To amend the Internal Revenue Code of 1986 to modify the limitation on the deduction by individuals of certain State and local taxes.

IN THE HOUSE OF REPRESENTATIVES

Mr. MALINOWSKI introduced the following bill; which was referred to the Committee on

A BILL

To amend the Internal Revenue Code of 1986 to modify the limitation on the deduction by individuals of certain State and local taxes.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
3 SECTION 1. SHORT TITLE.
4 This Act may be cited as the “Supporting Americans
5 with Lower Taxes Act” or as the “SALT Act”.

February 16, 2022 (12:10 p.m.)
SEC. 2. MODIFICATION OF LIMITATION ON THE DEDUCTION BY INDIVIDUALS OF CERTAIN STATE AND LOCAL, ETC., TAXES.

(a) IN GENERAL.—Section 164(b)(6) is amended to read as follows:

“(6) LIMITATION ON DEDUCTION BY CERTAIN HIGH-INCOME INDIVIDUALS.—

“(A) IN GENERAL.—In the case of a taxpayer with adjusted gross income which equals or exceeds $400,000 for any taxable year—

“(i) foreign real property taxes shall not be taken into account under subsection (a)(1) (or section 216(a)) for such taxable year, and

“(ii) the aggregate amount of taxes taken into account under paragraphs (1), (2), and (3) of subsection (a) and paragraph (5) of this subsection (and any tax described in any such paragraph taken into account under section 216(a)(1)) for such taxable year shall not exceed $60,000.

“(B) PHASEDOWN OF LIMITATION BASED ON ADJUSTED GROSS INCOME.—The $60,000 amount in subparagraph (A)(ii) shall be reduced (but not below zero) by the dollar
amount which bears the same ratio to $60,000 as—

“(i) the excess of the taxpayer’s adjusted gross income over $400,000, bears to

“(ii) $600,000.

“(C) APPLICATION RESTRICTED TO CERTAIN TAXPAYERS AND TAXES.—

“(i) APPLICATION TO INDIVIDUALS.—

Subparagraph (A) shall only apply to individuals, estates, and trusts.

“(ii) EXCLUSION OF CERTAIN BUSINESS TAXES.—Subparagraph (A) shall not apply to any foreign taxes described in subsection (a)(3) or to any taxes described in paragraph (1) and (2) of subsection (a) which are paid or accrued in carrying on a trade or business or an activity described in section 212.

“(D) MARRIED INDIVIDUALS FILING A SEPARATE RETURN.—In the case of a married individual filing a separate return, subparagraphs (A) and (B) shall be applied—

“(i) by substituting ‘$200,000’ for ‘$400,000’ each place it appears,
“(ii) by substituting ‘$30,000’ for ‘$60,000’ each place it appears, and
“(iii) by substituting ‘$300,000’ for ‘$600,000’ in subparagraph (B)(ii).
“(E) ESTATES AND TRUSTS.—In the case of an estate or trust, adjusted gross income shall be determined as provided in section 67(e).
“(F) DENIAL OF DEDUCTION TO BILLIONAIRES.—Unless the taxpayer has less than $1,000,000,000 ($500,000,000 in the case of a married individual filing a separate return) in assets as of the close of the taxable year (and attests to such fact under penalty of perjury at such time and in such manner as the Secretary may provide)—
“(i) subparagraph (A) shall be applied—
“(I) by substituting ‘zero’ for ‘$400,000’, and
“(II) by substituting ‘zero’ for ‘$60,000’, and
“(ii) subparagraphs (B) and (D) shall not apply.”.
(b) **Effective Date.**—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

**SEC. 3. MEDICARE VISION AND HEARING TRUST FUND.**

(a) **In General.**—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

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SEC. 9512. MEDICARE VISION AND HEARING TRUST FUND.

(a) Creation of Trust Fund.—There is established in the Treasury of the United States a trust fund to be known as the ‘Medicare Vision and Hearing Trust Fund’, consisting of such amounts as may be appropriated or credited to such fund as provided in this section or section 9602(b).

(b) Transfers to Trust Fund.—There are hereby appropriated to the Medicare Vision and Hearing Trust Fund amounts equivalent to the amounts received in the Treasury by reason of the amendment made by section 2 of the SALT Act.

(c) Expenditures.—Amounts in the Medicare Vision and Hearing Trust Fund shall be available, as provided in appropriation Acts, only for the purpose of providing vision and hearing benefits pursuant to the Medicare program established under title XVIII of the Social Security Act.”
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(b) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 98 of such Code is amended by adding at the end the following new item:

“Sec. 9512. Medicare Vision and Hearing Trust Fund.”.