



# NEWS

**AMERICANS FOR TAX REFORM**

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## **Taxpayers Praise Nethercutt's Leadership on State Sales Tax Deduction, call for Preserving Provision in FSC/ETI**

*Deduction championed by Rep. George Nethercutt (R-Wash.) exists only in House version*

WASHINGTON—Americans for Tax Reform, the nation's leading taxpayer advocacy organization, today called on the conference committee dealing with FSC/ETI to preserve the House of Representatives provision which restores federal deductions for state sales taxes in states without income taxes. Under the House version of the bill, also known as The American Jobs Creation bill, taxpayers who itemize would be able to claim deductions for income taxes paid if their state has no income tax.

The FSC/ETI bill will bring the United States into compliance with a World Trade Organization ruling which has resulted in European Union-imposed trade penalties.

**"It is grossly unfair that citizens in states with income taxes can deduct their state taxes when calculating their federal tax bill, but those in states with a consumption based approach have to pay federal taxes on the very money their state government *already* taxes away from them. It's a double-tax absurdity,"** said Grover Norquist, taxpayer advocate and president of Americans for Tax Reform.

The tax deduction will be sizable for families in eligible states, including Washington, Alaska, South Dakota, Nevada, and Florida. For example, the sales tax deduction is estimated to save residents of Washington state an average of about \$500 per itemized return.

**"We need to get away from our practice of double, triple, and quadruple taxing the same money. Every time we turn around, some entity of government goes back over to the same money we've earned. In this case, it's money the taxpayer never got to spend or save at all. The federal government is taxing money that is entirely collected in taxes. To keep doing so is just wrong. The conference committee needs to preserve the House's deduction,"** added Norquist.

Americans for Tax Reform (ATR) is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal, state and local tax increases.  
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