

CONGRESSWOMAN YOUNG KIM
WAYS AND MEANS COMMITTEE MEMBER DAY
WEDNESDAY, JANUARY 22ND, 2025
1100 LONGWORTH

SUGGESTED REMARKS

Thank you, Chairman Smith, and Ranking Member Neal, for convening this important Member Day hearing to learn about our priorities this Congress.

I represent the hardworking people of California's 40th District. My constituents primarily reside in the counties of Orange and San Bernardino, and a small portion of Riverside County. For most of my constituents – as I am sure many of your constituents – increasing living costs and home affordability are top of mind.

As the Ways and Means Committee begins the process of writing a tax package, I ask that your Members consider fixing the state and local tax, or SALT, deduction cap imposed by the Tax Cuts and Jobs Act, or TCJA. The TCJA SALT Cap discriminated against families who filed their taxes jointly because it imposed the

same \$10,000 cap as individual filers. The Committee must also consider fixing this marriage penalty.

The SALT deduction originated from the Revenue Act of 1913, which included a provision that allowed the deduction of state and local states in order to prevent double taxation. For over a century, the SALT deduction was a bedrock of tax law and allowed more families to keep more of their hard-earned money in their pockets. Unfortunately, the Cap on SALT deductions made home ownership unattainable for districts like mine.

According to the Federal Housing Finance Agency's national House Price Index¹, a metric of how selling prices for single-family homes have changed, we saw an increase of nearly 60 percent from July 2019 to July 2024 all the while the SALT Cap remains the same.

¹ <https://www.pewresearch.org/short-reads/2024/10/25/a-look-at-the-state-of-affordable-housing-in-the-us/>

Fixing the SALT Cap is not a red or blue state issue – it's all about making homes affordable for my constituents no matter who they voted for.

I also would encourage the Committee to consider Rep. LaHood's Affordable Housing Credit Improvement Act, which I have strongly supported as an original cosponsor. The bill would finance more affordable housing by expanding and strengthening the Low-Income Housing Tax Credit. Mr. LaHood's bill would allow more affordable housing to be built for millions of families.

Additionally, I urge the Committee to follow the Speaker's thinking on some of the energy tax credits enacted by the Inflation Reduction Act and use a scalpel and not a sledgehammer when thinking about which tax credits to repeal.

Chairman Smith, I look forward to continuing to work with you and your team to address many of my constituents' concerns. Thank you for listening and for the opportunity to speak with you today. I yield back.