

Congress of the United States
Washington, DC 20515

December 13, 2019

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232, The Capitol Building
Washington, D.C. 20515

Dear Speaker Pelosi:

We write to express our concerns regarding the 2017 Republican tax law's \$10,000 cap on the State and Local Tax Deduction (SALT) and urge you to bring H.R. 5377, the Restoring Tax Fairness for States and Localities Act, to the House floor for a vote before the end of this year.

The SALT cap is terrible tax policy: it upends a long tradition of fiscal federalism; it erodes incentives for home ownership and charitable contributions; it seeks to punish and defund state and local governments that pursue progressive policies, and it imposes a significant marriage penalty. Furthermore, the impact of this tax hike has not been random. It was deliberately aimed at districts like ours, where voters have chosen to fund with their taxes better schools, health care, transit, parks, and social services.

Many of us earned the trust of voters last year because we promised to do everything in our power to restore the SALT deduction. The Democratic House majority would be far smaller and possibly non-existent if not for the promise we made. It is time to keep that promise. H.R. 5377 offers a balanced, fiscally responsible way to do so.

The bill would eliminate the marriage penalty this year and eliminate the SALT deduction cap altogether in 2020 and 2021, paid for by restoring the top marginal income tax rate from 37 to 39.6 percent. This rate increase would only affect taxpayers with incomes approaching a half million dollars per year and above. Finally, the bill would underscore the important contributions of critical state and local government employees: teachers and first responders. It would double the existing above-the-line deduction for teachers' out-of-pocket classroom expenses, from \$250 to \$500. It would also establish a \$500 above-the-line deduction for the unreimbursed out-of-pocket work expenses of professional first responders. The bill is fully paid for.

It has long been accepted in America that we do not tax the same income twice — national taxation must not crowd out the taxes needed to support critical state and local functions. That principle was first stated in the Federalist Papers. As long as there has been a federal income tax, Congress has enabled Americans to deduct the contributions we make to state and local governments from income subject to federal taxation. The Tax Cuts and Jobs Act thus scrapped more than a century of precedent, without so much as a hearing to consider the effects.

The impact on our districts has been devastating, particularly on seniors who own homes and live on fixed income. The combination of capping SALT at \$10,000 and the elevation of the standard deduction also removes most of the federal tax incentives for homeownership and for making charitable contributions. Homeownership is one of the most important ways for middle-class American families to build wealth, and millions of our constituent families will lose ground as a result. We are likewise hearing grave concerns from our districts' charitable organizations that depend on local, small-dollar donations. Churches, food pantries, youth organizations, animal welfare organizations, and many other worthy groups are experiencing sharp drops in donations.

Our constituents are rightly demanding change, and we intend to deliver it. We urge a vote on this important legislation.

Sincerely,




Tom Malinowski
Member of Congress



Tom Suozzi
Member of Congress



Katie Porter
Member of Congress



Bill Pascrell, Jr.
Member of Congress



Nita Lowey
Member of Congress



Jerrold Nadler
Member of Congress



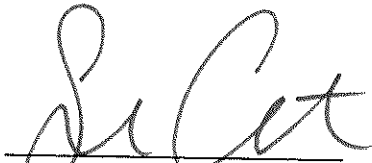
Eric Swalwell
Member of Congress



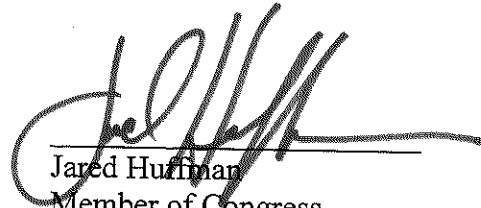
Gilbert R. Cisneros, Jr.
Member of Congress



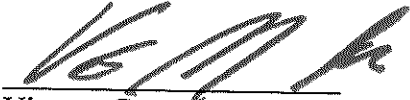
Frank Pallone, Jr.
Member of Congress



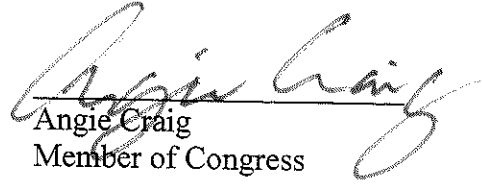
Sean Casten
Member of Congress




Jared Huffman
Member of Congress



Vicente Gonzalez
Member of Congress



Angie Craig
Member of Congress



Dean Phillips
Member of Congress



Jeff Van Drew
Member of Congress



Andy Kim
Member of Congress



Lori Trahan
Member of Congress



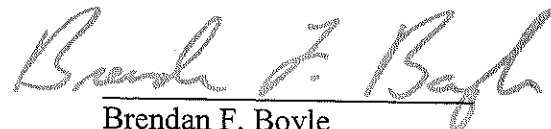
Max Rose
Member of Congress



Adriano Espaillat
Member of Congress



David Trone
Member of Congress



Brendan F. Boyle
Member of Congress



Mike Levin
Member of Congress




Bonnie Watson Coleman
Member of Congress




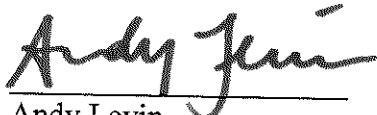
Lauren Underwood
Member of Congress




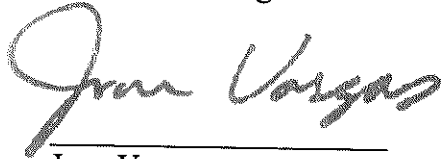
Mikie Sherrill
Member of Congress



Judy Chu
Member of Congress

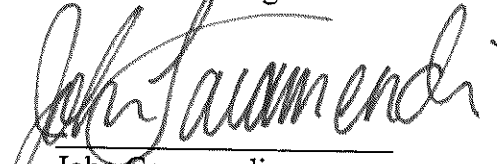

Donald M. Payne, Jr.
Member of Congress



Andy Levin
Member of Congress

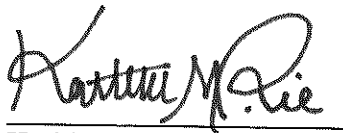

Rosa L. DeLauro
Member of Congress

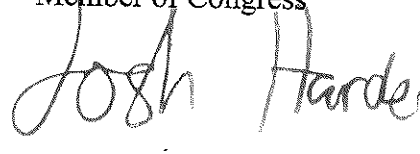

Juan Vargas
Member of Congress

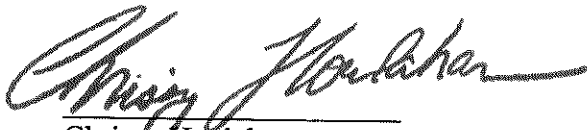

Anthony Brown
Member of Congress

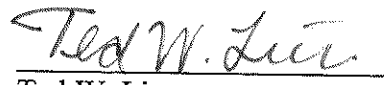

John Garamendi
Member of Congress



TJ Cox
Member of Congress



Kathleen M. Rice
Member of Congress



Josh Harder
Member of Congress

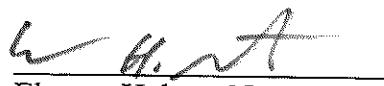

Chrissy Houlahan
Member of Congress


Ted W. Lieu
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Julia Brownley
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J. Luis Correa
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James P. McGovern
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Eleanor Holmes Norton
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Ed Case

Ed Case
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Susan A. Davis

Susan A. Davis
Member of Congress

Jennifer Wexton

Jennifer Wexton
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Madeleine Dean

Madeleine Dean
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Grace F. Napolitano

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John B. Larson

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Josh Gottheimer

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Veronica Escobar

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Karen Bass

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Anna G. Eshoo

Anna G. Eshoo
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Betty McCollum

Betty McCollum
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Nanette Diaz Barragan

Nanette Barragan
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W.R. Keating

William R. Keating
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Gregory Meeks

Gregory Meeks
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Mary Gay Scanlon

Mary Gay Scanlon
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Joe Courtney

Joe Courtney
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Jamie Raskin

Jamie Raskin
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Jim Costa

Jim Costa
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Brian Higgins

Brian Higgins
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Jerry McNerney

Jerry McNerney
Member of Congress

Billy

Ro Khanna

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S. K. J.

J. M. L.

B. L. S.

M. S. Q.

Frank R. Lautenberg

J. G.

John

Pete Aguilar

Ami Bera

Candice Miller

J. R. G.

J. R. G. CA-20

Amodeo

Tommy