

United States Senate

December 4, 2017

Dear Colleagues,

As members of the congressional delegations for California, New York, Maryland, and New Jersey, we are writing to urge you not to support tax legislation that raises taxes on our constituents to finance tax cuts for multinational corporations.

On November 16, 2017, the House of Representatives passed H.R. 1. This tax legislation would raise the overall tax bill for residents of our states, according to analysis by the Institute on Taxation and Economic Policy.^[1] In 2027 alone, California residents would face a \$12.1 billion tax hike, New York residents would face a \$4.0 billion tax hike, Maryland residents would face a \$430 million tax hike, and New Jersey residents would face a \$137 million tax hike.

President Trump tweeted that these tax cuts would be “the biggest in the history of our country!” Maybe that is true for multinational corporations, and the wealthy foreign shareholders who own 35% of U.S. corporate stock, but it is not true for the residents of our states who will pay higher taxes under this plan.

Slashing the deduction for state and local taxes is the key reason for these tax increases on our constituents. Under H.R. 1, individuals lose their deductions for income or sales taxes paid to state and local governments, and cannot deduct more than \$10,000 in property taxes. Meanwhile, corporations would still get to deduct their state and local taxes. As the analysis from the Institute on Taxation and Economic Policy makes painfully clear, this so-called compromise fails our constituents.

The House bill places a totally unacceptable tax burden on our middle class constituents, and the Senate bill is no better. Congress cannot force these partisan tax increases on our constituents without your support. There are 29 Republican Members of Congress representing our four states, but none in the Senate. If the final tax legislation raises taxes on our states, our last chance to stop it will be when it comes back to the House of Representatives for a vote. If you join your Democratic and Republican colleagues and vote against the bill, we can stop this tax increase and work together towards our shared goal of real bipartisan tax reform that is fair to everyone.

We urge you to stand up for our constituents and oppose tax hikes that target our states.

^[1] Institute on Taxation and Economic Policy, “House Tax Plan Offers an Exceptionally Bad Deal for California, New York, New Jersey, and Maryland,” November 14, 2017, available at <https://itep.org/house-tax-plan-offers-an-exceptionally-bad-deal-for-california-new-york-new-jersey-and-maryland/>.

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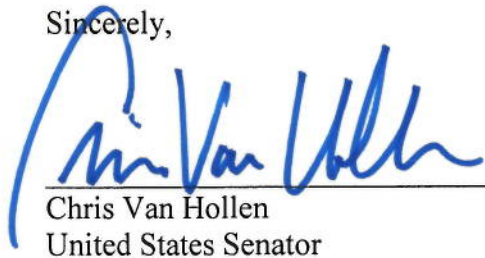
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Sincerely,

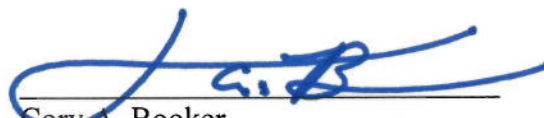

Chris Van Hollen
United States Senator

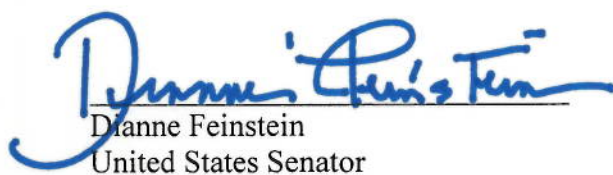

Benjamin L. Cardin
United States Senator

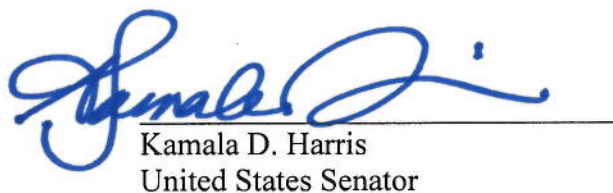

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Kirsten Gillibrand
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