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state and local tax deduction cap.

Feb. 16, 2024



By Caitlin Reilly, CQ-Roll Call (TNS)

The House rejected a rule that would provide for floor consideration of a bill to double the cap on state and local tax deductions for married couples earning up to \$500,000, striking a blow to legislation championed by blue-state Republicans.

The House voted 195-225 Wednesday on the rule, falling well short of the majority needed to proceed to a floor vote on the bill and an unrelated resolution criticizing

President Joe Biden's energy policies.

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give as a pointiear will.

Still, it was LaLota's own caucus that in the end wasn't convinced that unlocking more relief to blue-state constituents was the right thing to do. Some were also perturbed by the process, arguing that a small group of centrist Republicans had basically bullied Speaker Mike Johnson, R-La., into calling the SALT bill vote, without a prior committee hearing.

LaLota is among the nine Republicans who've signed on to the bill, including lead sponsor Mike Lawler, R-N.Y. Five of the bill's backers are from New York, two are from California and one each hail from Maryland and New Jersey.

Among the bill's sponsors, three—Lawler, Anthony D'Esposito of New York and Mike Garcia of California—are in races that Inside Elections with Nathan L. Gonzales considered to be Toss-ups this November. Two others—Marc Molinaro of New York and Thomas H. Kean Jr. of New Jersey—are considered Tilt Republican.

It's unclear whether there's another pathway forward for the legislation that New York and other blue-state Republicans demanded after the \$79 billion family and business tax cut package omitted SALT relief. The House passed the bigger package by overwhelming margins last month.

The four New Yorkers who had been the driving force behind the bill—Lawler, LaLota, D'Esposito and GOP Rep. Andrew Garbarino—walked off the floor together after Wednesday's vote. Garbarino said they'd be working on "Plan B," which D'Esposito quipped would be "margaritas with salt."

"This is expiring at some point," Garbarino said, hinting that the group may turn their attention to 2025, when the SALT cap along with other provisions in the 2017 tax law is set to expire.

"Do we ever give up?" D'Esposito said. "The plan is to start thinking about it now

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to vote against the measure.

Democrats, who are more likely to represent districts in high-tax states, tend to be more supportive of SALT relief. Rep. Josh Gottheimer, D-N.J., said this week he would vote for the GOP-drafted bill.

Gottheimer and Rep. Mikie Sherrill, D-N.J.—both considered possible 2025 gubernatorial candidates—were absent for Wednesday's rule vote.

But the measure has also faced criticism from the left. The Center on Budget and Policy Priorities and the Institute on Taxation and Economic Policy criticized the bill this month as expensive and unneeded, saying more than half its benefits would go to households in the 95th to 99th percentiles by income.

In floor remarks, Rep. Bill Pascrell Jr., D-N.J., who offered a SALT relief amendment to the \$79 billion tax bill in the Ways and Means Committee, dismissed the marriage SALT cap bill as a "fig leaf to paper over that Republicans oppose middle-class tax relief."

The Ways and Means Committee voted along party lines to reject Pascrell's amendment that would increase the cap to \$60,000 for individuals and \$120,000 for married couples.

'Only about politics'

Rep. Richard E. Neal, D-Mass., top Democrat on the Ways and Means Committee, said the bill was a botched political exercise, with Republicans feeling the heat after Tuesday's night special election loss in New York's 3rd District.

"It was only about politics," Neal said. "If the bill on SALT was that important, why don't they send it to the Ways and Means Committee and help us mark it up?"

Neal said the winner in Tuesday night's special election—former Democratic Rep.

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be among his top priorities once again upon returning to Congress, along with some more existential matters.

"It's time to get to work, on immigration, on Israel, on combating Putin, on helping the middle class," Suozzi said, before lowering his voice a bit: "And on getting the state and local tax deduction back."

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