



LAW & GOVERNMENT

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Long Island congressional leaders act to reinstate SALT deduction

The bill would reverse the \$10,000 cap that was put on deductions for state and local taxes.

By **DAVE WINZELBERG**

Two members of congress representing districts on Long Island are introducing a bill to reinstate full deduction for state and local taxes, which had been limited by the federal tax law enacted in Dec. 2017.

Rep. Peter King, R-Seafood, and Rep. Tom Suozzi, D-Glen Cove, announced the bipartisan bill at a news conference in Farmingdale on Monday.

The bill would reverse the \$10,000 cap that was put on deductions for state and local taxes (SALT) in the Tax Cuts and Jobs Act signed into law by President Donald Trump on Dec. 22, 2017.

Suozzi called that limitation “a punch in the gut” for Long Islanders who already subsidize other states by paying more in taxes than they receive back from the federal government.

“The limitation of this critical deduction has resulted in a devastating tax increase for the middle class,” Suozzi said in a written statement. “My district is in the top 10 in American state and local tax deduction claims. In New York’s third district,

over 250,000 families, or 43 percent of households, claim this deduction at an average rate of \$18,300.”

King said that eliminating deductions for state and local taxes will put a big hurt on Long Islanders.

“We give far more to Washington than we get back,” King said in the statement. “For every dollar we give, we get \$.79 back. That’s a \$48 billion shortfall and hurts our middle class Long Islanders. This legislation is critical.”

Nearly half of all tax filers in the districts represented by Suozzi and King claimed the SALT deduction with an average of nearly \$20,000. The average SALT burden is above the \$10,000 cap in 52 of 62 counties in New York.

Kyle Strober, executive director of the Association for a Better Long Island, called the tax inequity an “existential issue” for Long Island.

“There is no Republican or Democratic position,” Strober said in the statement. “It is about the survival of Long Island’s middle class which sorely depends on this exemption to makes ends meet. The response by Reps. Peter King and Tom Suozzi not only seeks to protect every Long Island homeowner from this threat, but demonstrates that bipartisanship remains strong on Long Island.”

The bill, H.R. 257, would retroactively reinstate a full deduction for state and local taxes.



Photo courtesy of Tom Suozzi.

Tom Suozzi and Peter King discuss the new bill they are introducing.

LIA: Suburban buses should net some revenue from congestion pricing

Before imposing a fee on drivers who travel into Manhattan, the state must first consider allocating a portion of that congestion-pricing revenue to suburban bus systems.

That’s according to the Long Island Association, the region’s largest business group.

In a letter to state officials, Kevin Law, the LIA’s president and CEO, said that despite recommendations from the Fix NYC Advisory Panel in January to put some of that revenue towards suburban bus systems, that provision is not part of the Metropolitan Transportation Sustainability Advisory Workgroup’s December report and recommendations.

The letter comes as lawmakers further consider implementing congestion pricing, a fee for motorists entering the busiest

parts of Manhattan that would address gridlock while also raising funds for the city’s transit system.

“We have to take the bull by the horns with the MTA and pass a dedicated funding stream so the MTA has the funding it needs,” Gov. Andrew Cuomo said in December. “Congestion pricing is the only alternative.”

But congestion pricing must not place undue weight on the region’s suburbs, Law said in his letter to Cuomo, Senate Majority Leader Andrea Stewart-Cousins and Speaker of the Assembly Carl Heastie.

“It is imperative that the input of the suburbs be carefully considered before new legislation is introduced and that congestion pricing proposals must not unduly burden suburban commuters or neglect suburban bus systems which are already

struggling,” Law wrote.

Implementing congestion pricing warrants the “full repeal” of the MTA payroll tax, officially known as the Metropolitan Commuter Transportation Mobility Tax, according to the LIA. The payroll tax applied to employers in the city’s suburbs, including Nassau and Suffolk counties. But by 2011, a revision to the tax excluded about 80 percent of the region’s small and medium-sized businesses, though it still impacts businesses with annual payrolls of \$1.25 million and more.

And according to Law, Long Island already sends about “\$5 billion more to Albany than it receives in return.”

It’s an “inequity,” Law said in the letter, that shows “our region is already paying more than its fair share to the state.”

The city’s economy, he added, “is inex-

trically linked with its suburban counties and it benefits from our residents who meet important labor needs of city businesses.”

For these reasons, he said, the entire region needs to find ways to invest in the transportation infrastructure without it “disproportionally” falling on suburban taxpayers.

Meanwhile, a state judge in December issued a temporary restraining order on a congestion fee that was to be imposed on taxis and other for-hire vehicles. While that fee was to go into effect on Jan. 1, there is now litigation by the New York Taxi Workers Alliance against Cuomo and the Taxi and Limousine Commission in an effort to prevent the surcharge.

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