For Immediate Release
August 23, 2018

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The National Coalition for Public Education’s Statement on Proposed SALT Regulations

Today, the IRS released proposed regulations regarding the ability of taxpayers to receive a federal deduction when they are receiving a state and local tax credit.

In a positive step forward, the Trump Administration has proposed closing down a tax shelter that enables taxpayers in twelve states to receive a full federal charitable deduction when they also receive a significant state tax credit for donations to private schools.

By disallowing a full tax deduction for donations to private schools and public schools and entities, the IRS has crafted a regulation that is fair and appropriate. Donors who support private school voucher programs should not be allowed to profit from their donations to voucher programs. These tax credit shelters are not just a misuse of the federal charitable deduction, but also a federal subsidy for private schools that comes at the expense of public schools. The IRS is right to close this loophole.

Founded in 1978, the National Coalition for Public Education supports public schools and opposes the funneling of public money to private and religious schools through vouchers, tuition tax credits, education savings accounts, and portability. For more information, contact Sasha Pudelski (spudelski@aasa.org or 703-8773-6933) or Maggie Garrett (garrett@au.org or 202-898-2140).