

Help Stimulate State and Local Economies
*Cosponsor the “State and Local Sales Tax Deduction Expansion
Act of 2008”*

December 8, 2008

During this time of economic insecurity Americans need and deserve tax relief from the Federal government. One common sense place to start is providing **all** American taxpayers with an immediate economic stimulus by passing the “State and Local Sales Tax Deduction Expansion Act.”

This new legislation will ensure that all Americans have the ability to deduct state and local sales tax payments from their Federal income tax return. Taxpayers in 41 states that are subject to a state income tax do not currently have the ability to deduct state and local sales tax payments in addition to their state income tax. Instead the IRS forces these taxpayers to make a choice, thanks to a 1986 amendment that stripped their ability to deduct both state and local sales tax and income tax payments.

The “State and Local Sales Tax Deduction Expansion Act” will reverse this unfair provision in the tax code, and provide Americans with an immediate incentive to plan for and make major purchases they may be holding back in a slowing economy. In nine states that do not apply a state income tax, taxpayers save an average of \$650 per year when choosing to deduct state and local sales tax from their Federal income tax. The “State and Local Sales Tax Deduction Expansion Act” will expand this potential savings to **all** taxpayers during a time when they need it most.

As the Federal government considers legislation to extend economic assistance to corporations in the automotive industry, Congress should not forget the needs of hard-working taxpayers struggling to make ends meet. The State and Local Sales Tax Deduction Expansion Act will extend tax fairness to **all** American taxpayers, and provide an immediate economic stimulus in advance of the holiday season.

For more information on the legislation, or to become an original cosponsor, please contact me directly or staff may contact Greg Louer at 225-2811 (greg.louer@mail.house.gov).

Sincerely,

Marsha Blackburn
Member of Congress