



NATIONAL  
ASSOCIATION of  
REALTORS®

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December 18, 2019

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
1236 Longworth House Office Building  
Washington, DC 20515

The Honorable Kevin McCarthy  
Republican Leader  
U.S. House of Representatives  
2468 Rayburn House Office Building  
Washington, DC 20515

Dear Speaker Pelosi and Republican Leader McCarthy:

On behalf of the 1.4 million members of the National Association of REALTORS®, I urge you to support H.R. 5377, the Restoring Tax Fairness for States and Localities Act, when it comes before the House for a vote this week.

The value of owning one’s home in America has traditionally enjoyed strong bipartisan support. However, the current law’s limitation on the deduction for state and local taxes (SALT) has serious implications for the future of homeownership. This is true even for many homeowners and potential buyers who are not presently impacted by the current \$10,000 limit.

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. Because the standard deduction now exceeds the total itemized deductions for an estimated 90 percent of Americans, fewer than half as many current and potential homeowners will now take advantage of property tax and mortgage interest deductions compared to before 2018.

Limiting the amount of deductible state and local taxes has diminished or altogether erased the long-standing tax incentives of owning a home for millions of Americans. Exacerbating the problem is the fact that the SALT cap features two inherent flaws that 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, the impact of the lack of an index on the SALT cap is heightened by the fact that the standard deduction is increased annually by an inflation adjustment. Unless this is changed, more Americans will each year find that the tax incentives of owning or buying a home are meaningless.

While not perfect, H.R. 5377 would repeal the indefensible tax marriage penalty for 2019 and totally eliminate the effects of the SALT cap’s reduction of limiting homeownership opportunities for the next two years. These changes would allow many more current and prospective homeowners to regain the homeownership incentives that our tax law has provided for decades.

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. Our tax system has long helped American families to reach this Dream. We urge you to help ensure that it continues to do so.

Sincerely,

Vince Malta  
2020 President, National Association of REALTORS®

cc: The Honorable Richard E. Neal  
Chair  
United States House Committee on Ways and Means

The Honorable Kevin Brady  
Ranking Member  
United States House Committee on Ways and Means



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