

ASSEMBLY RESOLUTION No. 163

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JUNE 1, 2020

Sponsored by:

Assemblywoman BETTYLOU DECROCE

District 26 (Essex, Morris and Passaic)

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

Assemblyman BRIAN BERGEN

District 25 (Morris and Somerset)

Co-Sponsored by:

Assemblywoman Dunn

SYNOPSIS

Urges Congress to waive 2019 state and local tax deduction caps in light of COVID-19 pandemic.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 7/9/2020)

1 **AN ASSEMBLY RESOLUTION** urging Congress to waive the state and
2 local tax deduction caps for 2019 in light of the COVID-19
3 pandemic.
4
5 **WHEREAS**, COVID-19 is a novel coronavirus that has caused a global
6 pandemic leading to unprecedented and overwhelming health and
7 economic crises throughout the United States; and
8 **WHEREAS**, The State of New Jersey has been one of the states with the
9 highest incidence of COVID-19 in the United States; and
10 **WHEREAS**, The public health crisis caused by the COVID-19
11 pandemic has caused New Jersey to enact mandatory business
12 closures and social distancing measures; and
13 **WHEREAS**, These necessary measures have led the State to take in
14 substantially less revenue in income, sales, and corporate business
15 taxes; and
16 **WHEREAS**, New Jersey residents, who already pay some of the highest
17 tax rates and cost of living expenses in the country, are financially
18 struggling in the wake of the COVID-19 pandemic; and
19 **WHEREAS**, The Treasury Department and Internal Revenue Service
20 extended the 2019 federal income tax filing due date to July 15,
21 2020; and
22 **WHEREAS**, The state and local tax (SALT) deduction allows taxpayers
23 of high-tax states to deduct local tax payments on federal tax
24 returns, such as property, income, and sales taxes; and
25 **WHEREAS**, Historically, 41 percent of New Jersey tax filers claim the
26 deduction for state and local taxes on their federal tax returns; and
27 **WHEREAS**, The federal “Tax Cuts and Jobs Act of 2017” instituted a
28 cap on the SALT deduction with a maximum deduction of \$10,000
29 per return for single filers, head of household filers, and married
30 taxpayers filing jointly and a maximum deduction of \$5,000 for
31 married taxpayers filing separately; and
32 **WHEREAS**, The loss of the SALT deduction has had an especially
33 significant impact on the residents of states, such as New Jersey,
34 that send more money to the federal government than the states
35 receive in return from the federal government; and
36 **WHEREAS**, In conjunction with the COVID-19 pandemic, the SALT
37 deduction caps may lead to further economic stresses throughout
38 the State and may even prompt some residents to leave the State
39 altogether; and
40 **WHEREAS**, Because of the State’s already existing economic difficulty
41 and its further exacerbation caused by the COVID-19 pandemic,
42 along with the State’s longstanding fiscal issues such as high
43 taxation, New Jersey taxpayers need economic relief now more
44 than ever; now, therefore,
45
46 **BE IT RESOLVED** *by the General Assembly of the State of New*
47 *Jersey:*

- 1
- 2
- 3
- 4

5
6
7
8
9
10

11
12
13

14
15
16

17
18
19
20
21
22
23
24
25

26
27
28
29
30
31
32
33
34
35
36
37
38
39

40
41
42
43
44
45
46
47
48