

Duckworth Urges Finance Committee To Cut Taxes For Hard-working Families In Forthcoming Reconciliation Legislation

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WASHINGTON, D.C. – U.S. Senator Tammy Duckworth (D-IL) urged U.S. Senate Committee on Finance Chairman Ron Wyden (D-OR) to include robust tax relief for hard-working families in the Finance Committee's forthcoming reconciliation legislation that will be developed pursuant to the reconciliation instructions that were included in the budget resolution (Senate Concurrent Resolution 14) the Senate adopted this week.

In her letter, Duckworth called for the state and local tax (SALT) deduction cap imposed by the 2017 Republican tax law to be repealed and expressed strong support for cutting the tax bills of Illinois households that already pay their fair share in State and local taxes to support critical public services, such as funding local public school teachers, public health personnel, firefighters and the police.

"The partisan and punitive actions of former President Donald Trump and Congressional Republicans to hike the tax liabilities of individuals living in so-called "donor" States (whose residents routinely pay more in Federal taxes than they receive back in Federal benefits) made our tax code less fair, instituted double taxation and manipulated the Internal Revenue Code to discourage State and local investment in vital public services," Duckworth wrote. "Simply put, the 2017 Republican tax law's limitation on the State and local tax (SALT) deduction was a transparent attempt to punish States former President Trump perceived as "blue." It was wrong and must be repealed."

Duckworth strongly opposed, and voted against, the Republican tax law that included former President Donald Trump's double taxation scheme that punished States Trump perceived as "blue" by drastically limiting the SALT deduction for millions of households – even as Republicans gave away billions in the form of tax loopholes and giveaways for the wealthiest households and largest corporations. Adding insult to injury, Americans that suffer the most harm from the Trump tax hike are residents of so-called donor States, which contribute more in Federal tax payments than they receive back in Federal benefits. In February, Duckworth helped introduce the Securing Access to Lower Taxes by ensuring Deductibility Act or SALT Deductibility Act, which would repeal the \$10,000 cap imposed by the Trump Tax Law of 2017 and end double taxation for millions of Americans.

Full text of the letter is available here and below.

Dear Chairman Wyden:

As the Finance Committee develops reconciliation legislation pursuant to the reconciliation directives in Senate Concurrent Resolution 14, I write to commend your leadership in prioritizing cutting taxes for hard-working families in Illinois, Oregon and across the country, and to express my strong support for including robust tax relief for American households that already pay their fair share in State and local taxes that support critical public services, such as funding local public school teachers, public health personnel, firefighters and the police.

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(whose residents routinely pay more in Federal taxes than they receive back in Federal benefits) made our tax code less fair, instituted double taxation and manipulated the Internal Revenue Code to discourage State and local investment in vital public services. Simply put, the 2017 Republican tax law's limitation on the State and local tax (SALT) deduction was a transparent attempt to punish States former President Trump perceived as "blue." It was wrong and must be repealed.

As a Senator committed to strengthening the Federal safety net to help Americans in need of assistance across all States and territories, I am deeply troubled by the intended and unintended consequences that may result from allowing Donald Trump's double taxation scheme to remain the law of the land. Failure to support responsible State and local governments willing to raise revenue to invest in local teachers, firefighters, law enforcement and other critical support service workers – including civil servants responding to the deadly COVID-19 pandemic – may ultimately trigger a race to the bottom where every State and locality eventually slashes public services to the bone, as residents grow weary of being taxed twice on the same income.

Building back better requires constructing a better tax code. Senate Democrats can demonstrate our commitment to supporting hard-working families by repealing the partisan SALT deduction limitation and ending double taxation for all.

Sincerely,