

Inter-County Association of Western New York

Representing the Counties of Allegany, Cattaraugus, Cayuga, Chautauqua, Chemung, Erie, Genesee, Livingston, Monroe, Niagara, Ontario, Orleans, Schuyler, Seneca, Steuben, Tompkins, Wayne, Wyoming, and Yates.

RESOLUTION NO. 2020-8-IC

RESOLUTION URGING GOVERNOR ANDREW M. CUOMO AND THE STATE LEGISLATURE TO CONTINUE TO SUPPORT THE REPEAL OR MODIFICATION OF FEDERAL CAP ON THE REDUCTIBILITY OF STATE AND LOCAL TAXES AND ENGAGE THE NEW YORK STATE CONGRESSIONAL DELEGATION TO SUPPORT THESE EFFORTS IN 2020

Offered by: the Inter-County Association of Western New York

WHEREAS, in 2017 Congress enacted comprehensive federal tax reforms that capped the deductibility of state and local taxes (SALT) at \$10,000, among other items; and

WHEREAS, capping SALT deductibility impacted New York taxpayers (especially homeowners) much more than taxpayers in other states because of our higher home prices and tax rates; and

WHEREAS, many in Congress targeted New York and other similarly situated states as being unfairly subsidized by taxpayers in other states because of the full deductibility of SALT; and

WHEREAS, this viewpoint failed to recognize that New York State has been a consistent “donor” state to the federal government because of our long history of being home to many high wealth individuals and higher than average income earners; and

WHEREAS, this results in New York contributing tens of billions of dollars more each year to the federal government than we receive back in payments or grants and this has been occurring for decades; and

WHEREAS, the consistent “donor” status is the result of a plethora of federal funding formulas where income is often used as a basis for distributing those dollars; and

WHEREAS, since the state receives fewer federal grants and payments than other states, New York must raise more local taxes to fulfill federal mandates and regulations for K-12 education, health and social services, environmental and labor protections, as well as provide local quality of life services including fire and police protection, higher education, and emergency preparedness and response, among others; and

WHEREAS, the deductibility of SALT was 1 of 6 original federal tax deductions established when the federal income tax was created in 1913; and

WHEREAS, the SALT deduction was implemented to prevent double taxation and to encourage states and local government to invest in their communities, infrastructure and people – often because the federal government recognized they could not make these investments; and

WHEREAS, the House of Representatives recently passed the “Restoring Tax Fairness for State and Localities Act” which will raise the cap on the deductibility of SALT from \$10,000 to \$20,000 for one year and then suspend the cap for the following two years; and

WHEREAS, enactment of this legislation, or similar legislation, can correct the inequities created by the SALT deductibility cap, now, therefore be it

RESOLVED:

1. That the Inter-County Association of Western New York urges the Governor and State Legislature to work closely with the New York state congressional delegation in the coming year to help garner additional support for these changes in Congress; and

2. That the Inter-County Association of Western New York Secretary is directed to send a certified copy of this resolution to state representatives and all others deemed necessary and appropriate.

This is to Certify that I, the undersigned, Secretary of the Inter-County Association of Western New York, have compared the foregoing copy of resolution with the original resolution now on file in this office and which was duly adopted by the Association at a session held on the 19th day of June 2020 and that the same is a true copy of said original and of the whole thereof.

In Witness Whereof, I have hereunto subscribed my name and affixed the official seal of the Inter-County Association of Western New York dated June 19, 2020.

Jodi Adams



Jodi Adams, Secretary
Inter-County Association of Western New York

Sponsored by: Allegany County, Moved by: Rigby Riehle (*Allegany*), Seconded by: Harris (*Allegany*)