



NATIONAL CONFERENCE *of* STATE LEGISLATURES

The Forum for America's Ideas

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March 23, 2015

The Honorable Kevin Brady
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Jim McDermott
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Marsha Blackburn
U.S. House of Representatives
Washington, D.C. 20515

RE: Legislation to make permanent the deduction of state and local general sales tax (H.R. 622)

Dear Representatives Brady, McDermott and Blackburn:

On behalf of the National Conference of State Legislatures, we write to express our gratitude for your introduction of legislation that makes permanent the deduction of state and local sales taxes. H.R. 622 would ensure federal neutrality in regards to state fiscal systems and halt a portion of the federal deficit from transferring to state and local governments.

The continued retroactive and temporary extensions of this provision, which has been the federal protocol since 2004, has provided states with fiscal uncertainty and disrupted the stability of states' tax structures. Elimination of the deduction on state and local sales taxes would most negatively impact residents in states that depend on sales tax revenues instead of an income tax. Your commitment ensures these states, who are diverse both geographically and politically, are not at a disadvantage compared to states who are more reliant on other revenue sources. In light of current and future deliberations to reform the federal tax code, it is vital the federal government reaffirms its partnership to states by making permanent the sales tax deduction and maintaining the deductibility of other state and local taxes.

NCSL commends your leadership for introducing H.R. 622, and we look forward to working closely with you to advance this legislation. For additional assistance and information, please have your staff contact Jeff Hurley (202-624-7753; jeff.hurley@ncsl.org) in NCSL's Washington, D.C. office.

Sincerely,

William T. Pound
Executive Director
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