



November 8, 2017

The Honorable Kevin Brady
Ways and Means Committee Chairman
U.S. House of Representatives
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Brady:

The Board of Directors of the Metropolitan Washington Council of Governments (COG), the non-partisan organization comprised of elected officials from the District of Columbia, suburban Maryland, and Northern Virginia, believes the tax bill currently before your committee will result in an unacceptable tax increase for our constituents resulting from the elimination of the state and local tax deduction (SALT) on federal tax returns.

We therefore ask that you preserve the state and local tax deduction.

About 40 percent of the region's residents use the state and local deduction when filing their federal taxes, according to the Government Financial Officers Association. These taxpayers are average middle-income workers, many earning annual salaries between \$50,000 and \$75,000. Moreover, because many state and local income taxes are automatically deducted from workers' paychecks, those outlays cannot be avoided. SALT revenues also provide the main support for essential local government services such as police and fire departments and other public safety requirements. Estimates suggest that eliminating the state and local tax deduction could cost families several thousands of dollars annually, even if the legislation ends only deductions for income and sales taxes.

Finally, we do not believe tax reform should negatively impact middle class residents and small businesses. In this region, these are the individuals who already do more than their share. We urge you, therefore, to preserve the state and local tax deduction.

Sincerely,

Handwritten signature of Kenyan McDuffie in black ink.

Kenyan McDuffie
COG Board Chairman,
District of Columbia

Handwritten signature of Matt Letourneau in black ink.

Matt Letourneau
COG Board Vice Chairman,
Loudoun County

Handwritten signature of Derrick Leon Davis in black ink.

Derrick Leon Davis
COG Board Vice Chairman,
Prince George's County

cc: Regional Congressional Delegation
Senate Finance Committee
House and Senate Leadership