



TaxNewsFlash

United States



No. 2019-585
December 11, 2019

Legislative update: Ways and Means approves “SALT cap” bill

The Ways and Means Committee of the U.S. House of Representatives today approved, 24 to 17, a bill that would modify the limitation on the deduction for certain state and local tax (SALT) including property, income, and sales taxes, as enacted as part of the 2017 tax law (Pub. L. No.115-97)—often referred to as the “Tax Cuts and Jobs Act” (TCJA).

H.R. 5377, *The Restoring Tax Fairness for States and Localities Act*, generally would increase the limit on the deduction for married individuals for 2019 and would remove the limit for 2020 and 2021. It also would provide an enhanced above-the-line deduction for teachers and first responders.

The revenue costs of the bill would be offset by increasing to 39.6% the top marginal individual income tax rate under the temporary tax rules provided by the TCJA, effective for tax years beginning after 2019.

What’s next?

To become law, the bill would need to be passed by the full House and the Senate and then be signed by the president.

Documents

- Read the [statutory language of H.R. 5377](#) [PDF 50 KB]
- Read an [amendment in the nature of a substitute for H.R. 5377](#) [PDF 49 KB]
- Read a description and revenue estimate of H.R. 5377 prepared by the Joint Committee on Taxation (JCT): [JCX-52-19](#)
- Read a description of the amendment in the nature of a substitute prepared by JCT: [JCX-53-19](#)

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