

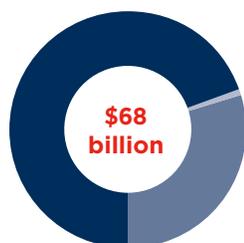
U.S. Economy Loses if Federal Government Ends State and Local Tax Deductibility

\$68 billion in deductions

New York state taxpayers claimed \$68 billion in state and local tax deductions in 2014, second only to California.

Figure 1

For New York state taxpayers, state and local income taxes account for 70 percent of claimed state and local deductions.



\$47.3 billion (69.6%)
State and local income taxes

\$453 million (0.7%)
State and local sales taxes

\$20.2 billion (29.7%)
State and local real estate taxes

\$7.7 billion

In New York City alone, the estimated value of itemized income tax deductions is \$7.7 billion, an average tax reduction of \$6,607 per impacted taxpayer.

Figure 2

Taxpayers in almost all income brackets would be impacted by loss of itemized deductions.

Adjusted Gross Income	Total Returns	Taxpayers Impacted	Average Tax Benefit for Impacted
Under \$50k	2,485,404	184,963	\$444
\$50k-\$100k	805,060	435,326	\$1,246
\$100k-\$200k	408,564	349,313	\$2,891
\$200k+	216,268	197,748	\$30,739
Total	3,915,296	1,167,350	\$6,607

Even with state and local deductibility, high cost cities—like New York—are still a good deal for the federal government.

New York City's tax revenue contribution to the federal government is \$56.1 billion more than it receives in federal grants and other support.

\$117.3 billion

New York City to Washington, D.C.

Personal income taxes: \$96 billion

Business income taxes: \$19 billion

\$61.2 billion

Washington, D.C. to New York City

Federal grants: \$19 billion

Other direct payments: \$14 billion

Retirement and disability: \$10 billion

Insurance payments: \$9 billion

Guaranteed or insured loans: \$4 billion

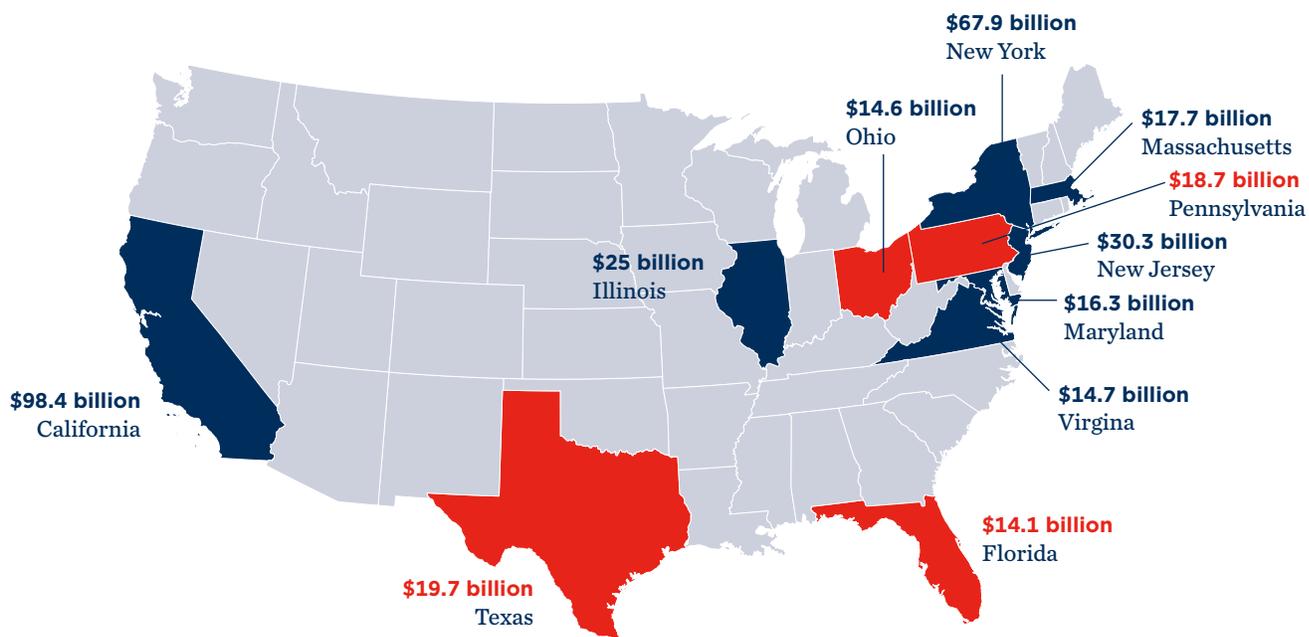
Salaries and wages: \$3 billion

\$56.1 billion balance of payments deficit

Top 11 states for total claimed itemized state and local tax deductions

Figure 3

In the top 11 states ranked by total major deductions, high tax states such as California and New York are joined by lower tax states such as Texas, Florida and Pennsylvania.



These states contribute a combined 59 percent of total federal taxes and receive back 54 percent of federal spending.

And they represent:

- 58% of U.S. GDP
- 62% of Fortune 500s
- 54% of U.S. population

State	State & Local Income Taxes	State & Local Sales Taxes	State & Local Real Estate Taxes	Total State & Local Taxes
CA	\$70.8 bn	\$1.4 bn	\$26.2 bn	\$98.4 bn
NY	\$47.3 bn	\$453.1 m	\$20.2 bn	\$67.9 bn
NJ	\$15.6 bn	\$249.7 m	\$14.4 bn	\$30.3 bn
IL	\$13.2 bn	\$333.7 m	\$11.5 bn	\$25.0 bn
TX	\$1.4 bn	\$4.7 bn	\$13.7 bn	\$19.7 bn
PA	\$10.6 bn	\$159.9 m	\$8.0 bn	\$18.7 bn
MA	\$11.1 bn	\$48.9 m	\$6.6 bn	\$17.7 bn
MD	\$11.6 bn	\$51.4 m	\$4.6 bn	\$16.3 bn
VA	\$9.7 bn	\$70.5 m	\$4.9 bn	\$14.7 bn
OH	\$9.1 bn	\$134.1 m	\$5.3 bn	\$14.6 bn
FL	\$2.9 bn	\$2.7 bn	\$8.4 bn	\$14.1 bn

Totals may not add up due to rounding.