



Press Release

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SUFFOLK COUNTY EXECUTIVE BELLONE ANNOUNCES PLAN TO RESTORE STATE AND LOCAL TAX DEDUCTIONS

***Suffolk County Would Be First County in New York State to Establish a Charitable
Gift Reserve Fund to Protect Homeowners from New Federal Tax Law***

***New Suffolk [Webpage](#) Launched to Assist Homeowners Affected by Federal Tax
Code Changes***

***Bellone: “My message to the IRS is clear – If you try to stop us from protecting
our SALT deductions, we will see you in court.”***

Photos from Event Available [Here](#)

Suffolk County Executive Steve Bellone today announced a comprehensive action plan to protect homeowners who will be negatively impacted by the new federal tax law that unfairly repeals their state and local tax deductions. The SALT Cap Response Plan would help restore tax deductibility for affected homeowners and ease their financial burden as a result of this costly impact.

“My message to the IRS is clear – if you try to stop us from protecting our SALT deductions, we will see you in court,” **said County Executive Bellone.** “Governor Cuomo took the lead in fighting back against the federal SALT tax law with a plan to protect localities, and today, we are following that guidance prescribed by state law. And while we continue to push for Congress to restore these tax deductions, Suffolk County will not wait for Washington to act.”

Pursuant to the federal Tax Cuts and Jobs Act of 2017, the federal tax law resulted in a disproportionate impact on the tax system and economy of the State of New York, and

in particular, Suffolk County. As a result of the law, deductions for state and local taxes, including sales, income and property taxes, are now limited. The combined amount claimed for these taxes may not exceed \$10,000, or \$5,000 for married taxpayers filing separately. Prior to the new federal tax law, SALT deductions were not capped.

A recent audit conducted by the U.S. Treasury Inspector General for Tax Administration found that nearly 11 million Americans would have lost a combined \$323 billion in deductions if the new federal SALT tax law would have been in place for 2017. On Long Island, the impact of SALT is even more acute. According to the Urban-Brookings Tax Policy Center in Washington, a total of nearly 530,000 homeowners, or more than one in three tax filers in Nassau and Suffolk Counties, are affected by the SALT cap.

New York State already sends more taxpayer dollars to Washington than it receives in return. The New York State Comptroller estimates that New York sent \$24 billion more in tax payments to Washington than it got back in federal spending last fiscal year. This has resulted in Washington imposing a massive tax increase on New York and Long Island in order to help fund tax cuts for people residing in other states that New Yorkers already subsidize.

In 2018, Governor Cuomo and the New York State Legislature enacted a series of bipartisan reforms to the New York State tax code designed to protect New York residents from the adverse impacts of the federal law. Among these reforms, the new legislation authorized local governments and school districts to establish charitable gift reserve funds and to offer real property tax credits to incentivize contributions.

County Executive Bellone last year helped form a [suburban coalition](#) with neighboring municipalities to contest recently published draft IRS regulations that hamper New York's efforts to restore deductibility for homeowners. The County Executive also traveled to Washington, DC to speak out against the draft IRS regulations at a public hearing. The IRS has yet to finalize these regulations. However, if necessary, County Executive Bellone, in partnership with the municipal coalition, is prepared to pursue legal action against the IRS.

The SALT Cap Response Plan includes:

Action #1: Establish a County Charitable Gift Reserve Fund

In order to mitigate the unfair and negative consequences of the lost tax deduction, County Executive Bellone has introduced a resolution to establish a charitable gift reserve fund and to authorize charitable gift reserve fund tax credits. This would authorize any owner of real property located within the County to make a contribution to the Suffolk County Charitable Gift Reserve Fund and claim credit against such property taxes equal to 95 percent of that contribution. The County resolution complies with Governor Cuomo's New York State-passed provision to allow taxpayers to make a voluntary charitable contribution to a charitable gift reserve fund, so long as such fund is established by a given local government.

Action #2: Renew Effort to Restore SALT at Federal Level

County Executive Bellone has re-launched an online [petition](#) to urge Washington to restore the SALT deductions for Suffolk homeowners. In addition, residents are urged to contact their members of Congress directly to ensure their voices are heard. Later this year, the County Executive will be traveling to Washington, DC with thousands of signatures in hand to meet with federal officials and policy makers to advocate for the restoration of these vital deductions.

Action #3: Protect the Long Island Housing Market

Suffolk County will take steps locally to mitigate the impacts from the loss of SALT deductions on our housing market by reducing mortgage fees and freezing them in place for three years, and increasing access to affordable housing programs for young people who are straddled with student loan debt. The housing market is a critical part of the regional economy and the loss of SALT deductions is a direct threat to the housing market.

Action #4: Launch Webpage to Provide Information

Suffolk County has unveiled a new [webpage](#) to provide residents with the most up to date information on the SALT Cap and resources to deal with the new federal tax law changes. The webpage will be routinely updated with relevant news and updates to keep residents apprised of the latest news, analyses, and policy updates.

Action #5: Study Economic Impact of SALT Cap

The Suffolk County Department of Economic Development and Planning will conduct an economic analysis of the SALT impact in Suffolk County. The report will begin after a majority of residents file their taxes on April 15. This will inform policy makers of how the federal tax changes affect local businesses, residents, and what, if any, further actions should be taken to support economic development.

Kevin Law, President and Chief Executive Officer of the Long Island Association, said: “The cap on the deductions for state and local taxes on federal tax returns inequitably impacts our region and weakens the real estate market, and thus we commend County Executive Bellone for his efforts to mitigate the negative impacts from the new tax law and protect our economy.”

John Cameron, Chairman of the Long Island Regional Planning Council, said: “As determined by LI2035, the Planning Council’s 25-year Sustainability Plan, one of the greatest impediments to Long Island’s future sustainability is its high property tax burden. That problem has been exacerbated by the federal government’s capping of the State and Local Tax (“SALT”) deduction. The Council salutes County Executive Bellone’s efforts to address that cap and reduce its significant impact on the County’s

homeowners. The Council encourages all our elected officials to work together to ensure that the heavy burden of federal taxes is not inequitably placed on high cost of living areas such as Long Island.”

Mitchell H. Pally, Chief Executive Officer of Long Island Builders Institute, said: “The Long Island Builders Institute strongly supports all of these initiatives of County Executive Bellone to try and mitigate the negative effects of the limitation of SALT deduction. The Long Island housing market is too important to our regional economy to allow it to be left to decline without a major effort and the County Executive is leading the charge.”

Kyle Strober, Executive Director, Association for a Better Long Island, said: “As a region, we can remain idle and hope the loss of SALT will have little impact on our economy or we can proactively seek to mitigate the crippling economic effects on Long Island. County Executive Bellone's SALT action plan seeks to put Suffolk County on the offense against the incoming attack from the federal government.”

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