

456 North Meridian Street in Indianapolis, Indiana, as the "Richard G. Lugar Post Office".

The message also announced that the Senate has agreed to a concurrent resolution of the following title in which the concurrence of the House is requested:

S. CON. RES. 31. Concurrent resolution recognizing the importance and significance of the 2020 Census and encouraging individuals, families, and households across the United States to participate in the 2020 Census to ensure a complete and accurate count.

The message also announced that pursuant to Public Law 105-292, as amended by Public Law 106-55, Public Law 107-228, and Public Law 112-75, the Chair, on behalf of the President pro tempore, upon the recommendation of the Democratic Leader, appoints the following individual to the United States Commission on International Religious Freedom:

Rabbi Sharon A. Kleinbaum of New York vice Ahmed M. Khawaja of California.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess for a period of less than 15 minutes.

Accordingly (at 1 o'clock and 29 minutes p.m.), the House stood in recess.

□ 1345

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. HIGGINS of New York) at 1 o'clock and 45 minutes p.m.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 1 o'clock and 45 minutes p.m.), the House stood in recess.

□ 1407

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Ms. CLARK of Massachusetts) at 2 o'clock and 7 minutes p.m.

RESTORING TAX FAIRNESS FOR STATES AND LOCALITIES ACT

Mr. THOMPSON of California. Madam Speaker, pursuant to House Resolution 772, I call up the bill (H.R. 5377) to amend the Internal Revenue Code of 1986 to modify the limitation on deduction of State and local taxes, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 772, the

amendment in the nature of a substitute recommended by the Committee on Ways and Means, printed in the bill, is adopted and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 5377

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Restoring Tax Fairness for States and Localities Act".

SEC. 2. ELIMINATION FOR 2019 OF MARRIAGE PENALTY IN LIMITATION ON DEDUCTION OF STATE AND LOCAL TAXES.

(a) IN GENERAL.—Section 164(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

"(7) SPECIAL RULE FOR LIMITATION ON INDIVIDUAL DEDUCTIONS FOR 2019.—In the case of a taxable year beginning after December 31, 2018, and before January 1, 2020, paragraph (6) shall be applied by substituting '\$20,000 in the case of a joint return)' for '\$5,000 in the case of a married individual filing a separate return)'".

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

SEC. 3. ELIMINATION FOR 2020 AND 2021 OF LIMITATION ON DEDUCTION OF STATE AND LOCAL TAXES.

(a) IN GENERAL.—Section 164(b)(6)(B) of the Internal Revenue Code of 1986 is amended by inserting "in the case of a taxable year beginning before January 1, 2020, or after December 31, 2021," before "the aggregate amount of taxes".

(b) CONFORMING AMENDMENTS.—Section 164(b)(6) of the Internal Revenue Code of 1986 is amended—

(1) by striking "For purposes of subparagraph (B)" and inserting "For purposes of this section";

(2) by striking "January 1, 2018" and inserting "January 1, 2022";

(3) by striking "December 31, 2017, shall" and inserting "December 31, 2021, shall"; and

(4) by adding at the end the following: "For purposes of this section, in the case of State or local taxes with respect to any real or personal property paid during a taxable year beginning in 2020 or 2021, the Secretary shall prescribe rules which treat all or a portion of such taxes as paid in a taxable year or years other than the taxable year in which actually paid as necessary or appropriate to prevent the avoidance of the limitations of this subsection".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxes paid or accrued in taxable years beginning after December 31, 2019.

SEC. 4. INCREASE IN DEDUCTION FOR CERTAIN EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.

(a) INCREASE.—Section 62(a)(2)(D) of the Internal Revenue Code of 1986 is amended by striking "\$250" and inserting "\$500".

(b) CONFORMING AMENDMENTS.—Section 62(d)(3) of the Internal Revenue Code of 1986 is amended—

(1) by striking "2015" and inserting "2019";

(2) by striking "\$250" and inserting "\$500", and

(3) in subparagraph (B), by striking "2014" and inserting "2018".

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

SEC. 5. ABOVE-THE-LINE DEDUCTION ALLOWED FOR CERTAIN EXPENSES OF FIRST RESPONDERS.

(a) IN GENERAL.—Section 62(a)(2) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

"(F) CERTAIN EXPENSES OF FIRST RESPONDERS.—The deductions allowed by section 162

which consist of expenses, not in excess of \$500, paid or incurred by a first responder—

"(i) as tuition or fees for the participation of the first responder in professional development courses related to service as a first responder, or

"(ii) for uniforms used by the first responder in service as a first responder.".

(b) FIRST RESPONDER DEFINED.—Section 62(d) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

"(4) FIRST RESPONDER.—For purposes of subsection (a)(2)(F), the term 'first responder' means, with respect to any taxable year, any individual who is employed as a law enforcement officer, firefighter, paramedic, or emergency medical technician for at least 1000 hours during such taxable year.".

(c) INFLATION ADJUSTMENT.—Section 62(d)(3) of the Internal Revenue Code of 1986, as amended by section 4, is further amended by striking "the \$500 amount in subsection (a)(2)(D)" and inserting "the \$500 amount in each of subparagraphs (D) and (F) of subsection (a)(2)".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2019.

SEC. 6. INCREASE OF TOP MARGINAL INDIVIDUAL INCOME TAX RATE UNDER TEMPORARY RULES.

(a) IN GENERAL.—The tables contained in subparagraphs (A), (B), (C), (D), and (E) of section 1(j)(2) of the Internal Revenue Code of 1986 are each amended by striking "37%" and inserting "39.6%" and—

(1) in subparagraph (A)—

(A) by striking "\$600,000" each place such term appears and inserting "\$479,000", and

(B) by striking "\$161,379" and inserting "\$119,029";

(2) in subparagraph (B)—

(A) by striking "\$500,000" each place such term appears and inserting "\$452,400", and

(B) by striking "\$149,298" and inserting "\$132,638";

(3) in subparagraph (C)—

(A) by striking "\$500,000" each place such term appears and inserting "\$425,800", and

(B) by striking "\$150,689.50" and inserting "\$124,719.50"; and

(4) in subparagraph (D)—

(A) by striking "\$300,000" each place such term appears and inserting "\$239,500", and

(B) by striking "\$80,689.50" and inserting "\$59,514.50".

(b) CONFORMING AMENDMENTS.—

(1) Section 1(j)(4)(B)(iii) of the Internal Revenue Code of 1986 is amended—

(A) in the matter preceding subclause (I), by striking "37 percent" and inserting "39.6 percent";

(B) in subclause (II), by striking "37-percent bracket" and inserting "39.6-percent bracket", and

(C) in the heading, by striking "37-PERCENT BRACKET" and inserting "39.6-PERCENT BRACKET".

(2) Section 1(j)(4)(C) of such Code is amended—

(A) in clause (i)(II), by striking "paragraph (5)(B)(i)(IV)" and inserting "paragraph (5)(B)(iv)", and

(B) by amending clause (ii) to read as follows: "(ii) the amount which would (without regard to this paragraph) be taxed at a rate below 39.6 percent shall not be more than the sum of—

"(I) the earned taxable income of such child, plus

"(II) the maximum dollar amount for the 35-percent rate bracket for estates and trusts".

(3) The heading of section 1(j)(5) of such Code is amended to read as follows: "APPLICATION OF ZERO PERCENT CAPITAL GAIN RATE BRACKETS".

(4) Subparagraphs (A) and (B) of section 1(j)(5) of such Code are amended to read as follows:

"(A) IN GENERAL.—Subsection (h)(1)(B)(i) shall be applied by substituting 'below the maximum zero rate amount' for 'which would (without regard to this paragraph) be taxed at a rate below 25 percent'.

“(B) MAXIMUM ZERO RATE AMOUNT DEFINED.—For purposes of subparagraph (A), the term ‘maximum zero rate amount’ means—

“(i) in the case of a joint return or surviving spouse, \$77,200;

“(ii) in the case of an individual who is a head of household (as defined in section 2(b)), \$51,700;

“(iii) in the case of any other individual (other than an estate or trust), an amount equal to $\frac{1}{2}$ of the amount in effect for the taxable year under clause (i), and

“(iv) in the case of an estate or trust, \$2,600.”.

(5) Section 1(j)(5)(C) of such Code is amended by striking “clauses (i) and (ii) of”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2019.

(d) SECTION 15 NOT TO APPLY.—Section 15 of the Internal Revenue Code of 1986 shall not apply to any change in a rate of tax by reason of any amendment made by this section.

The SPEAKER pro tempore. The bill shall be debatable for 1 hour equally divided and controlled by the chair and ranking minority member of the Committee on Ways and Means.

The gentleman from California (Mr. THOMPSON) and the gentleman from Texas (Mr. BRADY) each will control 30 minutes.

The Chair recognizes the gentleman from California.

GENERAL LEAVE

Mr. THOMPSON of California. Madam Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and to insert in the RECORD extraneous material on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. THOMPSON of California. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in strong support of H.R. 5377, the Restoring Tax Fairness for States and Localities Act. This bill would temporarily repeal the SALT cap in order to restore fairness in our tax code and provide Congress time to develop more comprehensive tax reform.

The current cap on the State and local tax deduction reflects the sloppy and cynical nature of the 2017 Republican tax bill. This bill was hastily rammed through Congress in just 51 days without a hearing, without an opportunity to hear from State and local governments, and without an opportunity to hear from teachers or first responders.

Republicans decided from the beginning, from behind closed doors, to include a cap on SALT deductions in order to help finance their tax cuts for corporations and the rich.

In my home State, California, average SALT deductions are \$20,448. A total of 6.5 million California families, or 35.6 percent of tax filers, claimed the deduction in 2017.

The double taxation of earnings people have already paid in State and local taxes inhibit State and local governments’ ability to fund even the most vital of programs, including emergency services and public education.

H.R. 5377 fixes this problem by restoring the longstanding tax precedent that protects State and local governments’ ability to raise revenue to fund these services. And this fix doesn’t add a single dime to the deficit.

Furthermore, this bill provides tax relief to the middle-class public servants left behind by the Republican tax bill by doubling the out-of-pocket deduction for teachers, classroom expenses, and creating a new deduction for expenses for first responders. In 2017, 354,990 teachers in California claimed the educator expense deduction, and they will all get double under this bill.

The short-sightedness of the SALT cap had further consequences for middle-class taxpayers in high-tax States. Capping the SALT deduction diminished the incentive for middle-class taxpayers to claim tax benefits that encourage homeownership and charitable deductions. By limiting the SALT deduction and raising the standard deduction, fewer middle-class taxpayers benefit from taking the mortgage interest deduction and charitable giving deductions.

Homeownership is an important way for middle-class families to build wealth. Eliminating incentives for charitable giving undermines local charities that rely on donations from middle-class members of their communities.

I think my colleagues from both sides of the aisle can agree that these are the types of behavior we should be encouraging through our tax code. This bill reverses the Republicans’ actions to undercut these middle-class benefits to finance tax cuts for the wealthiest Americans.

Finally, this bill isn’t about cutting taxes for high earners. This bill is about tax fairness, ensuring that taxpayers are not double-taxed by being required to pay Federal income tax on earnings they pay in State and local taxes and appeals to the core tenets of our federalist system.

In the spirit of tax fairness, this bill is responsibly offset by restoring the top marginal rate back to 39.6 percent for the highest income bracket.

Madam Speaker, I reserve the balance of my time.

Mr. BRADY of Texas. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, this bill is a tax cut for the wealthy and a green light for State and local politicians to raise taxes on local families even higher.

The Center for American Progress and the Center on Budget and Policy Priorities are liberal organizations I don’t generally agree with, but today, I have to say I do.

The Center for American Progress has made it plain. They said repealing the SALT cap shouldn’t be a high priority, in fact, that this is overwhelmingly a tax cut for the rich.

The Center on Budget and Policy Priorities agrees. They said repealing the

SALT cap, what Democrats are proposing to do today, is regressive and overwhelmingly benefits high-income households. And they go further and say this is little help to the middle class.

□ 1415

It is a sad day when it is obvious to everyone but Democrats that they are championing a huge tax cut for millionaires and billionaires, while the middle class in America get zip.

Today we debate their insistence on hiking taxes on Main Street businesses across America to pay for their massive tax windfall for the wealthy 1 percent.

You think your local property taxes are high now? This legislation is a starter pistol for a new race among State and local leaders.

Who of them will be first to raise property taxes, sales taxes, and income taxes even higher on working families and local businesses?

These unpopular local taxes, frankly, are brutal enough.

This bill truly is a tax cut for the few.

According to the liberal Tax Policy Center, only 1 percent of taxpayers in America paid more taxes last year due to the reasonable SALT cap, 1 percent; in California, only 2; in New York, a mere 3.

The rest of taxpayers in America either received a tax cut or they broke even. That is because the Republican Tax Cuts and Jobs Act lowered taxes on income across the board. We doubled the child tax deduction and expanded it to far more families. We doubled the standard deduction so more working families keep more of what they earn. We eliminated the alternative minimum tax for households making less than \$1 million.

This was important, because more and more families, including in high-tax States, especially in high-tax States, found the AMT canceled out their charitable and SALT deductions completely.

Another myth that has been debunked is that tax reform hurts State budgets. It is just the opposite.

Many States across America enjoyed a windfall in new revenues, an average of 6 percent, with stronger economies, more workers, and an expanded tax base.

California Governor Gavin Newsom wrongly predicted capping SALT would result in lower revenues for California. In truth, his State brought in a whopping \$3 billion more in personal income taxes than he predicted. It was the same story in all the high-tax States, including New Jersey.

So the question is, what did these States do with their windfall? Did they pocket these extra dollars or did they pass them through to their families and local businesses by reducing State and local taxes?

To their credit, 13 States reduced their SALT tax burden, but not in the high-tax States, who need it most.

States like New Jersey actually raised their State and local taxes, while New York, Illinois, and Massachusetts are debating even higher SALT taxes.

So if governors, legislators, and mayors keep raising local taxes with a SALT cap, imagine how high they will raise them without it?

There is a price to be paid from high State and local taxes. In truth, these are terrific States with dynamic economies and really good people. But according to MoneyWise.com, the four States Americans are fleeing from the most are New Jersey, New York, Connecticut, and Illinois.

Millennials, young people, are doing the same, but you can add California to that list. These young people love their States, with good reason, but they just can't see a future there with high taxes and impossibly high costs.

In the end, though, why should low-tax States be forced, through the tax code, to subsidize high-tax States?

Why should a farmer in Nebraska subsidize a banker in Manhattan?

Why should a single mom in New Jersey or a janitor in a building who doesn't itemize their taxes subsidize the billionaire in the penthouse who does?

LeBron James, an iconic athlete, legendary really, of the Lakers, he will receive an estimated \$2.4 million tax break next year because of the Democrats' bill, but the janitor and the beer vendor in Staples Center, they get nothing.

Gerrit Cole, a former Astros, is going to the Yankees as their new ace. He will get an estimated \$850,000 next year, but that parking lot attendant at Yankee Stadium gets nothing.

That is what this bill does, because more than half of the SALT deduction goes to millionaire and billionaire households.

Madam Speaker, the SALT cap of \$10,000 is higher than the national average of SALT deductions, and because of Republican lawmakers in high-tax States, who weighed in aggressively during tax reform, it can be used for property, sales, or income taxes. And the AMT, which is worth up to \$10,000 in tax breaks, was eliminated.

Thanks to pro-growth tax reform, our U.S. economy has roared into gear as the most competitive economy on the planet, with the lowest unemployment in half a century, paychecks increasing the fastest in more than a decade, wage growth outpacing inflation by \$1,000 a year for average working families, American manufacturing is back, and we have a million more job openings than workers.

America is once again a land of opportunity.

Placing a cap on the SALT deduction to let middle-class families—not the wealthy—keep more of what they earned is a crucial component of achieving this economic victory for American workers and their families.

That old, broken, regressive SALT tax break for the wealthy has no place

in a fair, modern tax code, and the positive growth in America since its removal is a clear demonstration of that fact.

One final thing: We often hear that limiting the SALT deduction is double-taxation and unconstitutional. The courts and tax policy experts have debunked these myths.

We hear a lot about moocher States, but the only moochers in this debate are the State and local politicians who think it is their money, and they are moolching off the backs of hardworking families and small businesses in high-tax States.

I know my Democrat colleagues are sincere in this effort. But with this bill, you have officially claimed the mantel “party of the rich.”

Madam Speaker, I strongly urge all my colleagues to vote “no” on this bill.

And, again, I offer this: Republicans are committed to working with Democrats to make our tax code even more competitive, to make our economy even stronger, and to never stop working to help the little guy in the middle class, and giving tax breaks to billionaires, encouraging States to raise their taxes even more is not the way to do it.

Madam Speaker, I reserve the balance of my time.

Mr. THOMPSON of California. Madam Speaker, I just want to point out that the irony of my friend's testimony today, my friend from Texas' testimony, shouldn't be lost on any of us.

Remember, it was the Republicans that created this problem with their tax bill. They did a tax bill that benefited corporations and the wealthiest people in the country, and then to say that somehow they are protecting regular folks is really laughable.

That tax cut cost us, in the debt, \$2.3 trillion.

Madam Speaker, I yield 1 minute to the gentlewoman from New Jersey (Ms. SHERRILL).

Ms. SHERRILL. Madam Speaker, I thank my colleague, the gentleman from California (Mr. THOMPSON), for yielding.

I rise today to defend the taxpayers of our country, people who believe in a strong America with great schools and great infrastructure.

Madam Speaker, I launched “12 Days of SALT” last week to urge this House to lift the 2017 tax bill's \$10,000 cap on the State and local tax deduction.

Today is the 11th day of SALT. I have been on the floor for 11 days to talk about this. This is an issue of tax fairness, with people investing in their communities, in schools, and in infrastructure only to face double-taxation as the Federal Government punishes these efforts.

The 2017 tax bill was an attack on New Jersey taxpayers. New Jersey already sends more money to Washington and gets back less than nearly every State in the country.

Our bill will put money back in the pockets of our residents and communities, and not just in New Jersey. This

bill provides relief for 13.1 million Americans.

It also doubles the deduction for teachers' out-of-pocket expenses and creates a new deduction for first responders to offset work-related costs.

Madam Speaker, I urge my colleagues to support tax relief to support our teachers and first responders and pass this bill.

Mr. BRADY. Madam Speaker, I yield the balance of my time to the gentleman from Nebraska (Mr. SMITH), the Republican leader of the Tax Policy Subcommittee, and I ask unanimous consent that he may control that time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SMITH of Nebraska. Madam Speaker, I yield myself as much time as I may consume.

I must admit, I am a bit puzzled today as to why we are here for this bill. Our work in the House is almost done for the year.

We have funded the Federal Government and extended expiring programs like flood insurance. We are about to pass USMCA with a record vote. Our Democratic colleagues can go home and celebrate that they voted to make history in impeaching the President.

But apparently, before we go home for Christmas, we also need to give Ebenezer Scrooge a tax cut, even though we know the Senate won't take up the bill.

Before we get into the problems with today's bill, we should review the positives of the Tax Cuts and Jobs Act, which this bill seeks to undermine.

The Tax Cuts and Jobs Act lowered tax rates for all Americans and increased the child tax credit.

We doubled the standard deduction from \$6,000 for individuals and \$12,000 for married couples to \$12,000 for individuals and \$24,000 for couples.

And to help ensure Federal tax policy doesn't reward States and cities for raising their taxes sky high, we instituted a \$10,000, very thoughtful, cap on State and local tax deductions to ensure Americans in low-tax States don't pay an unfair share of Federal taxes.

Thanks to the combination of lower rates, larger child tax credit, and higher standard deduction under TCJA, for example, a single mom with two kids doesn't pay a penny in Federal income tax until her income exceeds \$53,000.

In other words, we ensure that that mom doesn't owe Federal income tax until her income exceeds not just \$15 an hour, but \$25 per hour.

For Americans who do pay income tax, the higher standard deduction means 29 million more households had their tax returns simplified because they could take the standard deduction instead of itemizing.

How does the majority propose to improve our tax code today? Not by simplifying the code or ensuring our tax code is more equitable, but by passing a temporary emphasis on “temporary” tax cut, which largely benefits people with incomes between

please, listen—\$200,000 and \$1 million per year—perhaps a new definition of the middle class—paid for by permanently increasing taxes on small businesses.

Let me say that again. If you make between \$0 and \$75,000, this bill does not give you tax relief, or a tax cut.

If you make between \$75,000 and \$200,000, there is a small chance you could get a small tax cut.

If you make between \$200,000 per year and \$1 million per year, you have the best chance of getting a tax cut.

Madam Speaker, we should continue working together to find ways to improve the tax code for all Americans.

This bill makes the code both more complex and less progressive.

Madam Speaker, I reserve the balance of my time.

Mr. THOMPSON of California. Madam Speaker, I yield 1 minute to the gentleman from New York (Mr. KING), a great public servant and someone who has partnered with us on a number of important issues.

Mr. KING of New York. Madam Speaker, I thank the gentleman for yielding.

Madam Speaker, I stand in strong support of this legislation. I want to commend my colleague, Congressman SUOZZI, for introducing it.

Madam Speaker, I am really disappointed in my Republican colleagues. They are raising a class warfare argument. They sound like the progressive left.

The fact is, one of the reasons why cities like New York and counties like Nassau and Suffolk have had to raise their property taxes is because for 50 years, we have been subsidizing other States.

Seventy percent to 80 percent of the money we send to the Federal Government comes back to us, the rest goes to other States. So during all these years when they have been able to develop using our money, we have had to raise local taxes, and now they are turning it into class warfare.

These aren't millionaires. The people in my district who are getting screwed by this are not millionaires. They are cops, they are firefighters, construction workers, the people who answered the call on 9/11.

What they are doing is undermining the middle class.

What is middle class in other States may be different from mine.

The reason we are high is because of the fact we have had to subsidize all the rest of them for all these years, sort of like when politicians come to New York to raise their money and then go back home and vote against us.

I will say that the strongest advocate for this—when this was first raised in 1986 in leading to the defeat of the attempt to take away SALT—was Donald Trump. He said the States that work the hardest would get hurt the most because of this.

Now, also let me just say—and I will end on this—that we have subsidized

other States long enough. We are asking for fairness. It is wrong for conservatives to be talking about having a tax on a tax.

Madam Speaker, I urge passage of this bill to have some equity in the tax code.

Mr. SMITH of Nebraska. Madam Speaker, I include in the RECORD a series of statements in opposition to H.R. 5377 from Americans for Tax Reform, Americans for Prosperity, National Taxpayers Union, Heritage Action, and Parity for Main Street Employers.

KEY VOTE: ATR URGES NO VOTE ON H.R. 5377, A PLEDGE VIOLATION

Posted by Alex Hendrie on Wednesday, December 18th, 2019, 3:00 PM PERMALINK

The House of Representatives is set to vote on H.R. 5377, the "Restoring Tax Fairness for States and Localities Act."

ATR urges a "NO" vote.

This legislation is a violation of the Taxpayer Protection Pledge, a commitment made by 218 members in the House and Senate to oppose any and all net tax increases.

If passed into law, it will raise taxes on individuals and small businesses that file through the individual income tax system. This bill trades a temporary rollback of the SALT cap for a permanent rate hike.

This legislation is a net tax increase of \$2.4 billion over the ten-year budget window, according to the Congressional Budget Office.

H.R. 5377 also rolls back the Tax Cuts and Jobs Act, passed by Republicans and signed into law by President Trump.

"The Trump tax cuts reduced taxes across the board. This legislation is step one toward abolishing the entire Trump tax cuts and increasing taxes on the middle class, a key goal of every Democrat presidential candidate," said Grover Norquist, President of Americans for Tax Reform.

The legislation raises the cap on the state and local tax deduction from \$10,000 to \$20,000 for 2019 and removes the cap entirely for 2020 and 2021.

The legislation also raises the top rate from 37 to 39.6% and lowers the threshold that this top rate kicks in for all filing statuses.

Under current law, the 37 percent bracket kicks in for a single filer at \$518,400 in income. Under the legislation, the new top rate is increased to 39.6 percent and the threshold is lowered to \$441,475 of income.

Similarly, a family taking the married filing jointly status currently hits the 37 percent bracket at \$622,050 in income. Under the legislation, this family will hit the 39.6 bracket at \$496,000 in income.

REPEALING OR ROLLING BACK THE SALT CAP IS REGRESSIVE

94 percent of the benefits from repealing the SALT cap would go to taxpayers making more than \$200,000 a year.

The left leaning Center for Budget and Policy Priorities has stated that this proposal would be "regressive and costly."

The Center for American Progress has stated that repeal of the SALT cap "should not be a top priority" as it would "overwhelmingly benefit the wealthy, not the middle class."

Senator Michael Bennet (D-CO) recently criticized efforts to repeal the SALT cap noting that it runs counter to Democrat ideals: "We can say we're for a progressive tax bill and for fighting inequality, or we can support the SALT deduction, but it's really hard to do both of those things."

REPEALING OR ROLLING BACK THE SALT CAP IS ALSO UNNECESSARY

While Democrats claim the SALT cap raised taxes, this is overstated and misleading.

The TCJA reduced taxes for roughly 90 percent of Americans and for taxpayers at every income level through lower rates, the expanded standard deduction, and the doubling of the child tax credit.

Furthermore, repeal of the Alternative Minimum Tax meant that 4.5 million families were able to claim \$10,000 in SALT deductions, as the AMT disallowed this deduction.

The SALT deduction subsidizes high tax, big government states. This deduction is rarely used by middle class families as they take the standard deduction instead of itemizing. Capping this deduction has meant that the federal government is no longer providing a benefit to upper income earners in blue states.

ATR urges a NO vote on this regressive legislation that violates the Taxpayer Protection Pledge.

AFP KEY VOTE ALERT: VOTE NO ON H.R. 5377, THE RESTORING TAX FAIRNESS FOR STATES AND LOCALITIES ACT

DECEMBER 16, 2019

DEAR REPRESENTATIVES: On behalf of Americans for Prosperity activists across America, I urge you to vote NO on H.R. 5377, the Restoring Tax Fairness for States and Localities Act.

This vote may be recorded in our 2019 session legislative scorecard.

H.R. 5377 would temporarily undo some of the many benefits of the Tax Cuts and Jobs Act. Temporarily increasing the cap on the SALT deduction (from \$10,000 to \$20,000) would make the tax code less fair and more complex, but also increase bad incentives for state and local governments to raise taxes. The benefits of lifting the SALT cap would go to states with higher tax levels. Meanwhile, states with lower tax levels, like Florida and Texas, will be once again forced to subsidize the federal tax tab for states like New York, California, and New Jersey.

Moreover, H.R. 5377 would temporarily raise the top tax rate on the highest earners and increase the number of taxpayers paying that rate—one of the very groups that will benefit from lifting the SALT cap. This makes no sense.

For these reasons, we urge you to vote NO on H.R. 5377.

Sincerely,

BRENT GARDNER,
Chief Government Affairs Officer,
Americans for Prosperity.

[From the National Taxpayers Union, Dec. 19, 2019]

National Taxpayers Union urges all Representatives to vote "NO" on H.R. 5377, the "Restoring Tax Fairness for States and Localities Act." This legislation would undo some of the many benefits of the Tax Cuts and Jobs Act (TCJA), raise taxes on small businesses across the country, and add to the complexity of the federal tax code.

Enacted in 2017, the TCJA made several important changes to the individual side of the federal tax code. By significantly reducing income tax rates and increasing the standard deduction, the tax code is fairer and simpler than before. TCJA rightly reformed many deductions and credits to reduce the complexity of the tax code, notably by capping the State and Local Tax (SALT) deduction. Prior to tax reform, the tax code allowed taxpayers to deduct an unlimited amount of state and income and property taxes from their federal tax liability. As a result, many low-tax states were forced to subsidize the choices of high tax states.

This legislation, however, would reverse these positive alterations to the tax code by increasing the top marginal tax rate, lowering the threshold for which this rate kicks

in, and scrapping the cap on the SALT deduction. Most concerningly, the effects of uncapping SALT would disproportionately benefit the wealthiest of our society. According to IRS data from tax year 2015, over 84 percent of the benefit of the SALT deduction went towards those with incomes above \$100,000. A mere 3.5 percent went to those with income levels below \$50,000. While some middle class taxpayers would see benefit from this change, nearly all the benefit would be for those at the very top of the income scale.

Ensuring all taxpayers keep more of their hard earned dollars was a priority of the TCJA, which is why only one percent of taxpayers paid more in tax under the reformed tax system. However, giving a tax break to the wealthiest among us, paid for by an increase in the tax liability of small businesses, is not a good use of taxpayer dollars. Many states have adopted pro-taxpayer reforms due to TCJA and the SALT cap, so we should not reverse course now.

Roll call votes on H.R. 5377 will be significantly-weighted in NTU's annual Rating of Congress and a "NO" vote will be considered the pro-taxpayer position.

[From Heritage Action for America, Dec. 18, 2019]

CONGRESS SHOULD REJECT HANDOUTS FOR HIGH-TAX STATE

WASHINGTON.—Heritage Action released the following statement from Executive Director Tim Chapman:

The tax bill House Democrats have put on the schedule this week claims to promote fairness in the tax code, but it really promotes the interest of liberal states. It is anything but fair. It will only benefit a minority of Americans at the expense of those who have chosen to live in states with smaller tax burdens. SALT deductions are nothing more than a federal subsidy for high state and local taxes, which in turn makes individuals in lowtax states responsible for subsidizing more expensive governments elsewhere.

With the backdrop of partisan impeachment, House Democratic leadership is desperate to hand legislative "wins" to their members who represent purple districts. House Republicans should not give them any cover on this bill. It is nothing but a subsidy to the most liberal states at the expense of the rest of the country. Americans should be treated equally.

PARITY FOR MAIN STREET EMPLOYERS,
December 10, 2019.

Hon. RICHIE NEAL,
Chairman, Committee on Ways & Means, House of Representatives,
Washington DC.

DEAR CHAIRMAN NEAL: The Parity for Main Street Employers coalition has serious concerns with the "Restoring Tax Fairness for States and Localities Act" to be considered by the House Ways and Means Committee tomorrow.

Individually and family owned businesses organized as S corporations, partnerships and sole proprietorships are the heart of the American economy. They employ the majority of workers, and they contribute the most to our national income. They also pay the majority of business taxes. A recent study by EY found that pass-through businesses pay 51 percent of all business income taxes.

The legislation introduced today would raise these taxes by 1) increasing the top rate passthrough businesses pay from the current 37 percent to 39.6 percent and 2) lowering the income threshold of the top rate from \$622,050 to \$496,600 (Joint) for the years

2020 through 2025, after which the 37 percent rate is scheduled to expire under current law.

This rate hike would be used to offset relief from the SALT deduction cap, including one year of marriage penalty relief (2020) and two years of full relief from the cap (2021 and 2022). While this SALT relief will benefit some pass-through businesses, those savings will be reserved only for businesses residing in certain states, while the tax hike will apply to businesses in all fifty states.

It would also undo a critical balance achieved in tax reform. The lower individual income tax rates coupled with the 20-percent pass-through deduction was designed to maintain tax parity for passthrough businesses and the new 21-percent corporate rate. EY recently reported that tax reform largely succeeded in this balancing act, but only if the deduction and the lower individual tax rates stay in place.

The Parity for Main Street Employers coalition represents millions of individually and family owned businesses employing tens of millions of private sector workers in every community and every industry, including contractors, engineers, retailers, wholesaler-distributors, manufacturers and more. On behalf of these employers, we ask that you reconsider this legislation.

Sincerely,

American Council of Engineering Companies, Associated Builders and Contractors, Associated General Contractors of America, Independent Community Bankers of America, National Association of Wholesaler-Distributors, National Beer Wholesalers Association, National Electrical Contractors Association, National Federation of Independent Business, National Roofing Contractors Association, S Corporation Association, Wine and Spirits Wholesalers of America.

Mr. SMITH of Nebraska. Madam Speaker, I yield 6 minutes to the gentleman from South Carolina (Mr. RICE), an expert on tax policy.

□ 1430

Mr. RICE of South Carolina. Madam Speaker, today, I rise in strong opposition to this partisan bill that would give millionaires and billionaires a tax cut and do nothing to help the middle class.

The Tax Cuts and Jobs Act brought prosperity throughout the Nation and to people of every demographic and every income level.

Unemployment is at 50-year lows, all-time lows for African Americans and Hispanics. American economic growth remains the envy of the world.

After years of stagnation under the Obama administration, middle-class wages are growing at rates not seen in over a decade. Opportunity has been restored in this land of opportunity.

How did the Tax Cuts and Jobs Act accomplish all this? Primarily, it cut tax rates for businesses to make them more competitive in the world, especially small businesses that employ two-thirds of American workers.

H.R. 5377 eliminates the \$10,000 cap on the deductibility of State and local taxes, referred to as the SALT deduction, and pays for it by raising the top rate from 37 percent to 39.6 percent. This, however, is the rate paid by many of the small business owners that employ all of those Americans and restored our prosperity. This would absolutely

make those businesses less competitive in the world and would dampen America's renewed prosperity.

Madam Speaker, even worse, the \$10,000 cap on deductibility of the SALT deduction is more than sufficient for over 90 percent of Americans. Lifting this \$10,000 cap is a plain tax cut for the rich.

The Democrats' constant complaint about the Tax Cuts and Jobs Act is that it was a tax cut for the rich, which is simply untrue. But today, they propose to fix it by giving an even bigger, massive tax cut to the rich. That is correct, and let me repeat it. They complain that the Tax Cuts and Jobs Act was a tax cut for the rich, and they want to fix it by giving an even bigger tax cut to the rich.

Fifty-two percent of the benefit of repealing the SALT cap goes to income earners making more than \$1 million a year, 52 percent. Ninety-four percent of the benefit goes to income earners in the top 10 percent of wage earners.

Madam Speaker, the Democrats should stop trying to convince America that they care about the middle class. There is an old proverb: I can't hear what you are saying because your actions speak so loudly.

This legislation would be particularly bad for poor and rural areas in States with low taxes, like Florida and Texas, which have no State income taxes. The average SALT deduction in my home county is \$1,800, well below the \$10,000 cap.

We had a hearing where we invited mayors of affluent townships around D.C. and in New York State. Their complaint was that, without the SALT deduction, they would have difficulty in raising taxes on their residents.

Madam Speaker, the D.C. suburbs have the highest household income in the country. The median household income is over \$100,000. I represent Marion County, South Carolina, one of the poorest in the State. Fifty-seven percent of its residents are African American. The median household income is around \$30,000, less than a third of that in the Washington suburbs.

If this SALT cap is lifted, the income taxes that the poor residents of Marion County pay, a portion of those will go to subsidize the housing and the services of the well-paid bureaucrats in the suburbs of D.C.

Their taxes are already used to pay the salaries of these folks, but now you would have the poor rural residents across America, not just Marion County, subsidize their taxes, as well.

Madam Speaker, yesterday, those across the aisle voted to impeach President Trump, who has done more to rebuild the middle class than anyone since Ronald Reagan. The figures don't lie. Today, they introduce a bill that would give a massive tax break to the highest wage earners.

This bill would make our tax code more regressive. It would provide a huge tax benefit to the 1 percent. This benefit would increase income inequality. The Democrats' actions, Madam

Speaker, betray their loyalties, and those loyalties are not to the American middle class.

Madam Speaker, I encourage all of my colleagues to think of American workers and vote “no” on this legislation that will hurt the middle class.

Mr. THOMPSON of California. Madam Speaker, I thank the gentleman for pointing out that our bill is paid for, unlike the TCJA, and the pay-for comes from the wealthiest earners.

Madam Speaker, I yield 1 minute to the gentleman from Connecticut (Mr. LARSON), a great member of the Ways and Means Committee.

Mr. LARSON of Connecticut. Madam Speaker, I rise to strongly support this bill. I thank the gentleman for his efforts, and especially BILL PASCRELL, who has been our passionate leader on the Ways and Means Committee, for his efforts on this very important issue.

What a spirit of Christmas is upon us today. It is great to see the bipartisanship is continuing. I was so happy to see PETER KING down in the well, talking about what this means.

I dare say, to my other colleagues, I would love to have Mr. RICE come and visit Augie & Ray's in East Hartford and have him talk about how billionaires are being benefited.

In Connecticut, we used to deduct, on average, \$19,000 in personal property taxes. Now, we get to deduct \$10,000. Why? So that we could pay 1 percent of the Nation 83 percent of your tax cut, which is unpaid for, paid for by working people.

In our State, we send more money to the Federal Government than we get in return.

The basic unfairness, established by Lincoln back during the Civil War, is that this is double taxation and especially hurts the blue-collar workforce all across this great country, especially in those States that go out of their way to pay their own.

The SPEAKER pro tempore. I remind Members to address their remarks to the Chair.

Mr. SMITH of Nebraska. Madam Speaker, I might add that Nebraska, the State that I represent, actually is considered to be a donor State, as well, and there is great support for the SALT cap in Nebraska.

Madam Speaker, I yield 3 minutes to the gentleman from Arizona (Mr. SCHWEIKERT).

Mr. SCHWEIKERT. Madam Speaker to my friends here, I wasn't going to come up here and try to do firebrand or the theater, but we do have a little moment of intellectual inconsistency. Let's try a quick thought experiment.

We, as a body, my brothers and sisters on the left, you support a progressive tax system, right?

Well, Madam Speaker, if you support a progressive tax system, then the fact of the matter is, if you have a high-income earning State community, you pay more taxes. It is just a little line of intellectual consistency.

So, you support the wealthier paying more. What happens when you have a deduction that you want to put back?

I am sorry, but you know me and charts; it is a problem. I am working on a 12-step group to deal with it.

The fact of the matter is, the top 5 percent of income earners get 77 percent of the benefit. You can't intellectually have it both ways. I mean, aren't your brains just exploding, saying: Well, on the one hand, we want you to give rich people these deductions, but on the other hand, we want to tax rich people more, except for this bill where we want to give the really, really rich people the benefit.

You are going to get a chance. We are going to have an MTR. At least, this way, you can take it away from the really, really, really, really, really rich people who make \$100 million or more, saying they don't get to take the SALT deduction. We will see what level of super-rich people we are defending in this debate.

I understand, from a political standpoint, you are doing the right thing. You are doing the work from your district. But at least we could be intellectually honest about the math.

If you represent a district that has high taxes, whether it be the income taxes or property taxes, coming and defending SALT is fine. It makes sense. But be honest about what the math means. If you are a donor State, it is because you have high incomes. If you want this, it is because you are defending your wealthy.

It is just math, and the math, Madam Speaker, always wins.

The SPEAKER pro tempore. The Chair reminds Members to address their remarks to the Chair.

Mr. THOMPSON of California. Madam Speaker, I yield 1 minute to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Madam Speaker, I appreciate the gentleman's hard work on this.

This is the largest transfer of wealth in American history with the tax bill of the Republicans. They kept the tax break for corporations and they are hitting middle class families in my district. Four in ten average about \$15,000 a year.

But one of the things we haven't talked about is the hit to home values.

Madam Speaker, I include in the RECORD an article by Allan Sloan in Fortune magazine that talks about Trump's trillion dollar hit to homeowners.

TRUMP'S TRILLION-DOLLAR HIT TO HOMEOWNERS

By reducing deductions for real estate taxes, Trump's 2017 tax plan has harmed millions—and helped give corporations a \$680 billion gift.

(by Allan Sloan)

In recent weeks, President Donald Trump has been talking about plans for, as he put it, a “very substantial tax cut for middle income folks who work so hard.” But before Congress embarks on a new tax measure,

people should consider one of the largely unexamined effects of the last tax bill, which Trump promised would help the middle class: Would you believe it has inflicted a trillion dollars of damage on homeowners—many of them middle class—throughout the country?

That massive number is the reduction in home values caused by the 2017 tax law that capped federal deductions for state and local real estate and income taxes at \$10,000 a year and also eliminated some mortgage interest deductions. The impact varies widely across different areas. Counties with high home prices and high real estate taxes and where homeowners have big mortgages are suffering the biggest hit, as you'd expect, given the larger value of the lost tax deductions. But as we'll see, homeowners all over the country are feeling the effects.

I'm basing my analysis on numbers from two well-respected people: Mark Zandi, the chief economist of Moody's Analytics; and Hugh Lamle, the retired president of M.D. Sass, a Wall Street investment management company.

Zandi's numbers are broad—macro-math, as it were. Lamle (pronounced LAM-lee) is a master of micro-math. It was Lamle who first got me thinking about home value losses by sending me an economic model that he created to show the damage inflicted on high-end, high-bracket taxpayers in high-tax areas who paid seven digits or more for their homes.

Lamle starts with the premise that homebuyers have typically figured out how much house they can afford by calculating how much they can spend on a down payment and monthly mortgage payment, adjusting the latter by the amount they'd save via the tax deduction for mortgage interest and real estate taxes. His model figures out how much prices would have to drop for the same monthly payment to cover a given house now that this notional buyer can't take advantage of the real estate tax deduction and might not be able to take full advantage of the mortgage interest deduction.

After I showed Lamle's model to my ProPublica research partner, Doris Burke, she steered me to Zandi's research, which I realized could be used to calculate national value-loss numbers.

Ready? Here we go. The broad picture first, then the specific. This gets a little complicated, so please bear with me.

Zandi says that because of the 2017 tax law, U.S. house prices overall are about 4% lower than they'd otherwise be. The next question is how many dollars of lost home value that 4% translates into. That isn't so hard to figure out if you get your hands on the right numbers.

Let me show you.

The Federal Reserve Board says that as of March 31, U.S. home values totaled about \$26.1 trillion. Apply Zandi's 4% number to that, and you end up with a \$1.04 trillion setback for the nation's home owners. That's right—a trillion, with a T.

Please note that Zandi isn't saying that house prices have fallen by an average of 4%. That hasn't happened. What he's saying is that on average, house prices are about 4% lower than they'd otherwise be.

Given that the Fed statistics show that homeowners' equity was \$15.76 trillion as of March 31, Zandi's numbers imply that homeowners' equity is down about 6.6% from where it would otherwise be. (That's the \$1.04 trillion value loss divided by the \$15.76 trillion of equity.)

This is a very big deal to families whose biggest financial asset is the equity they have in their homes. And there are untold millions of families in that situation.

While Zandi and I were having the first of several phone conversations, he sent me a

county-by-county list of the estimated home-price damage done to about 3,000 counties throughout the country. I was fascinated—and appalled—to see that the biggest estimated value loss in percentage terms, 11.3%, was in Essex County, New Jersey, the New York City suburb where I live.

In case you're interested—or just snoopy—the four other counties that make up the five biggest-losers list are: Westchester County, New York, suburban New York City, 11.1%; Union County, New Jersey, which is adjacent to Essex County, 11.0%; New York County, the New York City borough of Manhattan, 10.4%; and Lake County, Illinois, suburban Chicago, 9.9%.

You can find Zandi's county-by-county list in our Data Store. Eyeball the list, and you'll see that counties throughout the country have home values lower than they would otherwise be.

Here's how it works. Zandi took what financial techies call the "present value" of the property tax and mortgage interest deductions that homeowners will lose over seven years (the average duration of a mortgage) because of changes in the tax law and subtracted it from the value of the typical house. That results in a 3% decline in national home values below what they would otherwise be.

The remaining one percentage point of value shrinkage, Zandi says, comes from the higher interest rates that he says will result from higher federal budget deficits caused by the tax bill. He estimates that rates on 10-year Treasury notes, a key benchmark for mortgage rates, will be 0.2% higher than they would otherwise be, which in turn will make mortgage rates 0.2% higher.

Even though interest rates on 10-year Treasury notes are at or near record lows as I write this, they would be even lower if the Treasury were borrowing less than it's currently borrowing to cover the higher federal budget deficits caused by Trump's tax bill.

If Zandi's interest-rate take is correct—it's true by definition, if you believe in the law of supply and demand—even homeowners who aren't affected by the inability to deduct all their real estate taxes and mortgage interest costs are affected by the tax bill.

How so? Because higher interest rates for buyers translate into lower prices for sellers and therefore produce lower values for owners.

You can argue, as some people do, that real estate taxes should never have been deductible because allowing that deduction is bad economic policy that inflated home prices and favored higher-income people over lower-income people.

But even if you believe that, there's no question that eliminating the deduction for millions of homeowners inflicted serious financial damage on homeowners who had no warning that a major tax deduction that they were used to getting would be wiped out.

As a result, homebuyers who had taken the value of the real estate tax deduction into account when buying their homes had their home values and finances whacked without warning. Interest deductions on mortgage borrowings exceeding \$750,000 were cut back, compared with interest deductions on up to \$1 million under the old law—but that doesn't affect anywhere near as many people as the cap on real estate tax deductions does.

(A brief aside: Among the modest winners here are first-time buyers who purchased their homes after the tax law took effect and benefited by paying less than they would have paid under the old tax rules.)

Now, to the micro-math.

Lamle's model isn't applicable to most people because it works only for taxpayers with a household income of at least \$200,000

a year who paid at least \$1 million for their homes. But the principle underlying Lamle's model applies to everyone who owns a home or is interested in owning one. To wit: You calculate the tax-law-caused loss of value by figuring out how much a house's price needs to fall for buyers' or owners' after-tax costs to be the same now as they were before the tax law changed.

"People buying large-ticket items typically focus on after-tax costs of ownership," Lamle told me. "The amount that many buyers can afford is affected by limits on their financial resources. Therefore, as their tax costs increase substantially because of the loss of tax deductions, they have less money available to pay for homes and to take on mortgage debt."

At the suggestion of one of my editors, I asked Lamle to use a modified version of his economic model to estimate the tax law's impact on the value of a theoretical house in the New York City suburb of West Orange, New Jersey, purchased for \$800,000 in 2017 by a theoretical family with a \$250,000 annual income. Those home value and income numbers are very high by national standards—but middle class by the standards of large parts of suburban Essex County.

Real estate tax on that theoretical house would run about \$28,900 a year, according to statistics from the New Jersey state treasurer's office. That tax used to be fully deductible for federal tax purposes. Now, it's not deductible at all if you assume that the house's owners are taking the standard deduction on their federal returns. Or that even if they're itemizing deductions, they're paying at least \$10,000 of state income taxes, which means they don't get any benefit from deducting property taxes.

According to Lamle's calculations, this inability to deduct real estate tax has reduced the home's value by \$138,720, assuming a 5% mortgage rate. At a 4% rate, the value loss is \$173,400. (For the math and assumptions underlying these numbers, see his methodology below.) So if the family put up \$200,000—25% of the purchase price—to buy the house, more than half of that investment has been wiped out.

Obviously, it's impossible to prove that Zandi and Lamle are right about the impact they say the tax law is having (and will continue to have) on home prices, because there's no way to gauge the accuracy of their numbers. But the logic is compelling.

The loss in home values is crucial because it turns out that lots more people have bigger financial stakes in their houses than in their stock portfolios, which have thrived as the Trump tax law turbocharged corporate earnings and stock prices.

In fact, 73.5% of households that own homes, stocks or both had bigger stakes in the home market than in the stock market, according to David Rasnick, an economist at the Center for Economic and Policy Research, who parsed Federal Reserve data at my request.

Now, let's put things in perspective, set aside home value losses for a minute and talk about the cash that people are getting from Trump's 2017 tax law. It isn't all that much for most families. Households' average federal income tax has fallen by \$1,260 a year, according to the Tax Policy Center. That average is skewed by big savings realized by people with big incomes; the median family's tax cut is only about half as much as the average cut, by the Tax Policy Center's math.

This means that—for taxpayers of higher income and more modest income—the income tax savings are likely small beer compared with the hidden loss inflicted on many of them by lower house values.

Back to the main event. And some final—but important—numbers.

According to the Tax Policy Center, the Treasury will get \$620 billion of additional revenue over a 10-year period because people can't deduct their full state and local taxes.

That, in turn, covers most of the 10-year, \$680 billion cost of the income tax break that corporations are getting. So you can make a case that my friends and neighbors and coworkers in New York and New Jersey—and many of you all over the country—are paying more federal income tax in order to help corporations pay less federal income tax.

That, my friends, is the bottom line.

Mr. BLUMENAUER. By denying the full SALT deduction, you are making it more expensive to buy homes, you are having a lower resale value, it is a loss of net worth, plus there is about a 1 percent hit because of the higher interest rates that are going to come because your tax bill of \$2 trillion is on the collar.

Madam Speaker, I strongly urge my colleagues to look at this to see how pervasive the hit is, not just to their income tax, but to their most precious asset, their home value.

Mr. SMITH of Nebraska. Madam Speaker, I reserve the balance of my time.

Mr. THOMPSON of California. Madam Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. PASCRELL), a leader and a very vocal advocate of this bill.

Mr. PASCRELL. Madam Speaker, I rise in strong support of H.R. 5377.

The bill is a carefully crafted and balanced package of tax relief created to address the injustice done to our middle-class families by the SALT cap.

Remember, if you are rich, you get double taxed. If you are not so rich, you get double taxed.

That is what we are talking about here. It is the product of months of hard work by members of our committee and the working group led by Mr. THOMPSON.

I thank the gentleman from California for the time he spent on this and for not giving up. I am grateful to our many other colleagues from other States, blue and red. I also thank our committee chair, the gentleman from Massachusetts, for his leadership and hard work. I strongly urge all of my colleagues to support this important legislation.

I am going to conclude with this, Madam Speaker. They have only talked about one side—the other side has done this—about what happens to those "millionaires" if, in the bill, we pay for it by increasing the personal income tax from 37 percent to 39 percent, from where it was before.

Have you subtracted that from what you are going to get back on their taxes? No, you haven't, because you have done it in a dishonest way.

That is why the middle class gets shafted. Not this time.

Mr. SMITH of Nebraska. Madam Speaker, I continue to reserve the balance of my time.

□ 1445

Mr. THOMPSON of California. Madam Speaker, I yield 1 minute to

the gentleman from Illinois (Mr. DANNY K. DAVIS), a great member of our Ways and Means Committee.

Mr. DANNY K. DAVIS of Illinois. Madam Speaker, my congressional district is one of the most affected congressional districts in the Nation, ranking 38 among districts in highest average SALT deductions. Over 105,000 households benefited from SALT in my district in 2017, with an average benefit of \$19,400. Then the Republican tax law increased taxes on millions of Illinoisans and tens of millions of Americans.

The SALT deduction is a bedrock part of the tax code since its inception. It has been around since the beginning of time.

If it ain't broke, don't fix it. We need to restore it and make sure that citizens get the benefit in their communities from their State government and then be able to use it as a part of their income tax.

Mr. SMITH of Nebraska. Madam Speaker, I reserve the balance of my time.

Mr. THOMPSON of California. Madam Speaker, I yield 1 minute to the gentleman from New York (Mr. HIGGINS), a treasured member of the Ways and Means Committee.

Mr. HIGGINS of New York. Madam Speaker, I thank the gentleman for yielding.

Madam Speaker, there are many issues with the Republican tax scheme, but the \$10,000 State and local tax deduction cap is one of the most egregious. The SALT deduction has been a fixture of the United States tax code since the introduction of the Federal income tax in 1913 to acknowledge that State and local taxes are paid for services that the Federal Government does not provide.

When State and local governments lost part of that deduction, they were taxed twice, so this is an issue, which has been said many times in the committee, of tax fairness.

While this legislation was a team effort under the direction of MIKE THOMPSON, head of the working group, the persistence of Members BILL PASCRELL and TOM SUOZZI, who made their persistence with clarity and insistence on fairness for their constituents, inspired all of us to fight to defend that same fairness for ours.

This is a good bill. I urge its support.

Mr. SMITH of Nebraska. Madam Speaker, I reserve the balance of my time.

Mr. THOMPSON of California. Madam Speaker, I yield 1 minute to the gentlewoman from California (Ms. JUDY CHU), a great member of our Ways and Means Committee.

Ms. JUDY CHU of California. Madam Speaker, I rise in support of H.R. 5377, which will stop the double taxing of millions of Americans.

Restoring the ability of Americans to deduct their State and local taxes is about fairness. It is about fairness for the households in my California dis-

trict, where the average SALT deduction was nearly \$21,000, more than double the current \$10,000 limit.

It is about fairness for the married teachers making \$60,000 each, who now receive only half of the deduction of unmarried couples, effectively creating a marriage penalty.

It is about fairness for our local governments that struggle to provide important services such as education, public safety, and infrastructure.

And it is about fairness for our teachers and firefighters who get an additional deduction in this bill to help them afford work-related expenses.

The 2017 tax scam was unfair. The top 1 percent and corporations got a massive handout, while American families were left holding the bag.

A vote in support of this bill today begins to restore that fairness, and I urge my colleagues to support it.

Mr. SMITH of Nebraska. Madam Speaker, I reserve the balance of my time.

Mr. THOMPSON of California. Madam Speaker, I yield 1 minute to the gentleman from Illinois (Mr. SCHNEIDER), a great member of our Ways and Means Committee.

Mr. SCHNEIDER. Madam Speaker, I want to thank the chairman for recognizing me.

Madam Speaker, I rise today in strong support of H.R. 5377, the Restoring Tax Fairness for States and Localities Act. This legislation seeks to fix one of the most harmful provisions of the 2017 Republican tax law: the \$10,000 limit on the State and local tax deduction.

Raising this unfair, punishing cap is a top priority for the constituents I represent. Forcing Americans to pay Federal tax on the taxes they have already paid to their State and local government is double taxation and it is wrong.

In my Illinois district, approximately 42 percent of filers use the SALT deduction, and the average deduction is significantly higher, nearly double the new cap. Even worse, the new \$10,000 cap applies equally to married and single filers, creating a marriage penalty, further punishing joint filers. This is not fair to America's middle class.

It is wrong that the burden of the tax law that overwhelmingly benefits the most fortunate Americans—indeed, 83 percent of the benefit of the 2017 law went to the top 1 percent—it is unfair that the burden should lie in a narrow range of States like Illinois.

H.R. 5377 would rectify these wrongs. I urge my colleagues to vote "yes."

Mr. SMITH of Nebraska. Madam Speaker, I reserve the balance of my time.

Mr. THOMPSON of California. Madam Speaker, I yield 1 minute to the gentleman from New York (Mr. SUOZZI), someone who has worked tirelessly on this. You couldn't get out of his line of sight. No matter how early I went to the gym, the gentleman would be waiting: "We have got to do SALT."

Mr. SUOZZI. Madam Speaker, I thank Chairman THOMPSON, Chairman NEAL, and BILL PASCRELL for all of their hard work. I thank PETER KING, my Republican colleague from Long Island who is retiring next year, who is standing up for his constituents, as he always has. I thank the 50 cosponsors of this bill, bipartisan cosponsors, who realize that we have to be, as someone mentioned before, intellectually honest.

We need to be intellectually honest and recognize, number one, that 100 percent of this bill is paid for by the wealthiest Americans. One hundred percent of this bill is paid for by taxpayers who make over \$440,000 a year. It is inaccurate to suggest that other people are subsidizing this other than the wealthy. This is being paid for 100 percent by the wealthy.

This is called the Restoring Tax Fairness for States and Localities Act. That name is exactly what this is about: restoring fairness.

It is not fair. It is not fair that people are paying taxes on taxes they have already paid. It is not fair to State and local municipalities that relied on this tax deduction since the beginning of the tax code in 1913 that are now getting a punch in the gut and trying to change the rules.

There is a reason that this has been endorsed by so many different groups. It has been endorsed by teachers. It has been endorsed by firefighters, by police officers.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. THOMPSON of California. Madam Speaker, I yield the gentleman from New York an additional 30 seconds.

Mr. SUOZZI. Madam Speaker, it has been endorsed by the U.S. Conference of Mayors. It has been endorsed by the National League of Cities, endorsed by the National Association of Counties.

It is not fair, Madam Speaker, that my colleagues on the other side are boasting that people are leaving places like my State and moving to their States.

What happens? The people who are left behind, low-and moderate-income people who can't afford to move away, get left behind holding the bag.

My State and so many other States that are hurt by this existing GOP tax cut are subsidizing the other States in this Nation. My State sends \$48 billion a year more to the Federal Government than we get back.

Madam Speaker, I urge my colleagues to please support this.

Mr. SMITH of Nebraska. I reserve the balance of my time.

Mr. THOMPSON of California. Madam Speaker, how much time do I have remaining?

The SPEAKER pro tempore. The gentleman from California has 14 3/4 minutes remaining. The gentleman from Nebraska has 11 minutes remaining.

Mr. THOMPSON of California. Madam Speaker, I yield 1 minute to

the gentleman from Nevada (Mr. HORSFORD), a great member of our committee.

Mr. HORSFORD. Madam Speaker, I thank the chairman for yielding.

I appreciate the opportunity to rise and speak in support of the Restoring Tax Fairness for States and Localities Act, which includes my bill, the Support American Teachers Act of 2019, which will substantially increase the current educators' deduction expense for teachers.

On average, teachers in Clark County School District, the fifth largest district in the country, which I represent, spend about \$750 out of pocket on school supplies for their classrooms. The starting year salary for those teachers is \$40,000.

Kaitlyn Cline, a kindergarten teacher at Kay Carl Elementary School, also in Las Vegas, spends even more. Every year, Kaitlyn spends about \$1,000 out of her own pocket to give her class the educational experience they deserve.

As Ms. Cline says:

As a teacher, I have to work extra hard on the side to help pay my bills and have extra money for work expenses. Any extra financial relief that can be utilized, can make a huge difference.

Today, I urge my colleagues to vote in favor of this bill. Let's give the teachers the support they need and provide them the deduction for the expenses that they incur.

Mr. SMITH of Nebraska. Madam Speaker, I would just add that there will be a chance here in a few moments to answer the concerns that the prior speaker had, and I reserve the balance of my time.

Mr. THOMPSON of California. Madam Speaker, I yield 1 minute to the gentlewoman from California (Ms. ESHOO), a treasured member of the Ways and Means Committee.

Ms. ESHOO. Madam Speaker, I am proud to rise in support of H.R. 5377 and am an original cosponsor of this legislation.

I am going to put my full statement in the RECORD, but let me just say a few things that are top-line—top-line—for my constituents. There are over 200,000 constituents' households affected by this in my congressional district.

Now, someone was talking about math. I think the original tax bill was bad math. It charged \$2 trillion to the national debt.

Fair? No. It was an assault on the middle class. Let's be perfectly clear about this.

And what has the middle class done to anyone here? They are the backbone of our country. They have four major things to deduct: mortgage interest, SALT, charitable deductions, and health expenditures.

So what did the Republicans' tax bill do? It screwed the middle class, in plain English.

So this restores that deductibility, and they deserve to have it.

This bill is paid for. I think that is good math, and I think it is fair.

I thank Mr. THOMPSON and the committee for the work that they have done on it. Bravo to all of you, and thank you from my constituents.

Madam Speaker, as an original cosponsor of H.R. 5377, I rise in strong support of the Restoring Tax Fairness for States and Localities Act.

This legislation repeals the harmful cap on the State and Local Tax (SALT) Deduction in 2020 and 2021 and fixes the marriage penalty in 2019 by doubling the SALT cap to \$20,000 for married couples.

This is welcome relief to the nearly 200,000 of my constituents and the millions of Americans who are no longer able to deduct the full amount of State and Local Taxes they pay each year.

The 2017 Republican tax bill took a sledgehammer to the SALT deduction by capping it at \$10,000 annually for both single filers and married couples, essentially an assault on the middle class, the backbone of our country.

The SALT deduction is one of the few deductions in the federal tax code that middle class families depend on, along with deductions for medical expenses, charitable contributions, and mortgage interest.

Prior to this harmful cap, my constituents claimed an average annual SALT deduction of \$63,083 in 2017. More than half of all taxpayers in my district claimed this credit in 2017, and half of these taxpayers earned between \$75,000 and \$100,000.

This legislation also doubles the educator expense deduction for teachers and creates a new deduction for first responders for uniforms, tuition and professional development.

These hardworking and dedicated professionals are part of the foundation of our local communities and they deserve this much-needed tax relief.

I urge my colleagues to vote YES on H.R. 5377.

Mr. SMITH of Nebraska. Madam Speaker, in the interest of accuracy in this debate, I would like to reiterate that we doubled the standard deduction for all Americans—not just selective groups, but all Americans. We doubled that standard deduction, therefore, helping the middle class, and I reserve the balance of my time.

Mr. THOMPSON of California. Madam Speaker, I yield 1 minute to the gentleman from New York (Mr. ENGEL), the chairman of the Foreign Affairs Committee.

Mr. ENGEL. Madam Speaker, I rise today to support H.R. 5377, to begin to repair some of the damage from the GPO's tax scam legislation which passed this House 2 years ago.

I said it at the time, and I say it again: It is one of the worst bills I have ever seen, and it blows a hole in the budget.

So much for fiscal responsibility on the other side of the aisle.

One of the more egregious provisions in that bill was capping State and local tax deductions at \$10,000. This deduction has been part of our tax code for over 150 years.

This cap hurts my constituents, who often have property, income, and sales taxes exceeding \$10,000.

New Yorkers already pay more to the Federal Government as a donor State

than we receive back. We receive only 84 cents for every dollar we send to Washington. This imbalance is greater than any other State and grows because of the SALT cap. Homeowners are already seeing home values decline because of the SALT cap.

Earlier in this year, I introduced H.R. 515, with 20 of my colleagues, to repeal this harmful tax provision. I am pleased to see my New York colleague Mr. SUOZZI's measure containing much of my bill here on the floor today.

In conclusion, let me say we need to reverse some of the harm the GPO's tax scam bill has inflicted on so many Americans, especially my New York constituents. Support H.R. 5377, and let's be fair once and for all.

□ 1500

Mr. SMITH of Nebraska. Madam Speaker, I yield 1 minute to the gentleman from Texas (Mr. ARRINGTON).

Mr. ARRINGTON. Madam Speaker, I want to first commend my colleague from New York (Mr. SUOZZI) for his passionate advocacy for his district. I understand where his heart is, I understand his motives, I know they are pure, and it makes it a lot easier to work with people who approach public policy that way.

But as I have mentioned to him in committee, I think this is wrongheaded and fundamentally bad public policy. It certainly is not in keeping with benefiting the general welfare of the public, restoring these SALT deductions. I am sure many of these points being made earlier discourage localities and States from keeping their taxes low. They also penalize States like Texas who keep their tax rates low, and the majority of the benefit of these deductions will go to millionaires. That is not an exaggeration. Over 50 percent of the benefit will go to people who are millionaires. In fact, 95 percent of the benefit will go to folks who make over \$200,000. That is real money in west Texas.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. SMITH of Nebraska. Madam Speaker, I yield the gentleman from Texas an additional 30 seconds.

Mr. ARRINGTON. Madam Speaker, I think one of the biggest problems I have with this, ultimately, is we are raising that top rate after we cut taxes, restored more freedom to the markets, and unleashed growth and job creation, all a tremendous response from the Tax Cuts and Jobs Act, and now we are putting a tax burden on the American people.

We are raising taxes on small businesses. One-third of the taxes being raised here will fall on small businesses, mom-and-pop shops, community banks, and family farmers. Main Street will be negatively affected in a big way.

So I urge my colleagues to vote "no" on this legislation.

Mr. THOMPSON of California. Madam Speaker, I yield 1 minute to the gentleman from Illinois (Mr. CASTEN).

Mr. CASTEN of Illinois. Madam Speaker, I rise in support of H.R. 5377.

I want to start by thanking my colleagues across the aisle for passing the Tax Cuts and Jobs Act. My predecessor campaigned on it, and I wouldn't be here otherwise, so I thank them all.

It is important to understand we need to pass this bill to undo the damage done by that bill and the hurt it gave to middle-class families, teachers, and first responders across the country. From the very first tax code in 1913, we have included allowing a deduction for State and local taxes for the simple reason that we shouldn't tax people twice.

It is not just going back to 1913. Our Founders got that point as well. Alexander Hamilton in Federalist 32 wrote that independent and uncontrollable authority to raise their own revenues for the supply of their own wants would be a problem.

What Hamilton understood is that certain services—roads, schools, fire departments, and libraries—are better and more efficiently provided by local authorities, and when we double taxation, we create a fight between Federal and local authorities for finite resources to the detriment of those critical local services.

Repeal the State and local tax deduction in the Tax Cuts and Jobs Act.

Madam Speaker, I urge my colleagues to vote “yes”.

Mr. SMITH of Nebraska. Madam Speaker, I reserve the balance of my time.

Mr. THOMPSON of California. Madam Speaker, I yield 1 minute to the gentleman from Minnesota (Mr. PHILLIPS).

Mr. PHILLIPS. Madam Speaker, I rise today in support of H.R. 5377, the bipartisan Restoring Tax Fairness to States and Localities Act, legislation that will provide immediate relief to American families.

Elimination of the State and local tax deduction in the 2017 tax law was a bad deal for the State of Minnesota, the people of my district, and millions across the country. In fact, the SALT cap is a punishment for States that invest in schools, roads, and people, and it is punishment to hardworking families in those States who deserve our appreciation and gratitude—not a tax increase.

Matthew and Karen are two educators in my district who bought a home for their young family just 3 years ago. Now, with the increased tax burden, they face the real prospect of losing their home and having to move farther away from their kids' school and community.

I am fighting hard for this bill, and I am on a mission to make the tax code more equitable for the people of my State—one that already shares much more of its hard-earned money with Washington than it gets back in return—and particularly for people like Matthew and Karen.

So, Madam Speaker, I urge my colleagues on both sides of the aisle to

come together to end the SALT cap and repeal such a punitive mistake.

Mr. SMITH of Nebraska. Madam Speaker, I reserve the balance of my time.

Mr. THOMPSON of California. Madam Speaker, I yield 1 minute to the gentlewoman from California (Ms. PORTER).

Ms. PORTER. Madam Speaker, I rise today in support for the Restoring Tax Fairness for States and Localities Act.

Over the last year, I have heard a resounding message from Orange County families, from Republicans, Democrats, and Independents alike. We must repeal the harmful SALT limits included in Trump's tax law.

When that law capped State and local tax deductions, it raised taxes on tens of thousands of Orange County families.

The average SALT deduction in my district is over \$22,000, and by capping the deduction at only \$10,000—less than half that amount—Orange County families are being double taxed on the money they earned. The SALT cap also imposes a marriage penalty, and it is, therefore, antifamily.

Reversing SALT is bipartisan. I heard this in April when I held a tax townhall in April. My constituents simply could not understand why Republicans and Democrats could not come together to address the SALT problem and help middle-class families in California while Halliburton, Amazon, and Chevron paid no Federal income tax in 2018.

The SPEAKER pro tempore. The time of the gentlewoman has expired.

Mr. THOMPSON of California. Madam Speaker, I yield the gentlewoman an additional 20 seconds.

Ms. PORTER. Our families should not be penalized by double taxation.

I thank Chairmen Neal and Thompson for their work on this important bill, and I urge support from my colleagues on both sides of the aisle.

Mr. SMITH of Nebraska. Madam Speaker, I yield 2 minutes to the gentleman from New York (Mr. ZELDIN).

Mr. ZELDIN. Madam Speaker, I rise in opposition to this bill.

First off, I do want to thank my colleague from Long Island, Mr. SUOZZI. Mr. SUOZZI and I have engaged in many conversations about this important issue, and I am sure that that will continue after today's debate.

I would like to clear up a few things about this legislation before us today to cut through some of what has been debated.

This bill permanently hikes taxes on individuals and small businesses to 39.6 percent for those currently in the 37 percent tax bracket—and for many in the 35 percent tax bracket as well—in exchange for a very temporary change of the SALT deduction only until 2021. So the SALT deduction is going to change very temporarily, but permanently we are going to be increasing taxes on individuals and small businesses.

We have to understand that 90 percent of U.S. businesses are passthroughs. They don't pay the corporate tax rate. They pay under the individual tax rate. Almost 100 percent of all passthrough businesses have less than 100 employees. We are increasing taxes permanently on all these small businesses in exchange for that short-term change.

I support multiple active bills that would change the State and local tax deduction without raising any taxes on individuals and small businesses. It is important to remember that the only SALT deduction legislation that will ever provide relief is legislation that can be signed into law, and this bill which permanently raises taxes on individuals and small businesses is not it.

In my district, from Main Street to wineries on the North Fork, this is bad news for small businesses up and down Long Island. I am focused on providing true tax relief for all hardworking Long Islanders.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. SMITH of Nebraska. Madam Speaker, I yield the gentleman from New York an additional 30 seconds.

Mr. ZELDIN. It is unfortunate that, at the end of the day, when the dust has settled, they will continue to be the victims of out-of-State and out-of-touch congressional leadership putting politics over commonsense, realistic solutions.

My colleagues know I am eager to work with them to fix this legislation, so we can actually get this across the finish line and signed into law to provide true tax relief for hardworking Americans. But, unfortunately, that very temporary change to SALT in exchange for that permanent tax increase for individuals and small businesses is why I can't support this bill in its current form.

Mr. THOMPSON of California. Madam Speaker, I just want to remind the gentleman that, although I appreciate that he wants to get rid of the cap, you can't do it without paying for it. That is the same irresponsible behavior that the Republicans employed in their tax bill, and it cost us \$2.3 trillion in our national debt.

Madam Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. GOTTHEIMER).

Mr. GOTTHEIMER. Madam Speaker, I rise today in support of H.R. 5377 to finally deliver the tax cuts so desperately needed for families and businesses in my district in northern New Jersey.

I thank Chairman NEAL for his leadership on this legislation which will ultimately save the Fifth District tax filers \$5.6 billion each year. That is just in my district alone.

Today, I released a tax cut model to show, at every income level, the massive tax cuts that families in the Fifth Congressional District of New Jersey will see as a result of this bipartisan bill. Not only will this bill cut taxes,

but it also helps increase our property values and drives economic growth, which is why the New Jersey Chamber of Commerce and the New Jersey Realtors have both come out in support of the legislation.

We have to fix the mess caused by the 2017 tax hike bill in the moocher States and provide actual tax cuts for New Jersey families, first responders, and small businesses.

Ever since I joined Democrats and Republicans in voting against the tax hike bill, I have been fighting to fully reinstate SALT and finally cut taxes for north Jersey families. It is time we fought back against the moocher States who literally stole \$800 billion right out of our pockets. I am sick and tired of paying the bill of the moocher States. This is a huge win for New Jersey families and an actual tax cut.

Madam Speaker, I urge my colleagues to vote “yes.”

Mr. SMITH of Nebraska. Madam Speaker, I would remind my colleague who just spoke that the average family of four in his district received a benefit through the Tax Cuts and Jobs Act of about \$5,000 per year.

Madam Speaker, I yield 1 minute to the gentleman from California (Mr. LAMALFA).

Mr. LAMALFA. Mr. Speaker, last night we were in the twilight zone, and now we are in a parallel universe today. Very interesting what we are doing here.

I come from the high-tax State of California, where we bear the cost of so many tax increases from Sacramento. So all we are doing here is justifying the increase in the car tax, the increase in the gas tax, and spending the money on a dead high-speed rail project, the increase from a mysterious gas tax, and the cap-and-trade tax.

All we are going to do here is reward bad behavior in California and five or six other high-tax States.

Instead, let's get back on track with doing things that cause jobs to happen, as the bill that our Democrat colleagues don't like. They didn't like Proposition 13, which has saved homes in California. They have been complaining about it ever since it was passed.

Now they are trying to eviscerate Prop 13 and raise taxes on businesses. This will justify that ability to do that. Don't send a message that they can raise taxes in California or other States any more by what happens in this place.

Mr. THOMPSON of California. Madam Speaker, I yield 1 minute to the gentlewoman from the State of Virginia (Ms. WEXTON).

Ms. WEXTON. Madam Speaker, I rise today in strong support of H.R. 5377, the Restoring Tax Fairness for States and Localities Act.

The SALT deduction has protected Virginia taxpayers from double taxation for over 100 years, but that changed when Donald Trump and congressional Republicans imposed an un-

precedented \$10,000 tax cap punishing taxpayers in districts like mine.

In 2017 my district had the highest average SALT deduction in Virginia at almost \$18,000 and the greatest number of households claiming SALT at 213,500—more than half of my district.

The SALT cap is unfair and punitive, hurting Virginians and over 11 million Americans. Hardworking taxpayers deserve better.

Today we have an opportunity to do better, to restore this tax relief and put money back in the pockets of 150,000 households in my district and many, many more across the country.

Madam Speaker, I urge all of my colleagues to support this important legislation.

□ 1515

Mr. SMITH of Nebraska. Madam Speaker, I yield 2 minutes to the gentleman from New York (Mr. ZELDIN).

Mr. ZELDIN. Madam Speaker, I think it is important to reiterate the fact that this bill is just a very temporary change to the SALT deduction until 2021 in exchange for a permanent increase to taxes on individuals in small businesses.

While we are having this debate, I think it is also really important to point out that the reason our State and local tax deduction was as high as it was is because our State and local taxes are as high as they are.

As we take this opportunity on this floor, let's send a message to Mayor de Blasio in New York City, and Governors and State legislators in Albany, New Jersey, and California, that all levels of government have a role to play in tax relief. That is why our State and local tax deduction was as high as it was.

To deliver for my constituents on the east end of Long Island, for people in our entire State, and for Governor Cuomo and the Democrats running Albany right now watching this, do your part. My people in my district are desperate for relief, and Congress shouldn't try to bail you out time and time again.

We will stand here and fight for you. That is why I support multiple bills that will make a change to the State and local tax deduction. But ironically, this is a bill that makes it worse through a temporary change for the SALT deduction in exchange from a permanent tax increase. So now, they are getting screwed both ways.

I am a little different from some of my colleagues. I had some opposition to the bill in 2017, and I am opposed to this bill as well.

For those Democratic politicians who are in New York City and Albany and putting the screws to my constituents because they only know how to raise taxes and they don't know how to spend wisely, start doing your part because that is why our SALT deduction was as high as it was for so long.

Mr. THOMPSON of California. Madam Speaker, I yield 1 minute to

the gentlewoman from the District of Columbia (Ms. NORTON).

Ms. NORTON. Madam Speaker, I thank my good friend from California for yielding.

Madam Speaker, Americans famously complain about taxes. Who can then blame residents of the District of Columbia, where 40 percent claim the SALT deduction, among the largest number of taxpayers in the country? By allowing at least a \$10,000 deduction, the 2017 Republican tax law concedes that it imposes double taxation.

The Republican tax law was particularly nefarious because it virtually targeted blue states, whose top taxes support values like funding for local public education. We cannot, of course, protect Americans from taxes, but ever since the passage of the Federal income tax law in 1913, we have protected them from being taxed on dollars already taxed by State and local governments. The Restoring Tax Fairness for States and Localities Act ensures that wisdom.

Mr. THOMPSON of California. Madam Speaker, may I inquire how much time I have remaining.

The SPEAKER pro tempore. The gentleman from California has 5½ minutes remaining. The gentleman from Nebraska has 3½ minutes remaining.

Mr. THOMPSON of California. Madam Speaker, I yield 1 minute to the gentlewoman from New York (Mrs. CAROLYN B. MALONEY), the chair of the Committee on Oversight and Reform.

Mrs. CAROLYN B. MALONEY of New York. Madam Speaker, I thank my friend for yielding and for his great leadership.

Madam Speaker, there was a lot wrong with the 2017 Republican tax law. This week, we can fix part of it by repealing the cap on the State and local tax deduction, or SALT.

The SALT deduction allows taxpayers to deduct from their Federal taxes the State and local income property taxes they pay. Republicans capped the SALT deductions at \$10,000, far, far less than many New Yorkers pay. It has caused a great deal of pain for many New Yorker families.

There is also a marriage penalty in the law. So if two people who each have \$10,000 in SALT get married, their combined deduction goes from \$20,000 to \$10,000 when they tie the knot. That doesn't make sense.

The bill before us, H.R. 5377, introduced by my colleague, TOM SUOZZI, addresses both of these issues. It lifts the cap for married couples to \$20,000 in 2019. It eliminates the cap entirely for the following 2 years and pays for it by restoring the previous top marginal tax rate.

Madam Speaker, I urge my colleagues to support H.R. 5377.

Mr. SMITH of Nebraska. Madam Speaker, I am prepared to close, if there are no other speakers on the other side, and I reserve the balance of my time.

Mr. THOMPSON of California. Madam Speaker, I am prepared to

close, and I reserve the balance of my time.

Mr. SMITH of Nebraska. Madam Speaker, I yield myself such time as I may consume. Madam Speaker, in the interest of spreading holiday cheer, I will be brief.

I believe the bill we are about to vote on is bad policy. If you look at the SALT cap, it is good policy.

A State that has lower taxes should not be forced to pay more to subsidize a State that has higher taxes. There are generally reasons that a State is a higher tax State, and that was generated locally or at that State level.

But I think it is bad policy, as Mr. ZELDIN was pointing out, to have a permanent tax increase to pay for a temporary tax benefit. That is bad policy.

Madam Speaker, I yield back the balance of my time.

Mr. THOMPSON of California. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I point out that their provision is temporary as well, just not as temporary.

Madam Speaker, the National Association of Police Organizations in their letter to us wrote: "Our members are not just first responders; they are also citizens of the communities in which they work."

Madam Speaker, I include in the RECORD a letter from that organization.

NATIONAL ASSOCIATION OF POLICE ORGANIZATIONS, INC.

Alexandria, Virginia, December 10, 2019.

Hon. RICHARD NEAL,
Chairman, Committee on Ways and Means,
House of Representatives,
Washington, DC.

Hon. KEVIN BRADY,
Ranking Member, Committee on Ways and Means,
House of Representatives,
Washington, DC.

DEAR CHAIRMAN NEAL AND RANKING MEMBER BRADY:

On behalf of the National Association of Police Organizations (NAPO), representing over 241,000 sworn law enforcement officers across the nation, I am writing to you to express our full support for the Restoring Tax Fairness for States and Localities Act.

Throughout this country, law enforcement officers go to work every day with one goal in mind: to keep their communities safe. In order to achieve this mission, they receive support from the communities they serve, as public safety budgets across the United States are largely drawn from state and local property, sales, and income taxes—essential investments that give our first responders the tools they need to get the job done. The state and local tax (SALT) deduction has helped support these vital investments at the state and local level.

Our members are not just first responders; they are also citizens of the communities in which they work. The fact is that the capping of the SALT deduction is a significant tax increase for many suburban homeowners, including law enforcement officers. This puts them squarely in the range of middle-class taxpayers that the Tax Cuts and Jobs Act (Public Law No. 115-97) was supposed to help. Instead, with the SALT deduction capped at \$10,000, many first responders are finding themselves on the wrong end of a tax hike. We support the two-year repeal of the cap

and call on Congress to permanently repeal it, for homeowners, for our communities, and for the first responders who work every day to keep those communities safe.

Further, the Tax Cuts and Jobs Act hit law enforcement officers with another tax increase when it eliminated their ability to deduct work-related out-of-pocket expenses. Like many public servants, law enforcement officers serve our nation and our communities for modest wages and often have to pay for mandatory and necessary equipment and training out-of-pocket. These out-of-pocket costs are significant and a financial burden on officers. NAPO supports the inclusion of the Supporting America's First Responders Act, which would reinstate deductions for certain, significant work-related out-of-pocket expenses for first responders.

NAPO stands ready to support any efforts necessary to pass this legislation.

Sincerely,

WILLIAM J. JOHNSON, CAE,
Executive Director.

Mr. THOMPSON of California. Madam Speaker, the fact is that capping the SALT deduction is a significant tax increase for many suburban homeowners, including law enforcement officers. This puts them squarely in the range of middle-class taxpayers that the Tax Cuts and Jobs Act was supposed to help. Instead, with the SALT deduction cap at \$10,000, many first responders are finding themselves on the wrong end of a tax hike.

We support the 2-year repeal of the cap and call on Congress to permanently repeal it for homeowners, for our communities, and for first responders who work every day to keep those communities safe.

Madam Speaker, I want to take a quick moment, as we head into this holiday season, to offer my appreciation to the Committee on Ways and Means tax staff. The Members who serve on the Committee on Ways and Means already know that they have the hardest working men and women on the Hill at their disposal. This bill would not have been possible without their commitment, policy expertise, dedication, and hard work.

I want to take a minute to thank my subcommittee staff director, Aruna Kalyanam; the lead staffer on the SALT deduction, Peg McGlinch; my senior counsel, Terri McField; as well as Scott La Rochelle, Arjun Ghosh, Lee Slater, and Andrew Grossman on the committee for their tremendous efforts. They do great work, and we should all be really glad that they are here. All Americans should be.

Madam Speaker, I urge all of my colleagues to support this bill, and I yield back the balance of my time.

Mr. NADLER. Madam Speaker, I strongly support this legislation to eliminate the cap on the State and Local Tax (or SALT) deduction. Two years ago, Republicans capped the SALT deduction to force districts represented by Democratic Members to pay for the bulk of their Tax Scam. That cap raised over \$662 billion in revenue for Republican tax priorities, nearly all of it from Democratic states like New York. New York State already pays \$48 billion more to the Federal government than it gets back, and the loss of the SALT deduction was responsible for a \$2.3 billion revenue hole in

New York last year putting critical services at risk.

Some of my colleagues claim that the SALT deduction will just benefit the wealthy. Wrong. In 2016, 1.2 million New Yorkers used the SALT deduction, and more than half of those taxpayers earned less than \$100,000 per year. We are not talking about a loophole used by the richest Americans—many of which, I will point out, were preserved in the Republican Tax Scam. We are talking about the largest deduction for the teachers, office workers, and first responders who make up the middle class in my district.

We must remove this cap and stop punishing the hard-working people of New York simply because of where they live. I urge my colleagues to vote yes on this bill.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 772, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT

Mr. RICE of South Carolina. Madam Speaker, I have a motion at the desk.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. RICE of South Carolina. I am in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Rice of South Carolina moves to recommit the bill H.R. 5377 to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendment:

In the matter proposed to be inserted by section 2(a), insert "if the adjusted gross income of the taxpayer for such taxable year does not exceed \$100,000,000," after "January 1, 2020".

In section 3, strike subsection (a) and insert the following:

(a) IN GENERAL.—Section 164(b) of the Internal Revenue Code of 1986, as amended by section 2, is further amended by adding at the end the following new paragraph:

"(8) SUSPENSION OF DOLLAR LIMITATION ON STATE AND LOCAL TAXES FOR 2020 AND 2021.—

"(A) IN GENERAL.—In the case of any taxable year beginning in 2020 or 2021, subparagraph (B) of paragraph (6) shall not apply.

"(B) EXCEPTION FOR CERTAIN HIGH-INCOME TAXPAYERS.—Subparagraph (A) shall not apply to any taxpayer for any taxable year if the adjusted gross income of such taxpayer for such taxable year exceeds \$100,000,000".

In the matter proposed to be inserted by each of sections 4(a), 4(b)(2), 5(a), and 5(c), strike "\$500" and insert "\$1,000".

Mr. RICE of South Carolina (during the reading). Madam Speaker, I ask unanimous consent to dispense with the reading.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from South Carolina is recognized for 5 minutes in support of his motion.

Mr. RICE of South Carolina. Madam Speaker, my motion to recommit is very simple.

Despite the terms of the underlying bill, it would retain the \$10,000 cap on the SALT deduction only for tax returns where the people earn more than \$100 million a year.

This would produce about \$7 billion in savings, and we would apply the \$7 billion to doubling the deduction for firefighters and teachers' supplies from \$500, which is provided in the underlying bill, to \$1,000.

Madam Speaker, my friends across the aisle love to say that they are the party of the downtrodden and the middle class, but their actions certainly speak a lot louder than their words. The underlying bill here is a plain giveaway to the rich. Let me say that again: It is a plain giveaway to the rich.

In excess of 50 percent of the benefit of restoring or taking away the SALT cap goes to the top 1 percent of wage earners. Madam Speaker, 94 percent—94 percent—of the benefit of doing away with the SALT cap goes to wage earners that are in the top 10 percent of American wage earners.

Please, Madam Speaker, my friends across the aisle should stop saying that they are for the middle class.

I represent an area in South Carolina. I live in Horry County, South Carolina. The average SALT deduction is \$1,800. The SALT cap of \$10,000 is five times higher than what is needed to cover the average SALT deduction in Horry County.

But I represent poor counties as well. Marion County, South Carolina, 57 percent African American, has an average wage of \$30,000 a year. If we do away with this SALT deduction cap, these people would be subsidizing, with their Federal income taxes, mansions in high-tax States.

That is simply not fair, and it doesn't just apply in South Carolina. It applies to rural areas all over our country, including rural areas in California and rural areas in New York.

The Tax Cuts and Jobs Act signed into effect 2 years ago has restored opportunity in this land of opportunity. We have historic lows in unemployment. Record numbers of people are working in this country, in every demographic category. It cuts taxes for people at every income level.

The opportunity has been restored in this land of opportunity, but my friends across the aisle dig at this. Their big opposition to this bill is that it was a tax cut for the wealthy. They say 80 percent went to the wealthiest 1 percent. That is not true. That only focuses on the time after the individual tax cuts expire.

Their proposal to fix the Tax Cuts and Jobs Act, their proposal to fix this bill that they say is a tax cut for the wealthy, is to put back an even greater tax cut for the wealthy. Again, 94 percent of the benefit of this bill goes to people who earn in the top 10 percent of wage earners in this country.

Madam Speaker, there is an old proverb: I can't hear what you are saying because your actions scream so loudly.

Madam Speaker, if we truly are for the middle class, if we truly are for the downtrodden, if we want to support our firefighters and our teachers, vote for this motion to recommit.

Keep the SALT deduction in place for the wealthiest of the wealthy, only those who are earning \$100 million a year or more. Surely, they can afford to pay for their property taxes on their mansions without subsidies from rural people like the people in Marion, South Carolina.

If we really believe that we want to back the middle class, let's back up our words with actions.

Madam Speaker, I yield back the balance of my time.

□ 1530

Mr. MALINOWSKI. Madam Speaker, I rise in opposition to this motion.

The SPEAKER pro tempore. The gentleman from New Jersey is recognized for 5 minutes.

Mr. MALINOWSKI. Madam Speaker, let's talk about who actually takes the SALT deduction.

In my district in New Jersey, they are not rich. They are teachers. They are firefighters. They are small business owners. They are young families who want to buy a home, seniors who want to stay in theirs.

And then in 2017, House Republicans targeted them because they happen to live in States where we choose to pay for good schools and services.

And why? Not to pay for schools, not to pay for our military, not to pay for our healthcare, but because they needed to find someone in America to pay for cutting our effective corporate tax rate in half.

When middle-class families in my district saw their taxes rise, their home values fall, just one company, Berkshire Hathaway—one company—got a \$29 billion windfall.

Did corporations give that money to their employees? No. According to CRS, the average American worker got an added bonus of \$28.

Did they invest in new jobs and output? No. The economy actually grew more slowly in the six quarters after the bill was passed than in the six quarters before it.

So where did the money go? I will tell you where most of it went. The tax cut helped corporations buy back over \$1 trillion of their own shares on Wall Street, which gave us a temporary sugar high on Wall Street. We may as well have burned that money on The National Mall.

For this—for this—the Republican tax bill took from middle-class families money they needed to buy their first home, to send their kids to college, to stay in their home when they retire.

For this, because capping SALT wasn't nearly enough to pay for that bill, the bill blew a \$2 trillion hole in the national debt—just as everyone on our side predicted because we used something called math.

Madam Speaker, let's restore the SALT deduction. Vote for this bill.

I yield to the gentlewoman from California (Ms. PORTER).

Ms. PORTER. Madam Speaker, when Congress enacted the first income tax in 1861, in the midst of the Civil War, it included the first exemption for State and local taxes.

President Trump's tax law violated our Nation's long-held views of States' rights and a limited Federal Government.

It has long been accepted in America that we do not tax the same income twice. Federal taxation must not crowd out the taxes needed to support critical State and local functions like good schools, roads, and bridges. That principle was first stated in the Federalist Papers. It is a core component of States' rights, and it was attacked by Trump's tax law.

The SALT deduction expresses the longstanding American preference of local solutions to local problems.

President Trump's tax law hurts California communities. By limiting the deductibility of State and local taxes, the Trump tax law was a direct threat to States and communities that are investing in local services. Over the long-term, it will cause local governments to slash revenue that funds schools, healthcare, transit, parks, and first responders.

This bill will not only help middle-class families, but it will expand tax relief for educators by doubling the tax credit from \$250 to \$500. It will create a new tax credit for first responders, the people who put their lives on the line every day to serve us.

I am heartened that my colleagues on the other side of the aisle want to work on a progressive income tax. I am heartened that they want to tax billionaires and ultramillionaires and champion a progressive tax system that addresses income inequality.

But this vote today is about principle. It is about standing up for the principle that States and localities are able to fund the services that are most crucial to their communities.

Mr. MALINOWSKI. Madam Speaker, I yield to the gentleman from California (Mr. THOMPSON).

Mr. THOMPSON of California. Madam Speaker, in the spirit of the holiday season, I accept the motion to recommit.

Mr. MALINOWSKI. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. RICE of South Carolina. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, this 15-minute vote on the motion to recommit H.R. 5377 will be followed by 5-minute votes on:

Garcia (IL)	Lowey	Sarbanes	Nunes	Rutherford	Turner	Barr	Fleischmann	Lewis
Garcia (TX)	Luján	Scanlon	Ocasio-Cortez	Scalise	Upton	Bass	Fletcher	Lipinski
Gomez	Luria	Schakowsky	Olson	Schweikert	Wagner	Beatty	Flores	Loebssack
Gonzalez (TX)	Lynch	Schiff	Palazzo	Scott, Austin	Walberg	Bera	Fortenberry	Lofgren
Gottheimer	Malinowski	Schneider	Palmer	Sensenbrenner	Walden	Bergman	Foster	Long
Green, Al (TX)	Maloney,	Schrader	Pappas	Simpson	Walker	Beyer	Foxx (NC)	Loudermilk
Grijalva	Carolyn B.	Schrier	Pence	Smith (MO)	Walorski	Biggs	Frankel	Lowey
Haaland	Maloney, Sean	Scott (VA)	Perry	Smith (NE)	Waltz	Bilirakis	Fulcher	Lucas
Harder (CA)	Matsui	Scott, David	Pocan	Smucker	Watkins	Bishop (GA)	Gabbard	Luetkemeyer
Hastings	McBath	Sewell (AL)	Posey	Spanberger	Weber (TX)	Bishop (NC)	Gaetz	Luján
Hayes	McCullum	Shalala	Ratcliffe	Spano	Webster (FL)	Bishop (UT)	Gallagher	Luria
Heck	McEachin	Sherman	Reschenthaler	Stanton	Blumenauer	Gallego	Lynch	
Higgins (NY)	McGovern	Rice (SC)	Rogers (KY)	Stauber	Wenstrup	Blunt Rochester	Garamendi	Malinowski
Himes	McNerney	Sherrell	Riggleman	Williams	Westerman	Bonamici	Garcia (TX)	Maloney, Sean
Horsford	Meeks	Sires	Roby	Steil	Wilson (SC)	Bost	Gianforte	Marchant
Houlihan	Meng	Slotkin	Rodgers (WA)	Steube	Wittman	Boyle, Brendan	Gibbs	Marshall
Hoyer	Moore	Smith (NJ)	Roe, David P.	Stewart	Womack	F.	Gohmert	Mast
Huffman	Morelle	Smith (WA)	Rogers (AL)	Stivers	Woodall	Brindisi	Brady	Gomez
Jackson Lee	Moulton	Soto	Rogers (KY)	Taylor	Brindisi	Gonzalez (OH)	Matsui	McAdams
Jayapal	Mucarsel-Powell	Speier	Rooney (FL)	Thompson (PA)	Wright	Brooks (AL)	Gonzalez (TX)	McBath
Jeffries	Napolitano	Stevens	Rose, John W.	Thornberry	Yoho	Brooks (IN)	Gooden	McCarthy
Johnson (GA)	Neal	Suozzi	Rouzer	Timmons	Young	Brownley (CA)	Gosar	McCaul
Johnson (TX)	Neguse	Swalwell (CA)	Roy	Tipton	Zeldin	Buchanan	Gottheimer	McClintock
Kaptur	Norcross	Takano				Buck	Granger	McCullum
Katko	O'Halleran	Thompson (CA)				Bucshon	Graves (GA)	McHenry
Keating	Omar	Thompson (MS)				Budd	Graves (LA)	McKinley
Kelly (IL)	Pallone	Titus	Butterfield	Meadows	Serrano	Burchett	Graves (MO)	McNerney
Kennedy	Panetta	Tlaib	Hunter	Nadler	Shimkus	Burgess	Green (TN)	Meeks
Khanna	Pascarella	Tonko				Bustos	Green, Al (TX)	Meuser
Kildee	Payne	Torres (CA)				Butterfield	Griffith	Miller
Kilmer	Perlmutter	Torres Small				Byrne	Grijalva	Mitchell
Kim	Peters	(NM)				Calvert	Grothman	Moolenaar
Kind	Peterson	Trahan				Carbajal	Guest	Mooney (WV)
King (NY)	Phillips	Trone				Carson (IN)	Guthrie	Moore
Kirkpatrick	Pingree	Underwood				Carter (GA)	Haaland	Morelle
Krishnamoorthi	Porter	Van Drew				Carter (TX)	Hagedorn	Moulton
Lamb	Pressley	Vargas				Cartwright	Harder (CA)	Mucarsel-Powell
Langevin	Price (NC)	Veasey				Case	Harris	Mullin
Larsen (WA)	Quigley	Vela				Casten (IL)	Hartzler	Murphy (FL)
Larson (CT)	Raskin	Velázquez				Castor (FL)	Hastings	Murphy (NC)
Lawrence	Reed	Visclosky				Castro (TX)	Hayes	Napolitano
Lawson (FL)	Rice (NY)	Wasserman				Chabot	Heck	Neal
Lee (CA)	Richmond	Schultz				Cheney	Hern, Kevin	Neguse
Levin (CA)	Rose (NY)	Waters				Chu, Judy	Herrera Beutler	Newhouse
Levin (MI)	Rouda	Watson Coleman				Cicilline	Hice (GA)	Norman
Lewis	Royal-Ballard	Watson				Cisneros	Higgins (LA)	Nunes
Lieu, Ted	Ruiz	Welch				Clark (MA)	Higgins (NY)	O'Halleran
Lipinski	Ruppersberger	Wexton				Cleaver	Hill (AR)	Olson
Loebssack	Rush	Wild				Cline	Himes	Palazzo
Lofgren	Ryan	Wilson (FL)				Cloud	Holding	Palmer
Lowenthal	Sánchez	Yarmuth				Clyburn	Hollingsworth	Panetta

NOES—206

Abraham	Curtis	Hudson				Cole	Horsford	Payne
Aderholt	Davidson (OH)	Huizenga				Collins (GA)	Houlahan	Pelosi
Allen	Davis, Rodney	Hurd (TX)				Comer	Hoyer	Pence
Allred	DesJarlais	Johnson (LA)				Conaway	Hudson	Perlmutter
Amash	Diaz-Balart	Johnson (OH)				Connolly	Huizenga	Perry
Amodei	Doggett	Johnson (SD)				Cook	Hurd (TX)	Peters
Armstrong	Duncan	Jordan				Cooper	Jackson Lee	Peterson
Arrington	Dunn	Joyce (OH)				Correa	Jeffries	Phillips
Axne	Emmer	Joyce (PA)				Costa	Johnson (GA)	Porter
Babin	Estes	Keller				Courtney	Johnson (LA)	Posey
Bacon	Ferguson	Kelly (MS)				Cox (CA)	Johnson (OH)	Price (NC)
Baird	Finkenauer	Kelly (PA)				Craig	Johnson (SD)	Quigley
Balderson	Fleischmann	King (IA)				Crawford	Johnson (TX)	Ratcliffe
Banks	Flores	Kinzinger				Crenshaw	Jordan	Reed
Barr	Fortenberry	Kuster (NH)				Crist	Joyce (OH)	Reschenthaler
Bergman	Foxx (NC)	Kustoff (TN)				Crow	Joyce (PA)	Rice (NY)
Biggs	Fulcher	LaHood				Cuellar	Katko	Rice (SC)
Bilirakis	Gaetz	LaMalfa				Cunningham	Keating	Richmond
Bishop (NC)	Gallagher	Lamborn				Curtis	Keller	Riggleman
Bishop (UT)	Gianforte	Latta				Davids (KS)	Kelly (IL)	Roby
Bost	Gibbs	Lee (NV)				Davidson (OH)	Kelly (MS)	Rodgers (WA)
Brady	Gohmert	Lesko				Davis, Danny K.	Kelly (PA)	Roe, David P.
Brooks (AL)	Golden	Long				Davis, Rodney	Khanna	Rogers (AL)
Brooks (IN)	Gonzalez (OH)	Loudermilk				Dean	Kildee	Rogers (KY)
Buchanan	Gooden	Lucas				DeGette	Kilmer	Rooney (FL)
Buck	Gosar	Luetkemeyer				DeLauro	Kim	Rose (NY)
Bucshon	Granger	Marchant				DelBene	King (IA)	Rouse
Budd	Graves (GA)	Marshall				Delgado	King (NY)	Rouzer
Burchett	Graves (LA)	Massie				Demings	Kinzinger	Roy
Burgess	Graves (LA)	Massie				DesJarlais	Kirkpatrick	Royal-Allard
Byrne	Green (TN)	McAdams				Deutch	Krishnamoorthi	Ruiz
Calvert	Griffith	McCarthy				Diaz-Balart	Kuster (NH)	Ruppersberger
Carter (GA)	Grothman	McCarthy				Dingell	Kustoff (TN)	Rush
Carter (TX)	Guest	McClintock				Doggett	LaHood	Rutherford
Castro (TX)	Guthrie	McHenry				Doyle, Michael	LaMalfa	Ryan
Chabot	Hagedorn	McKinley				F.	Lamb	Sánchez
Cheney	Harris	Meuser				Duncan	Lamborn	Sarbanes
Cline	Hartzler	Miller				Dunn	Langevin	Scalise
Cloud	Hern, Kevin	Mitchell				Emmer	Larsen (WA)	Scanlon
Cole	Herrera Beutler	Moolenaar				Eshoo	Latta	Schakowsky
Collins (GA)	Hice (GA)	Mooney (WV)				Estes	Lawrence	Schneider
Comer	Higgins (LA)	Mullin				Ferguson	Lawson (FL)	Schrader
Conaway	Hill (AR)	Murphy (FL)				Lee (NV)	Lee (NV)	Schrier
Cook	Holding	Murphy (NC)				Finkenauer	Lesko	Schweikert
Crawford	Hollingsworth	Newhouse				Fitzpatrick	Levin (CA)	Scott (VA)
Crenshaw	Horn, Kendra S.	Norman						

NOT VOTING—6

So the bill was passed.
The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

(Mr. HOYER asked and was given permission to address the House for 1 minute.)

Mr. HOYER. Madam Speaker, following the vote on the passage of H.R. 5430, Members are advised that there will be no more votes in the House until January 7.

Madam Speaker, I want to wish all Members of this House, their staffs, and all the employees of this institution, on whom we rely so much and who do so much for us and for our country, a happy holiday season with their family and loved ones and with their neighbors.

May God bless our country.

UNITED STATES-MEXICO-CANADA AGREEMENT IMPLEMENTATION ACT

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the unfinished business is the vote on passage of the bill (H.R. 5430) to implement the Agreement between the United States of America, the United Mexican States, and Canada attached as an Annex to the Protocol Replacing the North American Free Trade Agreement, on which the yeas and nays were ordered.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the passage of the bill.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 385, nays 41, not voting 5, as follows:

[Roll No. 701]

YEAS—385

Abraham	Allred	Babin	Evans	
Adams	Amodei	Bacon	Ferguson	
Aderholt	Armstrong	Baird	Gilligan	
	Arrington	Balderson	Hagedorn	
	Axne	Banks	Herrera Beutler	