



## PRESS RELEASE

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### **Attorney General Frosh Announces Legal Challenge to Trump Administration's Tax Bill**

**BALTIMORE, MD (February 1, 2018)** – Maryland Attorney General Brian E. Frosh today announced that the State of Maryland will file suit challenging the constitutionality of the Trump Administration's tax bill, H.R. 1. Along with other states, Maryland will challenge the bill's \$10,000 federal cap on state and local property and income taxes deductions.

“By eliminating the SALT deductions, Trump’s tax bill will jack up taxes for more than half a million Marylanders,” said Attorney General Frosh. “It is an attack on state sovereignty and an attempt to cripple our ability to educate our kids, protect the Chesapeake Bay, and build the infrastructure that Maryland needs to be competitive in the world economy.”

The \$10,000 cap on the state and local tax deduction (SALT) disproportionately harms Maryland residents and disrupts the longstanding balance of taxing power between the states and the federal government. Maryland relies on state property and income taxes to fund a variety of critical services, including education, health care, public safety, and other priorities. Over half a million Marylanders will lose \$6.5 billion in SALT deductions - an average of \$11,800 per taxpayer. These changes will also have harmful collateral consequences for the State and its residents. With the decreased value of the property tax deduction, for example, many Marylanders will see decreases in the value of their homes. Maryland residents will have an incentive to move elsewhere, and attracting young families and skilled workers to the State will become more difficult, putting Maryland at a competitive disadvantage.

Moreover, the overall impact of the changes to itemized deductions will impact almost 600,000 Marylanders who will lose \$6.7 billion in deductions.