

Thank you, Mr. Chairman, and members of the committee.

I am here today to express my opposition to raising the State and Local Tax deduction cap, commonly referred to as the SALT cap. The implications of this deduction are severe, and it's imperative that we consider who in this nation truly bears the cost.

Raising the SALT cap would unfairly punish residents of places like my home state of Texas, and other states that have no state income tax and are properly governed. Residents in these states have made deliberate choices to keep taxes low and prioritize fiscal responsibility.

Yet, under a higher SALT deduction, their hard-earned dollars would effectively subsidize residents of high-tax states that have often demonstrated a pattern of fiscal irresponsibility. Is it fair to ask a hardworking Texan to shoulder the financial burden of another state's poor policy choices?

Let's take a closer look at some of those policy choices. High-tax states like New York and California have adopted agendas that prioritize wasteful spending over sound governance. They funnel billions into programs that promote divisive Diversity, Equity, and Inclusion (DEI) initiatives, burden businesses with costly regulations under the guise of a "Green New Deal," and allocate taxpayer dollars to provide benefits to illegal immigrants. These are policies that not only strain their budgets but also fail to address the core needs of their residents, such as public safety, infrastructure, and education.

Supporters of raising the SALT cap often argue that it's about fairness, claiming that it will ease the tax burden on middle-class families in high-tax states. But let's be clear: this is a tax break that overwhelmingly benefits the wealthiest households. According to the nonpartisan Tax Policy Center, nearly 90% of the benefits of removing the SALT cap would go to households earning \$200,000 or more per year. Meanwhile, middle-class families in fiscally responsible states see no relief, only an increasing federal tax burden because of these subsidized deductions.

Raising the SALT deduction incentivizes states to continue their irresponsible practices, knowing that they can shift the financial burden to the federal level. This undermines accountability and creates a moral hazard, where leaders in high-tax states have little incentive to enact reforms or control their spending.

Our tax policy should reward responsibility, not penalize it. It should encourage states to live within their means, not enable fiscal recklessness. Raising the SALT deduction cap does the opposite. It's a giveaway to the wealthy in states that prioritize the Woke Agenda over good governance, and it's paid for by the hardworking taxpayers in states that do things right.

In the words of President Reagan: "We can lecture our children about extravagance until we run out of voice and breath. Or we can cut their extravagance by simply reducing their allowance." Reagan's words resonate profoundly today. Eliminating the SALT deduction is a critical step toward curbing the fiscal excesses of high-tax states while ensuring fairness for taxpayers nationwide.