

SB22-124 SALT Parity Act

Wednesday, Feb. 23rd, 2022

Senate Finance

Written Testimony: Support

Good afternoon and thank you, Mr. Chair (or Madam Vice Chair) and members of the committee, for the opportunity to provide this testimony. My name is Adam Burg, and I'm the vice president of government affairs at the Denver Metro Chamber of Commerce. For 154 years, the Denver Metro Chamber of Commerce has been a leading voice for Colorado's business community, advocating for sound policy that strengthens our economy and makes our state the best place to live, work and do business.

I'm here today on behalf of the Chamber and our members to express our support for Senate Bill 124.

We supported and championed the initial legislation that passed last session with House Bill 1327, and we support this effort to enact the legislation retroactively to Jan. 1st, 2018.

The cap on the amount of state and local taxes (SALT) that a pass-through entity can deduct on their federal taxes, enacted via the 2017 Federal Tax Cut and Jobs Act (TCJA), has had numerous negative effects and disadvantaged them greatly compared to C corporations. It has resulted in increased federal taxes for main street employers. We were grateful to have seen House Bill 1327 pass last session as the tax parity will benefit small businesses with added flexibility, helping save them money on their federal tax returns.

Applying this change retroactively to Jan. 1st, 2018, will only further help small businesses, and it will help mitigate at least some of the economic impacts of the COVID-19 pandemic.

We thank bill sponsors Senators Woodward and Kolker and Representatives Ortiz and Van Winkle for bringing this bill and we urge the committee to vote yes.

Adam Burg, Vice President of Government Affairs, Denver Metro Chamber of Commerce