Bob Casey voted to raise taxes on hard working Pennsylvanians while voting to give massive tax breaks to millionaires in California and New York.

Bob Casey voted for the Inflation Reduction Act, legislation that would raise taxes by $20 billion on people making less than $400,000 a year.

- **On August 7, 2022, Bob Casey voted Yea on H.R. 5376, the Inflation Reduction Act.** (H.R. 5376, Vote Number 325, Passed 50-50, Casey voted Yea, 8/7/22)

- **The Congressional Budget Office estimates that the Inflation Reduction Act, which sets aside $80 billion to hire 87,000 Internal Revenue Service agents, would cost those making less than $400,000 an estimated $20 billion more in taxes over the next 10 years.** "An analysis by the CBO estimates those earning less than $400,000 — the group on which Biden promised not to raise taxes — will pay an estimated $20 billion more in taxes over the next decade as a result of the Democrat-pushed $740 billion package, which also sets aside $80 billion to hire 87,000 IRS agents." (Lydia Moynihan, "Inflation Reduction Act will cost middle class $20B in new taxes: CBO," *New York Post*, 8/15/22)

- **The Tax Foundation found that the marginal income tax rates of higher earners would increase in the long run.** "Over the long run, the Inflation Reduction Act would raise marginal income tax rates faced by higher earners and corporations. The distributional results that follow do not include the impact of drug pricing provisions or IRS enforcement on after-tax incomes." (Alex Durante, "Details & Analysis of the Inflation Reduction Act Tax Provisions," Tax Foundation, 8/10/22)

Bob Casey voted in favor of S.J. Res. 50, which sought to effectively repeal the limit on the state and local tax (SALT) deduction.

Editor's Note: *A vote in favor of S.J. Res. 50 would repeal a Treasury rule blocking state-level workarounds to the $10,000 SALT deduction limit passed as part of the Tax Cuts and Jobs Act of 2017. Therefore, a vote for S.J. Res. 50 was a vote to provide massive tax breaks to the wealthy, primarily in liberal states.*

- **Bob Casey voted in favor of S.J. Res. 50.** (S.J. Res. 50, Vote Number 331, Failed 43-52, Casey Voted Yea, 10/23/19)

- **S.J. Res. 50 was an effort by Senate Democrats to repeal a rule proposed by the IRS and the Treasury that would "block critical state workarounds" to the $10,000 limitation on SALT deductions.** "Senate Democrats will push to repeal a Treasury Department and IRS rule, which goes into effect Aug. 11, that they say would 'block critical state workarounds' to the $10,000 limitation on state and local tax deductions." (Doug Sword, "Senate Democrats push repeal of state and local tax rule," *Roll Call*, 8/2/19)

- **Senate Republicans described S.J. Res. 50 as an effort that would effectively repeal the SALT deduction limit.** "S.J.Res.50 would prevent the IRS from implementing the new regulations, effectively mimicking a repeal of the SALT cap." ("S.J.Res, Disapproval of SALT Workaround Rules," Senate Republican Policy Committee, 10/23/19)

- **The Joint Committee on Taxation noted that a taxpayer in a state that offers a 100% tax credit in return for charitable contributions could "effectively… side-step the $10,000 limitation on the deduction for State and local tax payments."** "Following the enactment of the $10,000 limitation on the deduction for State and local tax payments with the 2017 Tax Act, utilizing State and local tax credit programs became attractive as a potential tax planning strategy for individuals to avoid or mitigate the limitation. For example, assume an individual has a State tax liability totaling $30,000, itemizes deductions, and lives in a State that offers a 100 percent tax credit in return for contributions to a specified charitable organization. If the individual paid the tax liability directly to the State, only $10,000 is allowed as a Federal income tax deduction. However, the individual may donate $20,000 to the specified charitable organization, receive a 100 percent tax credit worth $20,000, and pay the remaining tax liability of $10,000 directly to the State. In this case, if the amount of the charitable contribution deduction is not reduced to reflect the amount of the state tax credit, the taxpayer would be able to deduct the full $30,000 at the Federal level: $20,000 as a charitable contribution deduction and $10,000 as a deduction for State taxes. Thus, effectively, the taxpayer would side-step the $10,000 limitation on the deduction for State and local tax payments." ("Background on the Itemized Deduction for State and Local Taxes," Joint Committee on Taxation, 6/25/19)

- **S.J. Res. 50 would have "effectively" bypassed the SALT deduction limit.** "The resolution, S.J.Res. 50, aimed to repeal Treasury Department regulations that prohibited high-tax states from creating charitable funds where residents could contribute their state tax payments, effectively bypassing the SALT limit." (Laura Davison, "Senate Rejects Democrats' Effort to Repeal SALT Deduction Rules," *Yahoo! Finance*, 10/23/19)

A repeal of the SALT deduction limit could give a massive tax break to millionaires in California and New York and overwhelmingly benefit the wealthy, not the middle-class.

- **A repeal of the SALT deduction limit "could amount to a significant tax cut for wealthy Americans in liberal states."** "Democrats were readying an agreement on Tuesday that would repeal a cap on the amount of state and local taxes that homeowners can deduct as part of a broader $1.85 trillion spending bill, a move that could amount to a significant tax cut for wealthy Americans in liberal states." (Emily Cochrane and Alan Rappeport, "Democrats Push for Agreement on Tax Deduction That Benefits the Rich," *New York Times*, 11/2/21)

- **A repeal of the SALT deduction limit would primarily benefit the wealthy in states including California, New York, and New Jersey.** "Even in states with the most residents affected, less than a quarter of residents would benefit from repeal of the SALT cap. The other options would benefit a similar or smaller percentage of taxpayers in each state. The states with the highest share of residents benefiting from repeal or from any of these options are California, Connecticut, the District of Columbia, Maryland, New Jersey and New York. But most of those residents would receive a relatively small tax cut, as illustrated in the figures that can be downloaded with the link at the top of this report, and most of the benefits would go to the rich even in these states." ("Options to Reduce the Revenue Loss from Adjusting the SALT Cap," Institute on Taxation and Economic Policy, 8/26/21)

- **Wall Street Journal Headline: "Democrats Consider Tax Cuts for Many High Earners in New York, New Jersey and California"**

Democrats Consider Tax Cuts for Many High Earners in New York, New Jersey and California

With tax rates steady and $10,000 deduction cap under attack, some residents of high-tax states might pay less than before 2017

(Richard Rubin, "Democrats Consider Tax Cuts for Many High Earners in New York, New Jersey and California," *Wall Street Journal*, 10/29/21)

- **High-income individuals from New York, New Jersey, and California would benefit from a repeal of the SALT deduction limit.** "High-income coastal professionals look likely to emerge as significant winners from the Democrats' proposed tax agenda, escaping rate increases and regaining a deduction for state and local taxes that was capped at $10,000 in 2017. The potential result: Many residents of New York, New Jersey, California and other states who make more than the $400,000 threshold that President Biden set for tax increases could end up with tax cuts atop the tax cuts they got four years ago." (Richard Rubin, "Democrats Consider Tax Cuts for Many High Earners in New York, New Jersey and California," *Wall Street Journal*, 10/29/21)

- **Senator Bernie Sanders said a repeal of the SALT deduction limit would be a "giveaway to the rich that went against the Democrats' priorities."** "Senator Bernie Sanders of Vermont, the chairman of the Budget Committee, blasted the repeal on Tuesday as a giveaway to the rich that went against the Democrats' priorities." (Emily Cochrane and Alan Rappeport, "Democrats Push for Agreement on Tax Deduction That Benefits the Rich," *New York Times*, 11/2/21)

- **The Joint Committee on Taxation estimated that a repeal of the $10,000 SALT deduction limit would reduce taxes on all Americans by $77.4 billion, of which $40.4 billion would be saved by households with incomes of $1 million or more, $14.4 billion would be saved by households with incomes between $500,000 and $1 million, and $18.2 billion would be saved by households with incomes between $200,000 and $500,000.**

Table 4 presents a distributional analysis for 2019 of a proposal to repeal the $10,000 limitation on the deduction for State and local taxes beginning in 2019. The repeal is estimated to result in a decrease in tax liability for 13.1 million taxpayers, 94 percent of which have $100,000 or more of economic income. Additionally, approximately 99 percent of the decrease in tax liability accrues to taxpayers with $100,000 or more of economic income.

Table 4.–Distributional Effects of a Proposal to Repeal the Limitation on the Deduction for State and Local Taxes(1)

Calendar Year 2019

Income Category (2)	Number of Taxpayer Units	Change in Tax Liability
	Millions	$Billions
Less than $10,000	(3)	(4)
$10,000 to $20,000	(3)	(4)
$20,000 to $30,000	(3)	(4)
$30,000 to $40,000	(3)	(4)
$40,000 to $50,000	(3)	(4)
$50,000 to $75,000	0.3	-0.1
$75,000 to $100,000	0.5	-0.3
$100,000 to $200,000	4.3	-4.0
$200,000 to $500,000	6.2	-18.2
$500,000 to $1,000,000	1.2	-14.4
$1,000,000 and over	0.6	-40.4
Total, All Taxpayers	**13.1**	**-77.4**

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

("Background on the Itemized Deduction for State and Local Taxes," Joint Committee on Taxation, 6/25/19)

- ***Editor's Note:*** *Per the Joint Committee on Taxation, 52% of the tax savings would flow to households earning $1 million or more ($40.4 billion / $77.4 billion)*100. Likewise, 18.6% of the tax savings would flow to households earning between $500,000 and $1,000,000 ($14.4 billion / $77.4 billion)*100. 23.5% of the tax savings would flow to households earning between $200,000 and $500,000 ($18.2 billion / $77.4 billion)*100. In total, 94.1% of the tax savings would flow to households earning $200,000 or more (52% + 18.6% + 23.5%)*

The vast majority of the benefits of a SALT deduction limit repeal would go to the richest 5% of residents in every state.

- **The vast majority of the benefits of a SALT deduction limit repeal would go to the richest 5% of residents in every state.** "As illustrated in the estimates that can be downloaded through the link at the top of this report, the vast majority of the benefits would go to the richest 5 percent of residents in every state and the District of Columbia. The richest 1 percent of residents would receive most of the benefits in all but four states." ("Options to Reduce the Revenue Loss from Adjusting the SALT Cap," Institute on Taxation and Economic Policy, 8/26/21)

A repeal of the SALT deduction limit would be regressive and would provide no tax reduction for 96% of middle-income households.

- **A repeal of the SALT deduction limit would be "regressive."** "Repealing the cap would be regressive and costly. The top 1 percent of households would receive 56 percent of the benefit of repeal, and the top 5 percent of households would receive over 80 percent of the benefit, while the bottom 80 percent of households would receive just 4 percent, according to the Tax Policy Center (TPC)." (Chuck Marr, Kathleen Bryant, and Michael Leachman, "Repealing "SALT" Cap Would Be Regressive and Proposed Offset Would Use up Needed Progressive Revenues," Center on Budget and Policy Priorities, 12/10/19)

- **Few middle-class households would benefit from a repeal of the SALT deduction limit.** "Few middle-income households would benefit. The vast majority of households in the bottom 80 percent are unaffected by the SALT cap and thus would not benefit from its repeal. Fewer than 3 percent of households in the middle income quintile (those between roughly $51,000 and $88,000 in 2018), and fewer than 10 percent of households in the fourth quintile (those between roughly $88,000 and $157,000 in 2018), would receive any tax cut from repeal, according to TPC." (Chuck Marr, Kathleen Bryant, and Michael Leachman, "Repealing "SALT" Cap Would Be Regressive and Proposed Offset Would Use up Needed Progressive Revenues," Center on Budget and Policy Priorities, 12/10/19)

- **Under a repeal of the SALT deduction limit, 96% of middle-income households would receive no tax reduction.** "Households making $1 million or more a year would receive half the benefit of repealing the $10,000 federal cap on the state and local tax (SALT) deduction, according to new estimates by the Tax Policy Center. Seventy percent of the benefit would go to those making $500,000 or more. At the same time, 96 percent of middle-income households, those making between about $52,000 and $93,000 annually, would get no tax reduction at all. The 4 percent that would benefit would receive an average tax cut of about $400." (Howard Gleckman, "SALT Cap Repeal Would Overwhelmingly Benefit High Income Households," Tax Policy Center, 4/23/21)

<u>A repeal of the SALT deduction limit would cost the U.S. government hundreds of billions of dollars in revenue.</u>

- **According to the Tax Policy Center, a repeal of the $10,000 SALT deduction limit would result in a reduction of government tax revenue by $620.7 billion.**

Impact on Tax Revenue, Number of Itemizers, and Individual Alternative Minimum Tax (AMT), 2018-28 [1]

	Year											
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2018-28
Impact on Tax Revenue (billions of current dollars) [2]												
Repeal $10,000 limit (unindexed) on deductible state and local income, sales, and property tax	-39.6	-65.3	-68.4	-73.8	-78.8	-83.8	-88.8	-94.0	-32.3	4.1	0.0	-620.7

("T18-0143 - Repeal $10,000 Limit on Deductible State and Local Taxes; Baseline: Current Law; Impact on Tax Revenue, Number of Itemizers, and Individual Alternative Minimum Tax (AMT), 2018-28," Tax Policy Center, 9/24/18)

- **Repealing the SALT deduction limit would cost the federal government nearly $100 billion in tax year 2022.** "But SALT cap repeal is not compatible with other goals sought by the current Congress and the Biden administration, such as raising revenue and making the federal tax system more progressive. Repealing the SALT cap would reduce federal revenue by around $100 billion in tax year 2022 alone and more than 60 percent of the benefits would go to the richest 1 percent." ("Options to Reduce the Revenue Loss from Adjusting the SALT Cap," Institute on Taxation and Economic Policy, 8/26/21)