

January 28, 2021

Charlie Oppler
2021 President

Bob Goldberg
Chief Executive Officer

ADVOCACY GROUP

Shannon McGahn
Chief Advocacy Officer

The Honorable Thomas Suozzi
U.S. House of Representatives
407 Cannon House Office Building
Washington, DC 20515

The Honorable Tom Reed
U.S. House of Representatives
2263 Rayburn House Office Building
Washington, DC 20515

Dear Representatives Suozzi and Reed:

The 1.4 million members of the National Association of REALTORS®, thank you for introducing the “SALT Deductibility Act,” a bill to eliminate the limitation on the deduction for state and local taxes (SALT). This legislation would significantly increase 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 long-standing tax incentives for homeownership in America. This happened in two ways. First, because the standard deduction now exceeds the great majority of Americans’ total itemized deductions, far fewer homeowners and potential buyers can now take advantage of property tax and mortgage interest deductions as could before 2018.

Secondly, for millions of Americans, limiting the amount of state and local taxes that can be deducted greatly diminished or entirely erased the long-standing tax incentives of owning a home. Moreover, 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, 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 or eliminate the aforementioned problems. By repealing the SALT limit effective in 2021, many more current and prospective homeowners would regain the homeownership incentive that our tax law has provided for decades. With homes becoming more difficult to afford each month in most markets, especially for first-time buyers, the repeal of the SALT deduction limit can make a real difference for the increasing number of would-be owners who find the cost to be just out of reach.



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 as well as into our current pandemic. For well over a century, our tax system has helped American families to reach this Dream. Thank you for your leadership in helping to ensure that it continues.

Sincerely,

A handwritten signature in black ink, appearing to read "Charlie Oppler", with a long horizontal flourish extending to the right.

Charlie Oppler
2021 President, National Association of REALTORS®