

### Paul Works to Create Permanent Sales Tax Deduction for Texans

October 18, 2005      Washington, DC: Congressman Ron Paul has joined several of his colleagues in the Texas delegation in working with Congressman Kevin Brady to correct an injustice that affects millions of Texas taxpayers.

Texans have been discriminated against by our tax rules since 1987. Most American taxpayers are able to deduct their state income taxes from their federal tax bill. However, citizens of Texas (and other states with no income tax) obviously cannot claim such a deduction, and the deduction for states sales taxes was eliminated in 1987. As a result, Texans have paid proportionately more income taxes than residents of many other states.

In a letter sent to Ways and Means Committee Chairman Bill Thomas, Brady, Paul, and other Texas members urged that the deduction for state sales taxes be preserved permanently. “We believe that as long as taxpayers have the ability to deduct their state and local income taxes, then...deducting state and local sales taxes must also be part of the tax code,” the letter states.

In 2004, Congress passed a temporary provision resurrecting the deduction for state sales taxes. However, the provision expires next year, so new legislation is needed to make the deduction permanent. Congressman Paul and his House colleagues from Texas are committed to working with Congressman Brady and the House Ways and Means Committee to ensure that Texans never pay more federal income taxes than residents of other states.