

117TH CONGRESS
2^D SESSION

H. R. 6847

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

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 25, 2022

Mr. MALINOWSKI (for himself, Ms. PORTER, Mr. SHERMAN, Ms. ESHOO, Mr. CASTEN, Mr. JONES, and Mr. LIEU) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to modify the limitation on the deduction by individuals of certain 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 “Supporting Americans
5 with Lower Taxes Act” or as the “SALT Act”.

1 **SEC. 2. MODIFICATION OF LIMITATION ON THE DEDUC-**
2 **TION BY INDIVIDUALS OF CERTAIN STATE**
3 **AND LOCAL, ETC., TAXES.**

4 (a) IN GENERAL.—Section 164(b)(6) is amended to
5 read as follows:

6 “(6) LIMITATION ON DEDUCTION BY CERTAIN
7 HIGH-INCOME INDIVIDUALS.—

8 “(A) IN GENERAL.—In the case of a tax-
9 payer with adjusted gross income which equals
10 or exceeds \$400,000 for any taxable year—

11 “(i) foreign real property taxes shall
12 not be taken into account under subsection
13 (a)(1) (or section 216(a)) for such taxable
14 year, and

15 “(ii) the aggregate amount of taxes
16 taken into account under paragraphs (1),
17 (2), and (3) of subsection (a) and para-
18 graph (5) of this subsection (and any tax
19 described in any such paragraph taken into
20 account under section 216(a)(1)) for such
21 taxable year shall not exceed \$60,000.

22 “(B) PHASEDOWN OF LIMITATION BASED
23 ON ADJUSTED GROSS INCOME.—The \$60,000
24 amount in subparagraph (A)(ii) shall be re-
25 duced (but not below zero) by the dollar

1 amount which bears the same ratio to \$60,000
2 as—

3 “(i) the excess of the taxpayer’s ad-
4 justed gross income over \$400,000, bears
5 to

6 “(ii) \$600,000.

7 “(C) APPLICATION RESTRICTED TO CER-
8 TAIN TAXPAYERS AND TAXES.—

9 “(i) APPLICATION TO INDIVIDUALS.—
10 Subparagraph (A) shall only apply to indi-
11 viduals, estates, and trusts.

12 “(ii) EXCLUSION OF CERTAIN BUSI-
13 NESS TAXES.—Subparagraph (A) shall not
14 apply to any foreign taxes described in
15 subsection (a)(3) or to any taxes described
16 in paragraph (1) and (2) of subsection (a)
17 which are paid or accrued in carrying on
18 a trade or business or an activity described
19 in section 212.

20 “(D) MARRIED INDIVIDUALS FILING A
21 SEPARATE RETURN.—In the case of a married
22 individual filing a separate return, subpara-
23 graphs (A) and (B) shall be applied—

24 “(i) by substituting ‘\$200,000’ for
25 ‘\$400,000’ each place it appears,

1 “(ii) by substituting ‘\$30,000’ for
2 ‘\$60,000’ each place it appears, and

3 “(iii) by substituting ‘\$300,000’ for
4 ‘\$600,000’ in subparagraph (B)(ii).

5 “(E) ESTATES AND TRUSTS.—In the case
6 of an estate or trust, adjusted gross income
7 shall be determined as provided in section
8 67(e).

9 “(F) DENIAL OF DEDUCTION TO BILLION-
10 AIRES.—Unless the taxpayer has less than
11 \$1,000,000,000 (\$500,000,000 in the case of a
12 married individual filing a separate return) in
13 assets as of the close of the taxable year (and
14 attests to such fact under penalty of perjury at
15 such time and in such manner as the Secretary
16 may provide)—

17 “(i) subparagraph (A) shall be ap-
18 plied—

19 “(I) by substituting ‘zero’ for
20 ‘\$400,000’, and

21 “(II) by substituting ‘zero’ for
22 ‘\$60,000’, and

23 “(ii) subparagraphs (B) and (D) shall
24 not apply.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to taxable years beginning after
3 the date of the enactment of this Act.

4 **SEC. 3. MEDICARE VISION AND HEARING TRUST FUND.**

5 (a) IN GENERAL.—Subchapter A of chapter 98 of the
6 Internal Revenue Code of 1986 is amended by adding at
7 the end the following new section:

8 **“SEC. 9512. MEDICARE VISION AND HEARING TRUST FUND.**

9 “(a) CREATION OF TRUST FUND.—There is estab-
10 lished in the Treasury of the United States a trust fund
11 to be known as the ‘Medicare Vision and Hearing Trust
12 Fund’, consisting of such amounts as may be appropriated
13 or credited to such fund as provided in this section or sec-
14 tion 9602(b).

15 “(b) TRANSFERS TO TRUST FUND.—There are here-
16 by appropriated to the Medicare Vision and Hearing Trust
17 Fund amounts equivalent to the amounts received in the
18 Treasury by reason of the amendment made by section
19 2 of the SALT Act.

20 “(c) EXPENDITURES.—Amounts in the Medicare Vi-
21 sion and Hearing Trust Fund shall be available, as pro-
22 vided in appropriation Acts, only for the purpose of pro-
23 viding vision and hearing benefits pursuant to the Medi-
24 care program established under title XVIII of the Social
25 Security Act.”.

1 (b) CLERICAL AMENDMENT.—The table of sections
2 for subchapter A of chapter 98 of such Code is amended
3 by adding at the end the following new item:

“Sec. 9512. Medicare Vision and Hearing Trust Fund.”.

