

By: Staples

S.C.R. No. 9

1 SENATE CONCURRENT RESOLUTION

2 WHEREAS, The Tax Reform Act of 1986 eliminated the  
3 deductibility of state and local sales taxes paid by federal income  
4 tax return filers while it retained the deductibility of state and  
5 local income taxes; and

6 WHEREAS, Eliminating the deduction for payment of state and  
7 local sales taxes created a fundamental disparity adversely  
8 affecting citizens of Texas and other states that do not levy a  
9 personal income tax and caused the citizens of those states to pay a  
10 higher percentage of federal taxes than the majority of American  
11 taxpayers; and

12 WHEREAS, The American Jobs Creation Act of 2004 authorized  
13 the sales tax deduction as an option for taxpayers who itemize  
14 deductions, letting them choose between deductions for state and  
15 local income or sales taxes; and

16 WHEREAS, The Comptroller of Public Accounts of the State of  
17 Texas has estimated that the ability to deduct state and local sales  
18 taxes saves Texans more than \$700 million annually and creates more  
19 than 16,000 Texas jobs that would not be created if the tax burden  
20 were higher; and

21 WHEREAS, The sales tax deduction authorized by the American  
22 Jobs Creation Act of 2004 was given effect only for the tax years  
23 2004 and 2005, while the deduction for state income taxes is not  
24 subject to a similar sunset provision; and

1           WHEREAS, Expiration of the sales tax deduction will again  
2 foster the inequitable treatment of individual taxpayers and will  
3 work unfairly against states whose tax structure has no general  
4 individual income tax and relies heavily on sales taxes; and

5           WHEREAS, As a matter of equity and fairness, Texans and the  
6 citizens of other states that finance their budgets without an  
7 income tax deserve to benefit from federal income tax deductions  
8 comparable to those enjoyed by the majority of American taxpayers;  
9 now, therefore, be it

10           RESOLVED, That the 79th Legislature of the State of Texas,  
11 3rd Called Session, hereby respectfully request that the Congress  
12 of the United States permanently extend the federal income tax  
13 deductibility of state and local sales taxes that was provided for  
14 the tax years 2004 and 2005 under the American Jobs Creation Act of  
15 2004; and, be it further

16           RESOLVED, That the Texas secretary of state forward official  
17 copies of this resolution to the president of the United States, to  
18 the speaker of the house of representatives and the president of the  
19 senate of the United States Congress, and to all the members of the  
20 Texas delegation to the congress with the request that this  
21 resolution be officially entered in the Congressional Record as a  
22 memorial to the Congress of the United States of America.

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1 Memorializing Congress to permanently extend the federal income tax  
2 deductibility of state and local sales taxes.