WHAT IS THE STATE AND LOCAL TAX DEDUCTION?
The state and local tax deduction allows taxpayers to deduct state and local taxes paid from their federally taxable income. Deductibility of these taxes prevents double taxation, since state and local taxes are mandatory payments.

WHY DO WE CARE?
States and local governments deploy revenues from state and local property, income and sales taxes to finance infrastructure projects, local law enforcement, emergency services, education costs and many other services. Deductibility allows state and local governments to maintain authority over local tax structures supporting these services.

WHAT WOULD ELIMINATING DEDUCTIBILITY DO?
Eliminating or capping federal deductibility for state and local property, sales and income taxes would represent double taxation on American taxpayers, a principle strongly rejected throughout the rest of the tax code. Additionally, by eliminating federal deductibility of state and local taxes, Congress would shift the intergovernmental balance of taxation and limit state and local control of our tax systems.

DID YOU KNOW?
The state and local tax deduction has existed for over a century since the institution of the original 1913 federal tax code.

STATE AND LOCAL GOVERNMENTS PROVIDE CRITICAL SERVICES WITH REVENUE GENERATED THROUGH STATE AND LOCAL TAXES, INCLUDING:

- Infrastructure
- Education
- Health Services
- Public Safety and Emergency Services

IN 2015, AT LEAST

95.8%

OF ALL ITEMIZERS TOOK THE STATE AND LOCAL TAX DEDUCTION

IN 2015, OVER

36 MILLION

INDIVIDUALS AND FAMILIES MAKING LESS THAN $200,000 CLAIMED THE DEDUCTION

THOSE FAMILIES ACCOUNTED FOR OVER HALF -

52.7%

OF THE TOTAL AMOUNT OF DOUBLE TAXATION AVOIDED IN 2015