

Written Testimony before the U.S. House of Representatives, Committee on Ways and Means'
Subcommittee on Select Revenue Measures

Hearing Entitled "Members' Day"

Hon. Nita M. Lowey
Member of Congress
New York, 17th Congressional District

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It is an honor to submit written testimony on behalf of my constituents in New York who have been overburdened by the new tax law.

Seventeen months after enactment, the Tax Cuts and Jobs Act (TCJA) is not paying for itself, as many Republicans promised, and it is not boosting the economy. In fact, the nonpartisan and independent Congressional Research Service recently released a predictably damaging report. Its experienced analysts determined that the legislation has had little, if any, effect on GDP, growth is paying for only 5 percent of the lost revenue from the bill, and the law has produced very little wage growth.

Outside of these concerning but not surprising developments, taxpayers in states like New York are struggling to manage serious ramifications from the \$10,000 cap on the state and local tax (SALT) deduction. Specifically, TCJA's cap on SALT deductions unfairly burdens Westchester and Rockland taxpayers, who in 2017 ranked numbers one and two for highest average property taxes in the country. The cap is an insult to New York's residents and businesses that send more revenue to the federal government than our state receives back in federal spending. That is why I introduced a bipartisan bill with my Republican colleague Congressman Peter King in the 115th and 116th Congresses to eliminate the SALT cap once and for all. Our bill, SALT Deductibility Act, would bring tax fairness back to the many New York families hit by TCJA and is vital for my constituents.

As the Ways and Means Committee develops its legislative agenda, I strongly urge you all to incorporate the SALT Deductibility Act and tax fairness for New Yorkers. I stand ready to assist in any way, and I appreciate the opportunity to submit written testimony before the Subcommittee today.