

MAR 10 2022

SENATE RESOLUTION

URGING HAWAII'S CONGRESSIONAL DELEGATION TO INTRODUCE AND
SUPPORT LEGISLATION THAT WOULD REPEAL THE \$10,000
LIMITATION ON THE DEDUCTION FOR STATE AND LOCAL TAXES
ENACTED BY THE FEDERAL TAX CUTS AND JOBS ACT OF 2017.

1 WHEREAS, on December 15, 2017, the United States Congress
2 approved the Tax Cuts and Jobs Act, Public Law 115-97 (Act), the
3 largest overhaul of the federal tax code in the past thirty
4 years that included the \$10,000 limitation on deductions for
5 state and local taxes (SALT cap); and
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7 WHEREAS, the SALT cap is leading to an increase in states'
8 deficits, which are statutorily required to be offset by
9 reductions in outlays or increases in other revenue to maintain
10 budget outcomes; and
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12 WHEREAS, the SALT cap decreases after-tax income for
13 taxpayers, which causes more financial hardship and a decrease
14 in the consumption of goods and services that is vital for
15 economic recovery; and
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17 WHEREAS, the SALT cap disproportionately reduces Hawaii
18 residents' after-tax income compared to states that have a lower
19 tax rate or cost of living due to having a flat limitation
20 level; and
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22 WHEREAS, the SALT cap does not take into account
23 significant factors such as inflation or marital status; and
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25 WHEREAS, the working people of the State of Hawaii are in
26 desperate need of tax relief; and
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28 WHEREAS, legislation has been introduced in the 116th
29 Congress that would modify the SALT cap, including increasing
30 the SALT cap level for some or all taxpayers or repealing the
31 SALT cap entirely; now, therefore,



