



February 5, 2024

NTU urges all Representatives to vote “NO” on H.R. 7160, the SALT Marriage Penalty Elimination Act. This legislation would double the state and local tax (SALT) deduction cap for joint filers from \$10,000 to \$20,000 for those making less than \$500,000 annually. This deduction cap was initially implemented as a pay-for in the Tax Cuts and Jobs Act of 2017. The bill is estimated to add around [\\$12 billion to the deficit](#) in one year of applicability. This could lead to the state and local tax deduction cap to be further chipped away in the future, and increase the incentive for states and municipalities to increase their tax burdens. This primarily benefits wealthier taxpayers who itemize their deductions.

As NTU Foundation wrote [previously](#) on the pre-SALT cap status quo: “[In 2015, before the TCJA’s passage](#), 84 percent of SALT’s benefits went to taxpayers with incomes over \$100,000, and a mere 3.5 percent went to those with incomes below \$50,000. The top 3 percent of filers collected 38 percent of SALT benefits, while the bottom 50 percent collected just 15 percent of SALT benefits. Middle-income filers received a SALT benefit averaging \$920.”

Today the numbers are even starker. An [analysis](#) by the Tax Policy Center found that uncapping the SALT deduction would provide no benefit at all to 96 percent of middle-income households (and 91 percent of all households), with the remaining 4 percent receiving a modest tax cut of just \$400. For taxpayers making more than \$1 million, the average tax cut would be \$48,000.”

While this legislation’s impact would not be as large as a full repeal of the cap, its benefits would primarily flow to wealthier taxpayers in high-tax states like New York and California. Tax relief should be provided in a more uniform, broad-based fashion.

This regressive tax policy encourages state and local governments to raise their taxes. Roll call votes on H.R. 7160 will be weighted on NTU Rates Congress and a “NO” vote will be considered the pro-taxpayer position.

If you have any questions, please contact NTU at NTU@ntu.org

122 C Street NW, Suite 700 * Washington, DC 20001 * Phone: (703) 683-5700 * Fax: (703) 683-5722 * ntu.org