

United States Senate

WASHINGTON, DC 20510-4304

June 19, 2012

The Honorable Max Baucus
Chairman
U.S. Senate Finance Committee
216 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Orrin Hatch
Ranking Member
U.S. Senate Finance Committee
216 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Baucus and Ranking Member Hatch:

Among a number of expiring tax provisions, I want to call your attention to two important items for working families in my state and across the nation: the state and local sales tax deduction and the marriage penalty. The deduction for state and local general sales taxes expired at the end of 2011, and marriage penalty relief will expire at the end of this year. I have appreciated your support in including these two provisions in previous tax relief legislation, and I urge you to take needed action again.

According to the Texas Comptroller, the sales tax deduction saves Texas taxpayers a projected \$1.2 billion a year on their federal taxes, or an average of \$520 per filer claiming the deduction. The marriage penalty tax pushes married couples into a higher tax bracket than two single wage earners with the same income. Previously, before Congress provided relief, 42% of married couples paid an average penalty of \$1,400. I hope that we can work together to address these two issues before the end of the year.

I look forward to working with you on these issues in the coming months. Thank you for undertaking the difficult challenge of working to find common ground to resolve the looming tax issues. Please do not hesitate to reach out if you have questions or need additional information.

Sincerely,


Kay Bailey Hutchison