



NATIONAL
ASSOCIATION of
REALTORS®

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May 23, 2019

The Honorable Mikie Sherrill
U.S. House of Representatives
1208 Longworth House Office Building
Washington, DC 20515

The Honorable Elise Stefanik
U.S. House of Representatives
318 Cannon House Office Building
Washington, DC 20515

The Honorable Gilbert R. Cisneros, Jr.
U.S. House of Representatives
431 Cannon House Office Building
Washington, DC 20515

The Honorable Pete King
U.S. House of Representatives
302 Cannon House Office Building
Washington, DC 20515

Dear Representatives Sherrill, Stefanik, Cisneros, and King:

On behalf of the 1.3 million members of the National Association of REALTORS®, I thank you for introducing, H.R. 2624, the SALT Relief and Marriage Penalty Elimination Act. Your legislation would increase the limitation on the deduction for state and local taxes, significantly increasing the tax incentives for purchasing and owning a home for millions of Americans.

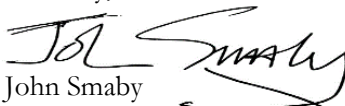
Although the Tax Cuts and Jobs Act of 2017 delivered numerous welcomed changes to families and individuals across the country, this landmark legislation also brought the unintentional – and unfortunate – consequence of significantly reducing the tax incentives for homeownership in America. Because the standard deduction now exceeds many Americans’ total itemized deductions, fewer than half as many homeowners and potential buyers can now take advantage of property tax and mortgage interest deductions as could before 2018.

For millions of Americans, limiting the amount of state and local taxes that can be deducted greatly diminished or erased the long-standing tax incentives of owning a home. Moreover, the SALT cap features two inherent flaws that, while unintended, are inequitable in their treatment of taxpayers. First, because the limit is the same for single and for joint filers, it results in a serious penalty on marriage. Second, because it was not indexed for inflation, the limit effectively goes down each year, unfairly affecting even more Americans as prices rise.

If enacted, your legislation would help correct many of the aforementioned problems. By tying the SALT limit to the standard deduction, the amount of the deductible limit would be increased, which would allow many more current and prospective homeowners to regain the homeownership incentive that our tax law has provided for decades. And since the standard deduction amount for married couples is exactly twice that for single filers, the indefensible marriage penalty in the SALT cap would be eliminated. Finally, the bill would also automatically correct the lack of indexing because the standard deduction is increased each year based on inflation.

Homeownership has long been a vital part of the American Dream. Research shows that an overwhelming majority of current renters aspire to own a home., and we know that our nation’s faith in homeownership has persisted through the Great Recession. For well over a century, our tax system has helped American families in reach this Dream. Thank you for your leadership in helping to ensure that it continues.

Sincerely,



John Smaby
2019 President, National Association of REALTORS®



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