



Senate GOP Tax Plan Will Crush Public School Budgets

The Senate GOP tax bill hurts every state's ability to fund its schools, yanking support for education investments in our children. Senate Republicans' plan to eliminate the state and local tax (SALT) deduction prevents families from recouping many costs, such as funding local public schools. Wiping out the SALT deduction would jeopardize education revenues and hundreds, even thousands, of teaching positions in each state.

The SALT deduction encourages families to support education spending. For example, a working family that paid \$10,000 in state and local taxes would be able to deduct that \$10,000 on their federal tax return, lowering the amount of taxes they pay. That lighter tax burden enables state governments to propose revenue measures that fund critical investments in our schools, such as paying teachers and maintaining infrastructure.

Eliminating the SALT deduction would pressure state governments to trim further investments in our children, at a time when many states continue to cut education spending.¹ In 2016, more than half of states were still providing less funding per student than they were in 2008.² States and local communities already pay a large portion of public education: on average, states cover 85 percent of total K-12 spending each year.³ Cuts to state and local education funding threaten to further weaken already cash-strapped systems. Under the GOP tax bill, eight states risk losing over \$1,000 in revenue per student each year. In Maine, elimination of the SALT deduction could cut available education funds by more than \$136 million, or \$773 per student each year.

In addition, the Senate GOP bill would endanger thousands of teaching jobs. In Wisconsin, SALT elimination would put \$712 million of state education revenue at risk, jeopardizing almost 5,000 teaching jobs each year.

¹ <https://www.cbpp.org/research/state-budget-and-tax/after-nearly-a-decade-school-investments-still-way-down-in-some-states>

² <https://www.cbpp.org/sites/default/files/atoms/files/12-10-15sfp.pdf>

³ JEC Democratic Staff Calculations based on data from National Association of State Budget Officers.

Senate GOP Leaves Children and Teachers Behind

State	Annual State Education Revenue at Risk (millions)	Per Student Revenue at Risk	Teacher Jobs at Risk	State Share of Total K-12 Spending
Alabama	\$205	\$280	1,490	82%
Alaska	\$33	\$252	128	87%
Arizona	\$333	\$352	2,668	80%
Arkansas	\$183	\$382	1,419	85%
California	\$6,095	\$979	31,625	87%
Colorado	\$408	\$468	3,192	93%
Connecticut	\$1,002	\$1,982	5,272	76%
Delaware	\$85	\$699	534	87%
District of Columbia	\$159	\$3,449	902	N/A
Florida	\$907	\$330	6,508	86%
Georgia	\$1,105	\$643	8,253	77%
Hawaii	\$80	\$438	527	87%
Idaho	\$101	\$370	916	84%
Illinois	\$1,641	\$802	9,309	76%
Indiana	\$364	\$362	2,581	89%
Iowa	\$284	\$562	2,213	87%
Kansas	\$213	\$429	1,692	90%
Kentucky	\$338	\$492	2,551	85%
Louisiana	\$220	\$333	1,627	80%
Maine	\$136	\$773	1,026	86%
Maryland	\$1,195	\$1,367	7,138	86%
Massachusetts	\$1,303	\$1,422	6,639	85%
Michigan	\$786	\$585	4,070	87%
Minnesota	\$764	\$947	5,685	92%
Mississippi	\$109	\$223	971	80%
Missouri	\$520	\$582	4,373	83%
Montana	\$93	\$646	707	83%
Nebraska	\$197	\$632	1,590	80%
Nevada	\$110	\$251	729	86%
New Hampshire	\$172	\$941	1,146	84%
New Jersey	\$2,722	\$2,033	14,004	93%
New Mexico	\$94	\$289	763	87%
New York	\$5,108	\$1,941	25,502	87%
North Carolina	\$674	\$460	6,054	85%
North Dakota	\$22	\$204	168	88%
Ohio	\$1,121	\$700	7,230	79%
Oklahoma	\$207	\$308	1,632	83%
Oregon	\$493	\$864	2,674	85%
Pennsylvania	\$1,504	\$946	7,892	82%
Rhode Island	\$149	\$1,108	835	84%
South Carolina	\$329	\$446	2,505	79%
South Dakota	\$30	\$224	285	71%
Tennessee	\$221	\$222	1,833	80%
Texas	\$1,609	\$321	14,133	83%
Utah	\$226	\$394	1,926	87%
Vermont	\$90	\$1,060	557	93%
Virginia	\$1,119	\$874	9,001	88%
Washington	\$471	\$439	3,383	88%
West Virginia	\$81	\$289	603	83%
Wisconsin	\$712	\$826	4,949	89%
Wyoming	\$24	\$251	156	100%

Source: JEC Democratic Staff Calculations based on data from Internal Revenue Service, U.S. Census Annual Surveys of State and Local Government Finances and School System Finances, National Center for Education Statistics, and National Association of State Budget Officers.

Notes: State and local tax deduction includes income, sales, and property taxes. Marginal tax rate of 25 percent applied when calculating total revenue loss from elimination of state and local deduction in Senate GOP tax plan. Education-related revenue at risk is calculated in proportion to a state's expenditures for elementary and secondary education as a percentage of state general revenue from own sources. Teacher jobs at risk is calculated from percentage of a state's elementary and secondary school spending on instructors' salaries and wages. Annual calculations extrapolate based on 2015 data (latest available) from all sources.