

118TH CONGRESS
1ST SESSION

H. R. 3098

To amend the Internal Revenue Code of 1986 to modify the limitation on the deduction for State and local taxes.

IN THE HOUSE OF REPRESENTATIVES

MAY 5, 2023

Mr. LALOTA introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to modify the limitation on the deduction for State and local taxes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “SALT Fairness and
5 Deficit Reduction Act”.

6 **SEC. 2. MODIFICATION OF LIMITATION ON DEDUCTION**
7 **FOR STATE AND LOCAL TAXES.**

8 (a) INCREASE IN LIMITATION.—

9 (1) IN GENERAL.—Section 164(b)(6)(B) of the
10 Internal Revenue Code of 1986 is amended by strik-

1 ing “\$10,000 (\$5,000 in the case of a married indi-
2 vidual filing a separate return)” and inserting
3 “\$60,000 (twice such amount in the case of a joint
4 return)”.

5 (2) INFLATION ADJUSTMENT.—Section 164 of
6 such Code is amended by redesignating subsection
7 (g) as subsection (h) and by inserting after sub-
8 section (f) the following new subsection:

9 “(g) INFLATION ADJUSTMENT.—

10 “(1) IN GENERAL.—In the case of any taxable
11 year beginning after 2023, the \$60,000 amount in
12 subsection (b)(6)(B) shall be increased by an
13 amount equal to—

14 “(A) such dollar amount, multiplied by

15 “(B) the cost-of-living adjustment deter-
16 mined under section (1)(f)(3) of the Internal
17 Revenue Code of 1986 for the calendar year in
18 which the taxable year begins by substituting
19 ‘2022’ for ‘2016’ in subparagraph (A)(ii) there-
20 of.

21 “(2) ROUNDING.—If any amount as adjusted
22 under subparagraph (A) is not a multiple of \$50,
23 such amount shall be rounded to the nearest mul-
24 tiple of \$50.”.

1 (b) EXTENSION OF LIMITATION.—Section 164(b)(6)
2 of such Code is amended—

3 (1) by striking “January 1, 2026” and insert-
4 ing “January 1, 2033”, and

5 (2) by striking “2025” in the heading and in-
6 serting “2032”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to taxable years beginning after
9 December 31, 2022.

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