$7,213	\$4,673	\$1,783	494,790	31%
Wyoming	\$3,707	\$2,708	\$962	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 15%.

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://www.nar.realtor/articles/impact-of-tax-reform-options-on-owner-occupied-housing>