

New Jersey State League of Municipalities Conference Resolution No. 2019-14

Resolution Urging Congress to Restore the Full Deductibility of State and Local Taxes

WHEREAS, our tax obligation is an issue that concerns all residents in every municipality in the state of New Jersey; and

WHEREAS, the deduction for state and local taxes (SALT) has been a feature of the tax code for more than 100 years, with the first federal income tax form in 1913 allowing taxpayers to deduct state and local taxes, one of only six deductions allowed at the time, and even the federal Civil War tax in 1862 included a deduction for SALT; and

WHEREAS, this important provision ensures against double taxation and reflects mandatory tax payments, which support public services that benefit all citizens, such as K-12 schools, law enforcement and public safety, transportation and infrastructure, and vital community and public health services; and

WHEREAS, the SALT deduction is one of the few provisions in the federal tax code that recognizes the burden placed on states like New Jersey, which provide significantly more in federal tax revenue than they receive back in federal services and grants; and

WHEREAS, according to the New Jersey Society of Certified Public Accountants, in 2016 1.8 million, or 40 percent of New Jersey taxpayers, deducted from their federal income tax, their local property tax and state income taxes, averaging \$18,000 per deduction; and

WHEREAS, the federal Tax Cuts and Jobs Acts passed in 2017 capped the SALT deduction at \$10,000; and

WHEREAS, many New Jersey Families relied upon the federal SALT deduction to ensure tax fairness, and capping the SALT deduction has placed an unfair burden on New Jersey homeowners; and

WHEREAS, the SALT deduction cap present a barrier to affordable homeownership in New Jersey, impacting the ability of new, young families to prosper in the future.

NOW, THEREFORE, BE IT RESOLVED, that the New Jersey State League of Municipalities, in conference assembled, urges Congress to restore the full SALT deduction and provide more equitable taxation once again to residents of New Jersey; and

BE IT FURTHER RESOLVED, that copies of the resolution be transmitted to our representatives in Congress, the President of the United States, all members of the New Jersey State Legislature, the Lieutenant Governor, and the Governor of the State of New Jersey.

Sponsor:

The Hon. Amalia Duarte,
Committee Member, Mendham Twp.

Co-Sponsor(s):

The Hon. Lauren Barnett
Mayor, Mountain Lakes

The Hon. Robert Connelly
Mayor, Madison

The Hon. Cathy Wilson
Deputy Mayor, Morris Twp.

The Hon. Paul Tomasko
Mayor, Alpine

The Hon. Nora Radest
Mayor, Summit

The Hon. Jeff Grayzel
Mayor, Morris Twp.