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Proposed Federal Tax Reform Poses Threat to the American Dream for Long Islanders

Huntington, NY – Suffolk County Legislator William R. Spencer, M.D., joined the Long Island Association's Vice President Matt Cohen, County Executive Steve Bellone, Legislator Steve Stern and members of the Huntington Township Chamber of Commerce to voice their opposition against discussions taking place on the federal level between the current Administration and Congressional leadership to eliminate or reduce real estate deductions. Data indicates that eliminating homeowner's ability to make itemized deductions, including deduction of their mortgage interest, would cost taxpayers across the island \$4.4 billion. Such a loss to Long Island's local economy would have devastating impacts.

"For Suffolk County residents, who already pay a steep price in property taxes, this type of tax reform will be a blow to homeowners and will have a negative ripple effect on our economy as a whole. With potential increases as high as \$4,000, this reform will cut off many Suffolk County Residents from the American Dream by discouraging homeownership, and will cripple current homeowner's ability to make ends meet," stated Legislator William R. Spencer, M.D.

In researching the federal discussions on tax reform, particularly about eliminating mortgage interest deductions, the Long Island Association released a report concluding that every income level, especially

the middle class, would see their taxes increase if itemized deductions are eliminated.¹ The reform would restrict hardworking homeowners buying power, hurt local and small businesses and help to drive people and families off the island.

Matt Cohen, Vice President of the Long Island Association, stated, "The Long Island Association Research Institute reported in 2013 that Long Island already sends the federal government \$23.1 billion more than it receives back, adding this loss on top of that will be a disaster. This proposal will no doubt disproportionately penalize us."

"Two-thirds of the country's gross domestic product is consumer spending. The elimination of the mortgage interest, state income tax, and real property tax deductions not only puts a significant damper on incentivizing home ownership, but will also mean that families will have less disposable income to spend in their communities on local businesses," stated Robert J. Ansell, Board member of the Huntington Township Chamber of Commerce.

The Trump administration's tax and revenue portion of its new budget is expected to be presented by the end of the month.

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¹ <https://chambermaster.blob.core.windows.net/userfiles/UserFiles/chambers/2181/CMS/Federal-Tax-Reforms-Could-Threaten-Long-Island.pdf>