

1 **NYSAC 2020 Legislative Conference**
2 **Standing Committee on Taxation and Finance**
3 **Resolution #3**

4 **Resolution Urging Governor Andrew M. Cuomo and the State Legislature to**
5 **Continue to Support the Repeal or Modification of Federal Cap on the**
6 **Deductibility of State and Local Taxes and Engage the New York State**
7 **Congressional Delegation to Support These Efforts in 2020**

8 **WHEREAS**, in 2017, Congress enacted comprehensive federal tax reforms that capped
9 the deductibility of state and local taxes (SALT) at \$10,000, among other items; and

10 **WHEREAS**, capping SALT deductibility impacted New York taxpayers (especially
11 homeowners) much more than taxpayers in other states because of our higher home
12 prices and tax rates; and

13 **WHEREAS**, many in Congress targeted New York and other similarly situated states as
14 being unfairly subsidized by taxpayers in other states because of the full deductibility of
15 SALT; and

16 **WHEREAS**, this viewpoint failed to recognize that New York State has been a
17 consistent “donor” state to the federal government because of our long history of being
18 home to many high wealth individuals and higher than average income earners; and

19 **WHEREAS**, this results in New York contributing tens of billions of dollars more each
20 year to the federal government than we receive back in payments or grants and this has
21 been occurring for decades; and

22 **WHEREAS**, the consistent “donor” status is the result of a plethora of federal funding
23 formulas where income is often used as a basis for distributing those dollars; and

24 **WHEREAS**, since the state receives fewer federal grants and payments than other
25 states from income-based federal formulas, New York must raise more local taxes to
26 fulfill federal mandates and regulations for K-12 education, health and social services,
27 environmental and labor protections, as well as provide local quality of life services
28 including fire and police protection, higher education, and emergency preparedness and
29 response, among others; and

30 **WHEREAS**, the deductibility of SALT was one of six original federal tax deductions
31 established when the federal income tax was created in 1913; and

32 **WHEREAS**, the SALT deduction was implemented to prevent double taxation and to
33 encourage states and local government to invest in their communities, infrastructure
34 and people – often because the federal government recognized they could not make
35 these investments; and

36 **WHEREAS**, the House of Representatives recently passed the “Restoring Tax Fairness
37 for State and Localities Act” which will raise the cap on the deductibility of SALT from
38 \$10,000 to \$20,000 for one year and then suspend the cap for the following two years;
39 and

1 **WHEREAS**, enactment of this legislation, or similar legislation, can correct the
2 inequities created by the SALT deductibility cap.

3 **NOW, THEREFORE, BE IT RESOLVED**, that the New York State Association of
4 Counties urges the Governor and State Legislature to work closely with the New York
5 state congressional delegation in the coming year to help garner additional support for
6 these changes in Congress; and

7 **BE IT FURTHER RESOLVED**, that copies of this resolution be sent to the counties
8 of New York State encouraging member counties to enact similar resolutions; and

9 **BE IT FURTHER RESOLVED**, that NYSAC shall forward copies of this resolution to
10 Governor Andrew M. Cuomo, the New York State Legislature and all others deemed
11 necessary and proper.