



Congress of the United States  
House of Representatives  
Washington, DC 20515

Tuesday, May 20, 2025

The Honorable Mike Johnson  
Speaker  
U.S. House of Representatives  
H-232, The Capitol  
Washington, D.C. 20515

The Honorable Jason Smith  
Chairman  
Ways and Means Committee  
1139 Longworth House Office Building  
Washington D.C. 20515

Dear Speaker Johnson and Chairman Smith,

We write to you to request that you provide tax relief to our constituents in California by ensuring that the One Big Beautiful Bill Act does not contain any cap on the State and Local Tax (SALT) deduction, which was put in place as part of the Tax Cut and Jobs Act of 2017 (TCJA) and is set to expire at the end this year.

As you know, the SALT deduction was created at the same time as the federal income tax, which was first introduced in 1861. At that time, the SALT deduction was the only deduction allowed, and it was implemented based on two critically important grounds: first, the historic separation of powers between the federal government and the states, also known as federalism, and second, to prevent double taxation. The SALT deduction has always been seen as the most important tax deduction, and these justifications of respecting states' rights and preventing the double taxation of Americans are no less important today than they were in the 19th century.

By limiting the SALT deduction to \$10,000, the TCJA effectively raised the tax burdens of our constituents in California by eliminating their ability to deduct their state and local tax payments (including state income taxes and local property taxes) from their income for federal taxes. As residents of a state with a high cost of living and high housing costs, hardworking Californians were hit particularly hard by the TCJA's cap on the SALT deduction.

As the state with the largest economy in the country and the fourth largest economy in the world, California is by far the most generous of the thirteen donor states, meaning its residents paid far more in taxes to the federal government than it received in support. According to a 2022 Rockefeller Institute of Government study, California residents paid \$83 billion more in federal taxes than they received in support. This means that for every dollar our constituents pay to the federal government, they get less than 88 cents in return. Our constituents pay more than their fair share of taxes to our nation and deserve tax relief in these difficult economic times.

With the cap imposed by the TCJA set to expire on December 31, 2025, we respectfully request that you honor your commitment to states' rights and tax relief by not imposing another painful and massive tax

on California families and small businesses by creating a new SALT deduction cap in the One Big Beautiful Bill Act .

We thank you for your attention to this critical matter.