

ranklin Center The Franklin Center

May 28, 2021

Suozzi & Garbarino Lead Bipartisan Effort to Ease State and Local Tax Burden on Working Americans

WASHINGTON, DC — The bipartisan leaders of a new congressional caucus that was created to provide Americans with relief from state and local taxes appeared before a virtual meeting of The Ripon Society and Franklin Center this past Wednesday to discuss the mission of the Caucus and legislation they have authored to achieve this goal.

The leaders are U.S. Reps. Tom Suozzi and Andrew Garbarino. Suozzi is a Democrat who represents the 3rd District of New York on Long Island, while Garbarino is a Republican who represents the adjacent 2nd District. Both serve as the Co-Chairs of the new bipartisan SALT Caucus, which was launched in April to eliminate the \$10,000 cap on state and local tax deductions that was included as part of the 2017 tax reform law.

"It's my number one issue right now," Suozzi said of the SALT Caucus and the effort he is leading to eliminate the \$10,000 cap. "I support the President, and I was one of the first people to endorse him when he announced his election. But as I've said to him and I've said to others, if there is no SALT, there is no deal. If you do anything to change the tax code but you don't include a fix of the state and local tax deduction, I'm not going along with it."

Suozzi was elected to the House in 2016 and serves as a member of the Ways & Means Committee. He previously served as mayor of his hometown of Glen Cove, NY, and as Nassau County Executive. His effort to eliminate the SALT cap is not the first time

he has fought for lower taxes in the Empire State. In 2007, he was appointed by the Governor to lead a state commission that proposed the first property tax cap, which has now become law.

"New York is a high tax state," he said in his remarks on Wednesday. "We have unions, we pay people more money, and it makes our costs higher. We also have mass transit. That helps our economy tremendously, but it's expensive. We have the lowest rates of uninsured children in the country, because we provide health insurance through Medicaid that costs a lot more money. We've chosen to do all of those things, and it's worked out successfully for us, because we — the blue states that are affected by SALT — are the biggest net donors to the federal government. We send more money to the federal government than we get back.

"It's worked out economically. It's worked out for our people. But now people are leaving our states because their SALT deduction has been capped. They're moving, and it's a race to the bottom with other states saying, 'It's cheaper to come to my state. We don't insure children, we don't have unions, and we don't have mass transit. But come here and it will be much cheaper to live.' If we lose wealthy people from our states, then the rest of us are left behind holding the bag.

"And as Andrew will tell you, if you're a teacher and a carpenter who are married and make \$150,000 a year, that's considered a middle class household in our part of the country. In other places of the country, you're rich if you make \$150,000. But not where we're from. Because of the high cost of living, because of the utilities, because of the taxes, because of the housing costs, it's more expensive here. If you make \$150,000, you're in the top 20% of income earners in America. But in our area, it's middle-class."

Garbarino agreed.

"The \$10,000 cap is really hurting people on Long Island," he said.





U.S. Reps. Tom Suozzi (left) and Andrew Garbarino (right)

"It's crushing, and Tom makes a great point about the false narrative. It is a false narrative that the SALT deduction is a tax break for the rich. It's not — especially here. I look at my house where I live in Bayport. Across the street, there's a teacher. To the south of me, there's a fireman. To the north of me, there's a cop. The average real property tax bill — and this doesn't include the money they pay in state income taxes — is \$15,000 a year."

Garbarino is serving his first term in the House after serving four terms in the New York Assembly. During his tenure in the Assembly, he made a name for himself by fighting to increase state funding for

Long Island school districts, protect the local environment, and support local law enforcement officers. He also opposed tax hikes for working families — something that helped shape his approach to the fight to eliminate the SALT cap today.

"This is about helping the middle class," the Long Island Republican declared. "Getting the full deduction back is going to help. And it's not just in New York. People say blue states and red states. This is not a Republican or Democrat issue. This is about fairness. It's about not being double-taxed. This is about helping middle class people on Long Island, helping middle-class people in California, and all of the states.

"That's why I'm happy to be the Co-Chair of the SALT Caucus. Tom came to me with the idea and I couldn't have jumped on it quick enough. It was his brain child to start it. And the number of people who have shown up and joined since we kicked it off last month is amazing. And it's people from all over the country. It's a huge issue. It's a fairness issue. It's a middle class issue. And I'm so happy to be part of the SALT Caucus.

"I'm happy that we have over a hundred co-sponsors of the SALT Deductibility Act, which is a bipartisan and bicameral bill. It would get the full deduction back. We're at 100 co-sponsors, and we need more. This is a huge issue, it's a bipartisan issue, and one which I'm hoping that, working together, we can deliver for our constituents back home."

Founded in 1978, The Franklin Center for Global Policy Exchange is a non-partisan, non-profit 501(c)(3) organization committed to enhancing global understanding of important international issues. The Franklin Center brings together Members of the U.S. Congress and their international parliamentary counterparts as well as experts from the Diplomatic corps, foreign officials, senior private sector representatives, scholars, and other public policy experts. Through regular conferences and events where leading international opinion leaders share ideas, the Franklin Center promotes enlightened, balanced, and unbiased international policy discussion on major international issues.

For more information on the organization, please visit its website at www.franklincenter.us.

"This is about helping

the middle class."