

Wilmington, Delaware
December 7, 2017

#4456

Sponsor:

**Council
President
Shabazz**

WHEREAS, in a time of great division in our country, it is crucial for state and local governments to be engaged with federal officials on matters and policies that particularly affect leaders at the local level; and

WHEREAS, cities presently face particular challenges related to funding the provision of local services, and city leaders across the country have raised concerns about how cities will fare in light of tax reform solutions that have been proposed in Washington, D.C.; and

WHEREAS, legislation was recently introduced in the United States Congress that would eliminate the State and Local Tax (SALT) Deduction, which has been in place since the establishment of the federal income tax in 1913; and

WHEREAS, the SALT Deduction provides some of the funding that state and local governments utilize to provide public resources and services, including education, law enforcement, fire protection and roads. Aside from these public resources, the SALT Deduction also makes it easier for people to become homeowners, and removes the possibility for income to be taxed twice; and

WHEREAS, the elimination of the SALT Deduction could cause considerable harm to state and local governments, and by extension, residents of those jurisdictions. According to an intensive report prepared by the Government Finance Officers Association, approximately 30% of taxpayers would be negatively impacted by the elimination of the SALT Deduction; and

WHEREAS, the National League of Cities and the United States Conference of Mayors, among other organizations, have recently formulated campaigns joining cities advocating against the elimination of the SALT Deduction and encouraging the federal government to stand with cities when considering any form of tax reform.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF WILMINGTON, that the Council strongly encourages the United States Congress to consider the financial challenges and responsibilities facing cities when reviewing proposed tax reform, and to consider the implications of eliminating the SALT Deduction for state and local governments.

Passed by City Council,

Attest: _____
City Clerk

Approved as to form this _____
day of December, 2017

Senior Assistant City Solicitor

SYNOPSIS: This Resolution encourages the United States Congress to factor in the financial challenges facing cities when considering proposed tax reform, including the proposed elimination of the State and Local Tax Deduction.