



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

February 19, 2015

**H.R. 622
State and Local Sales Tax Deduction Fairness Act of 2015**

As ordered reported by the House Committee on Ways and Means on February 12, 2015

H.R. 622 would amend the Internal Revenue Code to permanently extend the provision allowing taxpayers who itemize their tax deductions to elect to deduct state and local sales taxes in lieu of state and local income taxes. That provision expired at the end of tax year 2014.

The staff of the Joint Committee on Taxation (JCT) estimates that enacting H.R. 622 would reduce revenues, thus increasing federal deficits, by about \$42 billion over the 2015-2025 period.

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending and revenues. Enacting H.R. 622 would result in revenue losses in each year beginning in 2015. The estimated increases in the deficit are shown in the following table.

JCT has determined that the bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Logan Timmerhoff. The estimate was approved by David Weiner, Assistant Director for Tax Analysis.

CBO Estimate of Pay-As-You-Go Effects for H.R. 622, as ordered reported by the House Committee on Ways and Means on February 12, 2015

	By Fiscal Year, in Millions of Dollars												2015-	2015-
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2020	2025	
NET INCREASE IN THE DEFICIT														
Statutory Pay-As-You-Go Impact	148	3,332	3,462	3,656	3,872	4,074	4,298	4,539	4,772	5,021	5,267	18,543	42,440	

Source: Staff of the Joint Committee on Taxation.

Note: Components do not sum to totals because of rounding.
