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AMENDMENT TO H. CON. RES. 312

OFFERED BY MR. BRADY OF TEXAS

At the end of title VI, add the following new section:

SEC. ___. SENSE OF CONGRESS ON EXTENDING THE SALES TAX DEDUCTION FOR 2008.

(a) FINDINGS.—Congress finds the following:

(1) Before 1986, the tax code permitted for the deduction of State sales taxes.

(2) Residents of "income tax States" are allowed to deduct their State income taxes from their Federal tax returns.

(3) Residents of "non-income tax States"—States that principally rely on the sales tax—are unable to deduct their State sales taxes on their federal tax returns.

(4) Seven U.S. States—Florida, Nevada, South Dakota, Tennessee, Texas, Washington, and Wyoming—collect no State income tax from its taxpayers and instead draw revenue from sales taxes.

(5) Taxpayers in States without an income tax end up paying more to the Federal Government than a taxpayer with an identical profile in a different State.

1 (6) Congress restored the sales tax deduction in
2 the American Jobs Creation Act of 2004, but the ex-
3 tension expired on December 31, 2007.
4 (7) Congress should make extend the State
5 sales tax deduction through the end of 2008 to give
6 taxpayers confidence that they will be able to deduct
7 their sales taxes, as they were able to for the 2007
8 tax year.
9 (8) The sales tax deduction is supported by
10 countless individuals and organizations throughout
11 the country, including the National Conference of
12 State Legislators and the Governors from each of
13 the sales tax States.
14 (9) American families and taxpayers in sales
15 tax only States will experience a tax increase for
16 2008 and every subsequent year if Congress does
17 not make extend the sales tax deduction for 2008.
18 (b) SENSE OF CONGRESS.—It is the sense of the
19 Congress that the State Sale Tax Deduction should be ex-
20 tended through December 31, 2008.