

116TH CONGRESS
1ST SESSION

H. R. 1142

To amend the Internal Revenue Code of 1986 to repeal the dollar limitation on the deduction for State and local taxes and restore the 39.6 percent individual income tax rate bracket.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 11, 2019

Mr. PASCRELL (for himself, Mr. SMITH of New Jersey, Mr. KIM, Mr. HIGGINS of New York, Mr. DANNY K. DAVIS of Illinois, Mr. ROUDA, Mr. ENGEL, Ms. NORTON, Mrs. NAPOLITANO, Mr. SUOZZI, Miss RICE of New York, Mr. GARAMENDI, Mr. LARSON of Connecticut, Mr. PALLONE, Ms. DELAURO, Mr. RUPPERSBERGER, Mrs. WATSON COLEMAN, Mr. NORCROSS, Mr. MALINOWSKI, Mr. SIRES, Mr. LOWENTHAL, Mr. PAYNE, Mr. SEAN PATRICK MALONEY of New York, Mr. MEEKS, Ms. JUDY CHU of California, Mr. COSTA, Mr. GOMEZ, Ms. MCCOLLUM, Mr. RUSH, Mr. PANNETTA, Mr. BRENDAN F. BOYLE of Pennsylvania, Ms. MENG, Mr. COURTNEY, and Ms. SÁNCHEZ) 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 repeal the dollar limitation on the deduction for State and local taxes and restore the 39.6 percent individual income tax rate bracket.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Stop the Attack on
3 Local Taxpayers Act of 2019” or the “SALT Act”.

4 **SEC. 2. REPEAL OF DOLLAR LIMITATION ON DEDUCTION**
5 **FOR STATE AND LOCAL TAXES.**

6 (a) IN GENERAL.—Section 164(b)(6) of the Internal
7 Revenue Code of 1986 is amended by striking all that fol-
8 lows “January 1, 2026” and inserting “, foreign real prop-
9 erty taxes (other than such taxes paid or accrued in car-
10 rying on a trade or business or an activity described in
11 section 212) shall not be taken into account under sub-
12 section (a)(1).”.

13 (b) EFFECTIVE DATE.—The amendment made by
14 this section shall apply to taxable years beginning after
15 December 31, 2018.

16 **SEC. 3. RESTORATION OF 39.6 PERCENT RATE BRACKET**
17 **FOR INDIVIDUALS.**

18 (a) IN GENERAL.—

19 (1) MARRIED FILING JOINTLY AND SURVIVING
20 SPOUSES.—The table contained in section 1(j)(2)(A)
21 of the Internal Revenue Code of 1986 is amended by
22 striking “Over \$400,000” and all that follows and
23 inserting the following:

“Over \$400,000 but not over \$470,700.	\$91,379, plus 35% of the excess over \$400,000.
Over \$470,700	\$116,124, plus 39.6% of the excess over \$470,700.”.

1 (2) HEADS OF HOUSEHOLD.—The table con-
 2 tained in section 1(j)(2)(B) of such Code is amended
 3 by striking “Over \$200,000” and all that follows
 4 and inserting the following:

“Over \$200,000 but not over \$418,400.	\$44,298, plus 35% of the excess over \$200,000.
Over \$418,400	\$120,738, plus 39.6% of the excess over \$418,400.”.

5 (3) UNMARRIED INDIVIDUALS.—The table con-
 6 tained in section 1(j)(2)(C) of such Code is amended
 7 by striking “Over \$200,000” and all that follows
 8 and inserting the following:

“Over \$200,000 but not over \$418,400.	\$45,689.50, plus 35% of the excess over \$200,000.
Over \$418,400	\$122,129.50, plus 39.6% of the ex- cess over \$418,400.”.

9 (4) MARRIED FILING SEPARATELY.—The table
 10 contained in section 1(j)(2)(D) of such Code is
 11 amended by striking “Over \$200,000” and all that
 12 follows and inserting the following:

“Over \$200,000 but not over \$235,350.	\$45,689.50, plus 35% of the excess over \$200,000.
Over \$235,350	\$58,062.50, plus 39.6% of the excess over \$235,350.”.

13 (b) INFLATION ADJUSTMENTS TO 39.6 PERCENT
 14 RATE.—

15 (1) IN GENERAL.—Section 1(j)(3)(A) of such
 16 Code is amended by inserting “(January 1, 2020, in
 17 the case of so much of the tables as relates to

1 amounts to which the 39.6 percent rate applies)”
2 after “January 1, 2019”.

3 (2) ADJUSTMENT RULES.—Section 1(j)(3)(B)
4 of such Code is amended—

5 (A) in the matter preceding clause (i), by
6 inserting “(December 31, 2019, in the case of
7 so much of the tables as relates to amounts to
8 which the 39.6 percent rate applies)” after
9 “December 31, 2018”,

10 (B) in clause (i), by inserting “except as
11 provided in clause (iv)” before “subsection
12 (f)(3) shall”, and

13 (C) by striking “and” at the end of clause
14 (ii), by striking the period at the end of clause
15 (iii) and inserting “, and”, and by adding at the
16 end the following new clause:

17 “(iv) in the case of so much of the ta-
18 bles as relates to amounts to which the
19 39.6 percent rate applies, subsection (f)(3)
20 shall be applied by substituting ‘calendar
21 year 2018’ for ‘calendar year 2016’ in sub-
22 paragraph (A)(ii) thereof.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2018.

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