

# ASSEMBLY RESOLUTION No. 229

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## STATE OF NEW JERSEY

### 219th LEGISLATURE

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INTRODUCED FEBRUARY 23, 2021

**Sponsored by:**

**Assemblyman GERARD SCHARFENBERGER**

**District 13 (Monmouth)**

**SYNOPSIS**

Urges Congress to reinstate state and local tax deduction.

**CURRENT VERSION OF TEXT**

As introduced.



1   **AN ASSEMBLY RESOLUTION** urging the United States Congress to  
2       reinstate the unlimited state and local tax deduction.

3  
4   **WHEREAS**, American taxpayers have had the option of offsetting the  
5       amount of federal taxes owed on their federal tax returns through  
6       the use of the state and local tax (SALT) deduction for over 100  
7       years; and

8   **WHEREAS**, Utilizing the SALT deduction, federal taxpayers who  
9       itemize deductions, as opposed to claiming the standard deduction,  
10      may deduct the amount of state and local real estate and personal  
11      property taxes paid, as well as either state and local income taxes  
12      paid or sales taxes paid; and

13   **WHEREAS**, In 2014, over 41 percent of New Jersey residents who filed  
14      federal income tax returns claimed the SALT deduction on their  
15      returns; and

16   **WHEREAS**, The SALT deduction also provides a benefit to residents of  
17      states such as New Jersey by decreasing the amount of federal taxes  
18      owed by those residents; and

19   **WHEREAS**, In December 2017, under the federal “Tax Cuts and Jobs  
20      Act,” Pub.L. 115-97, the federal government capped the amount of  
21      the SALT deduction at \$10,000 for most filers beginning in tax year  
22      2018; and

23   **WHEREAS**, In the 2017 tax year, the average SALT deduction taken in  
24      New Jersey was \$19,089; and

25   **WHEREAS**, In 2018, the State of New Jersey only received 79 cents  
26      back for every dollar paid by its residents in federal taxes, the least  
27      amount received back from the federal government by any state;  
28      and

29   **WHEREAS**, New Jersey is considered to be a “donor state” because  
30      New Jersey residents pay more in federal taxes than the State  
31      receives back in federal funding; and

32   **WHEREAS**, In light of the substantial financial benefits that the SALT  
33      deduction provides to New Jersey residents and the State, as well as  
34      the significant disparity in the amount that New Jersey residents  
35      pay in federal taxes as compared to what the State receives back in  
36      federal funding, Congress should act to reinstate the SALT  
37      deduction without limitation; now, therefore,

38  
39       **BE IT RESOLVED** *by the General Assembly of the State of New*  
40       *Jersey:*

41  
42       1. The General Assembly of the State of New Jersey hereby  
43       urges the United States Congress to reinstate the state and local tax  
44       deduction without limitation.

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46       2. Copies of this resolution, as filed with the Secretary of State,  
47       shall be transmitted by the Clerk of the General Assembly to the  
48       Majority and Minority Leaders of the United States Senate, the

1 Speaker and Minority Leader of the United States House of  
2 Representatives, and every member of Congress elected from this  
3 State.

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STATEMENT

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8 This resolution urges Congress to reinstate the unlimited state  
9 and local tax (SALT) deduction. For over 100 years, the SALT  
10 deduction has been available to American taxpayers. The SALT  
11 deduction allows federal taxpayers, who itemize on federal income  
12 tax returns, the option to deduct payments for state and local taxes  
13 from federal income tax liability. This deduction is a significant  
14 benefit to both New Jersey residents who pay federal taxes and the  
15 State itself. In 2017, the federal government limited the amount of  
16 the SALT deduction to \$10,000, whereas the average SALT  
17 deduction taken by New Jersey taxpayers was almost double that  
18 amount.

19 New Jersey is considered to be a “donor state” because the  
20 amount of federal taxes paid by New jersey residents exceeds the  
21 amount that the State receives back in federal funding. In 2018, the  
22 State of New Jersey received the least amount of federal funding of  
23 any state. Congress should reinstate the SALT deduction without  
24 limitation in order to remedy some of this tax disparity.