



November 27, 2017

Dear Members of the New York House Delegation,

The New York State Society of Certified Public Accountants (NYSSCPA) and its more than 26,000 members commend the efforts of the U.S. House of Representatives in undertaking the very necessary work of tax reform this year. For far too long, Americans have been held captive by an unnecessarily complex and contradictory set of tax laws that even our members sometimes struggle to make sense of. The recently approved Tax Cuts and Jobs Act (H.R. 1), however, goes about reform in a way that is both fiscally irresponsible and disastrous for New York state's economy, essentially, penalizing the state's own residents for living here.

The following elements of the House bill are of particular concern to our members:

- **Eliminating the deduction of state and local income and sales taxes:** The state and local tax (SALT) deduction, a provision that has prevented double taxation since 1913, is relied upon by residents of New York and other high-tax states that send billions of dollars more in tax revenue to Washington than they receive in services.
- **Capping the property tax deduction at \$10,000:** The cap would not cover the average property taxes in six New York counties—Nassau, New York, Putnam, Rockland, Suffolk and Westchester—which already exceed \$10,000, according to the Office of the New York State Comptroller.
- **Limiting the deduction for mortgage interest to the first \$500,000 of a home's purchase price:** Fitch Ratings, Inc., has reported that the limit could contribute to a loss of a home's value and a corresponding drop in property taxes, leaving municipalities with no other option but to raise local tax rates to sustain themselves.

The House's tax reform plan would make New York less affordable and less competitive. If this legislation is enacted into law, New Yorkers and the businesses located here will have more than enough reason to leave the state. People planning on living here or moving their businesses here will have a very sound argument for reconsidering.

In the interest of tax fairness, we strongly urge you to do all that you can to correct these inequities that harm New Yorkers. Thank you for considering our views on this important issue.

Sincerely,

Harold L. Deiters III
President, NYSSCPA

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