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Impact of SALT Deduction Cap on Individual Tax Liability

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Impact of SALT Deduction Cap on Individual Tax Liability

by

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Abstract

The Tax Cuts and Jobs Act of 2017 placed a cap of $10,000 on the State and Local Tax deduction. A survey was carried out to compare individuals' tax liability in 2017 (before the cap) with their tax liability in 2018 (after the cap). The results suggest that fewer people itemized in 2018, and most belonged to the high-income group. Many individuals who itemized in 2018 also saw an increase in their federal tax liability. Most individuals with less than $100,000 yearly income opted for the standard deduction and saw a decrease in their federal tax liability in 2018 (in the presence of the SALT deduction cap) as compared to their liability in 2017 (in the absence of a SALT deduction cap).

Key Terms: State and local tax deduction, tax cuts, jobs act, federal tax liability

Acknowledgements

I want to take a moment to thank my thesis advisor, Dr. Megan Leach, for her enthusiastic efforts in guiding me and for providing constant support and mentoring. Thank you for everything. I would also like to thank all the faculty of The Honors College and the School of Accountancy for all the assistance and advice they gave me throughout my time at The University of Southern Mississippi.

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List of Abbreviations

AGI	Adjusted Gross Income
IRS	Internal Revenue Service
SALT	State and Local Tax
TCJA	Tax Cuts and Jobs Act

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Chapter 1: Introduction

The Tax Cuts and Jobs Act (TCJA) of 2017 introduced the State and Local Tax (SALT) deduction cap. This study investigated the cap on the SALT deduction to answer the following two questions: Did the SALT cap raise the income tax obligation for high-income individuals as compared to their tax obligations in the absence of a cap? Did the SALT cap benefit the low-income individuals who opted to standardize their deductions?

The Tax Cuts and Jobs Act of 2017 is relatively new, and many people have mixed views regarding whom the act benefits. This study examined the impact of the cap introduced on the SALT deduction on individual tax liability. Policy research is necessary to comprehend the reasons behind a change in tax laws. The professionals involved in tax-law are not infallible, and it takes time to determine the impact of new policies. The tax-law is continually changing, and to advise clients in the best manner, proper research into new reforms is necessary. Understanding the impact of the SALT deduction cap will help tax professionals and individuals decide whether to take the standard deduction or to itemize deduction.

Chapter 2: Tax Policy Review

Federal and State Tax Policies

The United States of America has a multilevel system for taxing income. Taxes are levied by the federal, state, and local governments. Both federal and state income taxes apply a rate to taxable income to calculate tax obligations; however, rates and their applications vary. The federal government has a uniform system of progressive taxation applicable to all citizens, but the state tax system can differ from one state to another. Individual income tax is the most significant source of revenue for the federal income tax system (Sherlock and Marples). Most of the income consists of taxes on salaries and wages. The state government of Mississippi gathers many kinds of taxes, with most tax revenue being generated through sales tax and personal income tax. In 2017 and 2018, the individual income tax rate in Mississippi ranged from 3% to 5%, and the sales tax rate was 7% (*Tax Rates, Exemptions, & Deductions*).

The USA follows a progressive tax system under which taxes are calculated based on a person's taxable income. The rate increases as income increases. Deductions can lower taxable income, hence decrease the tax liability. There are two types of deductions: "above-the-line" deductions and "below-the-line" deductions. Above-the-line deductions are subtracted from gross income to reach adjusted gross income (AGI). Below-the-line deductions are subtracted from AGI to arrive at taxable income. Tax obligation is then calculated by applying the tax rate to taxable income, less tax credits. The standard deduction is one option for below-the-line deductions. It is a set deduction amount used to arrive at taxable income. The deductible amount will depend on a person's filing status (i.e., single, married, head of household). The second option is to itemize deductions, which allows individuals to deduct qualifying expenses such as medical, charitable contributions, mortgage interest, state income taxes, and property taxes (Sherlock and Marples) to determine taxable income.

History of the State and Local Tax Deduction

The federal income tax was established in 1913; since then, the state and local tax (SALT) deduction have been allowed to prevent individuals from paying double taxes to state and federal governments. The original basis for the SALT deduction only reaches down to us in bits. The Federalist Papers expressed that deduction was seen as a solution to a fear that high levels of federal taxation might absorb all the states' taxable resources (Walczak). Taxpayers who choose to itemize deductions on the Schedule A form of their tax return, instead of taking the standard deduction, can claim a SALT deduction. Initially, all state and local taxes, not linked directly to a local benefit like an improvement to sidewalks or streets, were deductible. Then in 1964, the deductible taxes were limited to only state and local income, property (personal and real) income, and motor fuel taxes. The deduction for motor fuels was eliminated in 1978, and the general sales tax was abolished in 1986. In 2004, sales tax deduction was reinstated temporarily, which enabled the deduction of either sales taxes or state income taxes. This provision was made permanent in 2015. There has never been a cap on SALT deduction until the TCJA of 2017 (*How Does the Deduction for State and Local Taxes Work? | Tax Policy Center*).

In the past, the SALT deduction has been a significant reason that people have chosen to itemize deductions. In 2016, the number of individuals who itemized was less than 33.3%, but almost everyone who itemized claimed a SALT deduction. In 2016, SALT deductions accounted for more than 40% of the average itemized deductions. (What Are Itemized Deductions and Who Claims Them? | Tax Policy Center). Hence any change in the SALT deduction should be carefully examined to judge the consequences and impact.

State and Local Tax Deduction Cap

In 2017, the Tax Cuts and Jobs Act placed a $10,000 cap on the SALT deduction, starting in 2018 and expiring after 2025. In a testimony before the House Ways and Means Select Revenue Measures Subcommittee, Nicole Kaeding (Vice President of Federal and Special Projects at the Tax Foundation) mentioned that "Limiting the SALT deduction helped finance broader tax reforms," and "its impact is mostly limited to high-income households" (Kaeding). From Kaeding's testimony, it can be assumed that the purpose of placing the cap is to reduce federal expenditure to prevent high-tax states from passing on the expense of state-funded public services to the federal government.

The SALT deduction cap is a part of more substantial tax reform. While analyzing the cap's effect, it is vital to consider two other changes made in the TCJA that impact individual taxpayers. First, the act raised the standard deduction to $12,000 for single filers, $18,000 for the head of household, and $24,000 for married filing jointly. In 2017, the standard deduction was $6,350 for single filers, $9,350 for the head of households, and $12,700 for married filing jointly (Wu). Due to the increase in the standard deduction, it is believed that fewer taxpayers will opt to itemize deductions. Secondly, the act also set a slightly lower tax rate structure by decreasing the highest tax rate. The highest marginal tax rate was diminished to 37% from 39.6%, which may lessen the potential adverse effects of the SALT deduction cap (Wu).

Impact of State and Local Tax Deduction Cap

The cap placed on the SALT deduction will affect taxpayers, because they may not be able to claim a 100% deduction for all state or local taxes paid when filing their federal tax return. Let us consider an individual who paid $7,000 in state income taxes and $5,000 in property taxes for the year. The individual's total state and local taxes add up to $12,000; however, only a $10,000 deduction could be claimed, due to the new cap on the SALT deduction. Hence, the federal income tax liability will increase, and after-tax income will decrease for individuals who itemize deductions and spent more than $10,000 in state and local taxes. The number of taxpayers opting to itemize deductions is estimated to decrease; as one analysis observes, "Only about one in 10 taxpayers is expected to itemize deductions under the new tax code" (Michel).

Overall tax savings (as a percentage of after-tax income) from the SALT deduction will be approximately one-fourth in 2018 of what it was in 2017. For the top 1% of taxpayers in the income distribution, the savings will be one-tenth of what it was in 2017 (*How Does the Deduction for State and Local Taxes Work? | Tax Policy Center*). It is estimated that almost 29 million households will be well off if they take the standard deduction instead of an itemizing deduction, leading to a more straightforward tax filing process for them (York). The Joint Committee on Taxation estimated that 18 million filers would itemize in 2018 compared to 46.5 million in 2017; hence almost 88% of households (150 million total households) will take the standard deduction (*How Does the Deduction for State and Local Taxes Work? | Tax Policy Center*).

A cap on the SALT deduction means that an individual living in the high-tax state is not able to deduct those state and local taxes fully when itemizing deductions. This creates a higher tax obligation than the individual would have had in the absence of a cap and can result in high-tax states losing residents. Placing a cap on the SALT deduction intensifies an existing problem for workers living in areas with high productivity and costs. For example, in Manhattan, where the cost of living and the tax rates are very high, capping the SALT deduction can increase the federal taxable income for residents by limiting the amount for the below-the-line SALT deduction. Hence, fewer people might move to states like New York, which could result in the US economy shrinking by approximately 9% (Gordan). In 2018, New York, New Jersey, and Connecticut had high outbound migration rates, and the tax policy was a factor that led to individuals moving to low-tax states. This can be an issue for high-tax states as the amount of revenue collected will decrease, and they might reduce the public services offered to off-set the decrease in revenue. Also, low-tax states have fewer revenues, and if people migrate to those states, it can be a burden on the state's limited resources.

The Internal Revenue Service (IRS) estimates that the average time to finish an individual income tax return will decrease by between 4 and 7%, which can result in compliance savings from $3.1 billion to $5.4 billion as individuals will be spending fewer hours complying with the tax code (York). The introduction of a higher standard deduction has simplified the tax process for many people. For example, if a married couple had taken $15,000 in itemized deductions under the previous law, now under the TCJA, the couple would be better off taking the standard deduction of $24,000. This way, they were able to deduct an extra $9,000 and save energy and time they would have spent on completing the Schedule A of Form 1040 (York) before the TCJA.

Views on the State and Local Tax Deduction

Advocates of the SALT deduction cap present a convincing case on distributional grounds. The SALT deduction has been a significant federal tax expenditure. In 2017, the estimated revenue cost was $100.9 billion, whereas the estimated expense dropped to $43.1 billion for 2018. (How Does the Deduction for State and Local Taxes Work? | Tax Policy Center). By placing a cap on SALT deduction, substantial federal revenues are gained. This revenue could provide federal support in the form of loans or grants. The original rationale for the SALT deduction was to avoid federal invasion into state tax rights and double taxation. However, the deduction made it cheaper for states and local governments to increase taxes on high-income individuals. Before the TCJA, states could raise taxes and individuals would not feel the total effect, since they were able to claim the SALT deduction when filing federal income tax returns.

However, the opposite view is that the SALT deduction is an indirect subsidy provided by the federal government to state and local governments, which reduces the net cost of nonfederal taxes for taxpayers. For example, consider an individual belonging to the 35% federal income tax bracket who has chosen to itemize deductions hence can deduct state and local taxes paid from AGI. If the individual's state income tax payable increases by $200, the individual can deduct from AGI, so the taxable income will be reduced by $200, and federal taxes will be reduced by $70 (35% of $200). Hence, the net cost will be $130 because even though state taxes increased by $200, the federal taxes decreased by $70 (Sammartino and Rueben). This federal tax expenditure encourages state and local governments to provide more public services by having higher taxes. The states could then utilize the revenue to invest in various development projects. It also inspires states to adopt deductible taxes instead of non-deductible taxes and prompts states to depend more on progressive income taxes.

Alternate Minimum Tax and Pease Limitation

Even though a cap was never placed on the SALT deduction before, policymakers have attempted to limit the deduction through other methods. For example, in 1986, the state sales tax deduction was eliminated, but later, it was partially restored (Kaeding). Some indirect limitations include the Pease limitation and the alternative minimum tax (AMT).

The AMT was established in 1969 to prevent high-income taxpayers from escaping federal tax obligations by using deductions and credits. A taxpayer must calculate the tax liability twice, once using the traditional tax base and then again using an alternative tax base. The taxpayer must later pay the higher tax obligation of the two (Kaeding). The TCJA repealed the personal and business expense provision and capped the SALT deduction. It also set a higher AMT exemption and a substantial increase in the income level on which the exemption starts to phase out. These changes limited AMT's scope and reduced its impact.

Before the TCJA, the Pease limitation placed a cap on the amount of itemized deductions a taxpayer could claim if their income exceeded a certain level. It was first introduced in 1990 through the Omnibus Budget Reconciliation Act (Armstrong). For individuals earning above the designated income threshold, 3% of AGI exceeding the limit was deducted from the itemized deductions. For example, in 2017, the AGI limit was $261,500 for the single filing status. If a taxpayer's income was $290,000 in 2017 then $855 (3% of $290,000 - $261,500) had to be subtracted from itemized deductions. Investment interest, theft losses, casualty losses, and medical expenses were excluded from the Pease limitation. However, TCJA suspended the Pease limitation from 2018 to 2025 (Kaeding). The repeal will benefit taxpayers who will itemize deductions and whose AGI would have exceeded the threshold because now the individual will not have to reduce itemized deductions by 3% of AGI exceeding the limit.

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Chapter 3: Methodology

Survey Collection

A survey was carried out to compare individuals' tax obligations in 2017 (in the absence of cap) with their tax obligations in 2018 (with the cap) to study the impact of the cap on the SALT deduction. The survey was sent via electronic mail to faculty and staff of the University of Southern Mississippi. It was also sent to representatives from various accounting firms in Hattiesburg, Mississippi to increase the distribution of responses to the survey. The survey was also posted on social media platforms LinkedIn, Instagram, Facebook, and Snapchat. The online survey was a useful medium to reach people in remote areas. The study employed a retrospective survey, asking respondents about past events. All the surveys were carried out anonymously. Multiple responses were discouraged, as they could have skewed results.

Description of Survey

The survey was divided into five different sections to make it easily understandable and appealing for the participants. The first section introduced the study's purpose, described the potential benefits, confidentiality, and risks. This made sure that information regarding the research study was communicated effectively to the participant. The second section required the respondent to consent to participate in the project. The third section included questions regarding state tax returns for 2017 and 2018, whether a tax return was filed or not, and which city/cities the participant resided in during those years. For this study, only individuals who filed a tax return in both 2017 and 2018 and lived in Hattiesburg, MS were incorporated in the research. The fourth and fifth sections contained questions concerning federal tax liability in 2017 and 2018. The first two questions were about filing status and yearly income, since the study required individuals belonging to different income groups for comparison purposes. The next two questions were related to the decision of itemizing deductions or opting for the standard deduction. The total number of survey responses was thirty.

Chapter 4: Results

The percentage of individuals who itemized deductions decreased from 53.3% in 2017 to 33.3% in 2018. The table below shows the changes in the percentage of individuals who itemized deductions in 2017 and 2018.

Income Level	2017	2018
Less than $50,000	33.3%	16.7%
$50,000 to $100,000	44.4%	18.5%
$100,000 to $500,000	83.3%	75%

Table 2: Percentage of Individuals who itemized deductions.

A correlation analysis was carried out on the data set to find out whether income level and tax liability co-vary and to see the strength of the correlation. The correlation coefficient shows the linear relationship between two variables; its magnitude represents the intensity of the relation, and the sign (positive or negative) tells us whether two variables are directly or inversely related. A value of r greater than 0.8 is deemed to represent a strong correlation, whereas a value of *r* less than 0.5 denotes a weak relation.

Income Level	Tax Liability in 2017	Tax Liability in 2018
Less than $50,000	0.367703898	0.218963615
$50,000 to $100,000	0.613858419	0.794852845
$100,000 to $500,000	0.847285378	0.937496264

Table 2: Correlation between Income Level and Tax Liability.

The correlation analysis revealed a strong relationship between tax liability and the income level of $100,000 to $500,000 in 2017 (0.85) and 2018 (0.94). It also showed that the relationship grew stronger in 2018, in the presence of the SALT deduction cap. It can be seen from the table that the majority of high-income individuals itemized deductions. The survey results indicate that 58.3% of those individuals who itemized deductions in 2017 and 2018 had an increase in their federal tax liability as they could not deduct the full amount for state and local taxes paid. Hence, it can be concluded that the SALT cap raised the income tax obligation (in 2018) for high-income individuals as compared to their tax obligations in the absence of a cap (in 2017).

The correlation coefficient between the income group $50,000 to $100,000 and tax liability is 0.79 in 2018, very close to 0.8, so there is still a strong correlation between tax liability and income level. The number of individuals who itemized deductions dropped significantly (reduced approximately by 50%) in 2018 as compared to in 2017 for individuals with income up to $100,000. 35% of individuals who opted for standard deduction in 2018 (the majority being low-income individuals), saw a decrease in their federal tax liability (ranging from 5% to 25%) as compared to their liability in 2017.

Two main factors led to the variation in number of individuals who itemized deductions in 2017 and 2018. The first factor is the individual's income. A high percentage of high-income individuals itemized deductions in both years while the low-income individuals opted for the standard deduction in both years. This means the SALT deduction is most beneficial to high-income taxpayers. The second factor is the increase in the standard deduction, which was nearly doubled after the tax reform.

Chapter 5: Conclusion

The study aimed to track who benefitted from the state and local tax deduction with and without the cap. The survey responses were used to perform an analysis of income with the rate of filers who itemize deductions instead of using the standard deduction before and after the reform.

The results suggest that most of the tax filers in the AGI brackets above $100,000 chose to itemize deductions even with the cap. However, their federal tax liability was higher in the presence of the cap as they could not deduct all the state and local taxes paid. This indicates that the SALT deduction cap did raise the income tax liability for high-income individuals as compared to their tax obligations in the absence of a cap. The results also showed that the number of individuals who opted for standard deduction increased, and the majority tax filers claiming standard deduction had income less than $100,000. Results showed that 35% of the individuals who chose the standard deduction saw a decrease in their tax liability in 2018; therefore, it can be concluded that the SALT deduction cap benefitted the low-income individuals who opted to standardize their deductions.

Conclusions based on these results are limited due to the number of surveys collected and the geographic restriction. The total number of survey responses received was thirty; hence the sample size was small and may not be representative of the real impact of the SALT deduction cap in the state of Mississippi or the country. Also, all the survey responses were from individuals residing in the Hattiesburg area; hence the study was not able to include the impact of the SALT cap in high-income and high-tax states.

This study is a small attempt to measure the effect of the cap on SALT deduction and can be used in combination with the results of future studies in different states.

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Exhibit 1: Survey

Research Survey

This is an anonymous survey designed to analyze the Impact of Tax Cuts and Jobs Act 2017 on tax liability of Individuals. Please read through the purpose, description, benefits, risks and confidentiality of the study and then provide consent.

Purpose

The research is carried out as a part of my undergraduate thesis project at the University of Southern Mississippi. It is important for all taxpayers to understand what is at stake in tax policy in order to manage their savings and finances. The data collected from this survey will help to evaluate the effectiveness of the recent tax reform.

Description of Study

This is a survey-based research project. Data gathered from the surveys will be used to see how the tax reform impacted an individual's tax refund or liability. The data from 2017 (when the tax reform was not passed) will be compared with the data from 2018 (after the Tax Cuts and Jobs Act of 2017) to see how the reform has affected the tax returns. The data will be compared and used to determine how certain tax law changes affect different groups of taxpayers.

Benefits

The new tax reform has most likely affected everyone's tax situation. The study will contribute to the tax profession by providing a clear understanding of the impact of the tax reform which will be supported by the analysis of actual data. Informed practitioners will then be able to assist the clients in a better way. The research will help determine whether the act increased or decreased an individual's tax refund or liability. Hence, it will help them decide what they can do to benefit from the tax reform.

Risks

There are no known risks to the participants.

Confidentiality

The data will be kept anonymous and confidential.

Participant's Assurance

This project has been reviewed by the Institutional Review Board, which ensures that research projects involving human subjects follow federal regulations.
Any questions or concerns about rights as a research participant should be directed to the Chair of the IRB at 601-266-5997. Participation in this project is completely voluntary, and participants may withdraw from this study at any time without penalty, prejudice, or loss of benefits.

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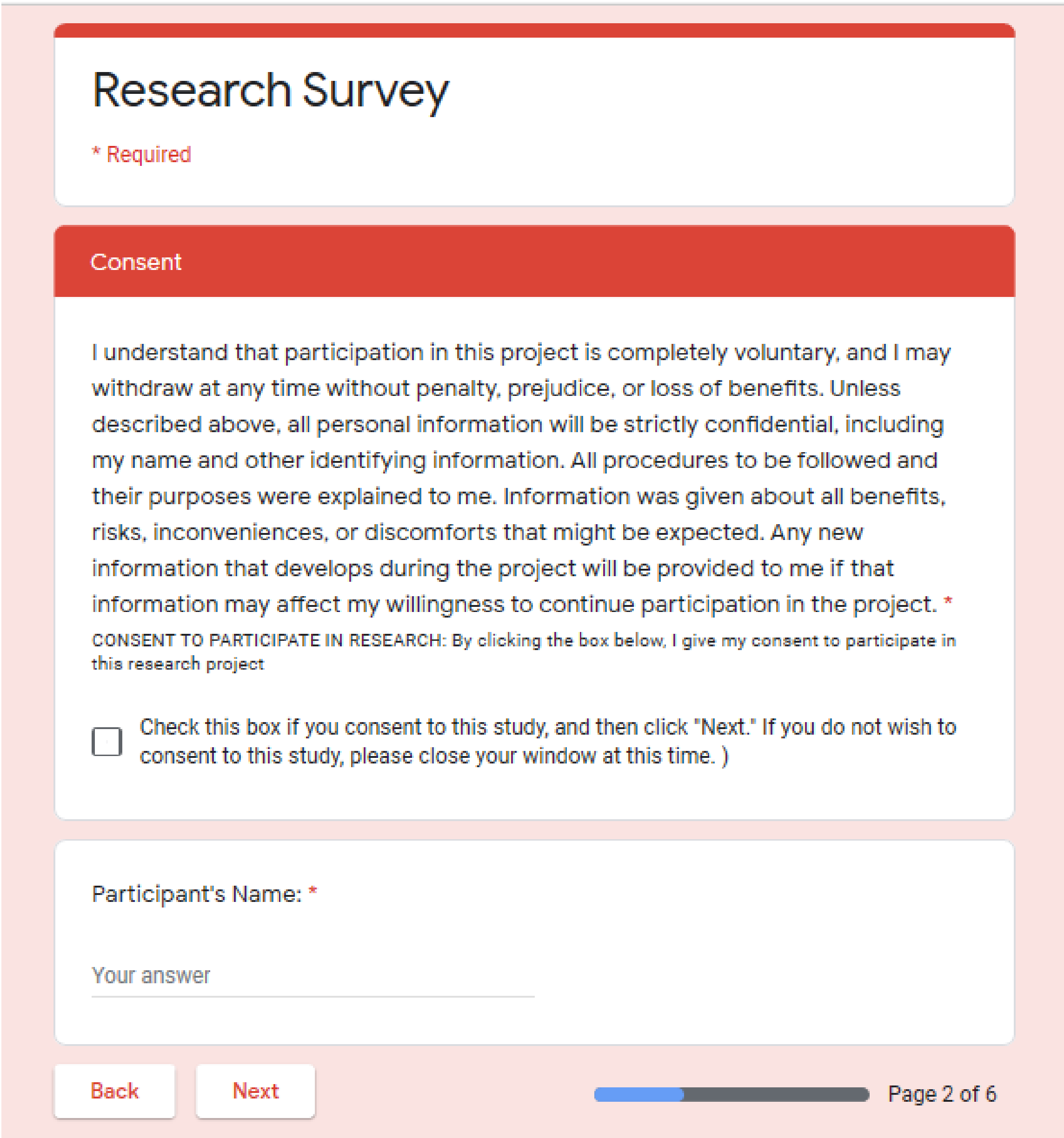

Research Survey

* Required

Consent

I understand that participation in this project is completely voluntary, and I may withdraw at any time without penalty, prejudice, or loss of benefits. Unless described above, all personal information will be strictly confidential, including my name and other identifying information. All procedures to be followed and their purposes were explained to me. Information was given about all benefits, risks, inconveniences, or discomforts that might be expected. Any new information that develops during the project will be provided to me if that information may affect my willingness to continue participation in the project. *

CONSENT TO PARTICIPATE IN RESEARCH: By clicking the box below, I give my consent to participate in this research project

- [ ] Check this box if you consent to this study, and then click "Next." If you do not wish to consent to this study, please close your window at this time.)

Participant's Name: *

Your answer

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State Tax Return

The first six questions are regarding your state tax return for the years 2017 and 2018. Please answer as accurately as possible.

Did you file a state income tax return in 2017? *

- ◯ Yes
- ◯ No

If yes, which state(s) did you file the tax return in 2017? (Write N/A if you did not file a state income tax return). *

Your answer

Which city/cities did you reside in 2017? *

Your answer

Did you file a state income tax return in 2018? *

- ◯ Yes
- ◯ No

If yes, which state(s) did you file the tax return in 2018? (Write N/A if you did not file a state income tax return). *

Your answer

Which city/cities did you reside in 2018? *

Your answer

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Federal Tax Liability in 2017

The questions in this section are about your tax return for 2017. Please use the image below for reference.

Tax Brackets and Rates, 2017

Rate	For Unmarried Individuals, Taxable Income Over	For Married Individuals Filing Joint Returns, Taxable Income Over	For Heads of Households, Taxable Income Over
10%	$0	$0	$0
15%	$9,325	$18,650	$13,350
25%	$37,950	$75,900	$50,800
28%	$91,900	$153,100	$131,200
33%	$191,650	$233,350	$212,500
35%	$416,700	$416,700	$416,700
39.60%	$418,400	$470,700	$444,500

Source: IRS

What was your filing status for Tax Return in 2017? *

- ◯ Single
- ◯ Married Filing Jointly
- ◯ Head of Household (Head of Household is a filing status for single or unmarried taxpayers who keep up a home for a Qualifying Person.You must have a qualifying child or dependent.)

How much was your pre-tax income in 2017? (If you do not remember the exact amount, please provide an estimate). *

Your answer

Did you itemize deductions or use the standard deduction in 2017? *

- ◯ Itemized
- ◯ Standardized
- ◯ I don't know

Estimate total itemized deductions in your 2017 Federal Tax return. (Write N/A if you used standard deduction) *

Your answer

Provide an estimate of your Federal Tax liability/Refund for 2017? Mention if it is a refund or a liability. (If you do not remember the exact amount, please provide an estimate). *

Your answer

Federal Tax Liability in 2018

The questions in this section are about your 2018 Federal Tax return. Please answer the following questions with reference to the tax brackets for 2018 provided below.

Tax Brackets and Rates, 2018

Rate	For Unmarried Individuals, Taxable Income Over	For Married Individuals Filing Joint Returns, Taxable Income Over	For Heads of Households, Taxable Income Over
10%	$0	$0	$0
12%	$9,525	$19,050	$13,600
22%	$38,700	$77,400	$51,800
24%	$82,500	$165,000	$82,500
32%	$157,500	$315,000	$157,500
35%	$200,000	$400,000	$200,000
37%	$500,000	$600,000	$500,000

Source: IRS

What was your Filing Status for 2018? *

- ◯ Single
- ◯ Married Filing Jointly
- ◯ Head of Household

How much was your pre-tax Income in 2018? (If you do not remember the exact amount, please provide an estimate). *

Your answer

Did you itemize deductions or use the standard deduction in 2018? (The standard deduction is a fixed dollar amount that reduces the income you're taxed on. On the other hand, itemized deductions are made up of a list of eligible expenses.) *

- ◯ Itemized
- ◯ Standard Deduction
- ◯ I don't know

Estimate total itemized deductions in your 2018 Federal Tax return. (Write N/A if you used standard deduction) *

Your answer

Provide an estimate of your Federal Tax liability/Refund for 2018? Mention if it is a refund or a liability. (If you do not remember the exact amount, please provide an estimate). *

Exhibit 2: IRB Approval Letter

Office *of* Research Integrity

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NOTICE OF INSTITUTIONAL REVIEW BOARD ACTION

The project below has been reviewed by The University of Southern Mississippi Institutional Review Board in accordance with Federal Drug Administration regulations (21 CFR 26, 111), Department of Health and Human Services regulations (45 CFR Part 46), and University Policy to ensure:

- The risks to subjects are minimized and reasonable in relation to the anticipated benefits.
- The selection of subjects is equitable.
- Informed consent is adequate and appropriately documented.
- Where appropriate, the research plan makes adequate provisions for monitoring the data collected to ensure the safety of the subjects.
- Where appropriate, there are adequate provisions to protect the privacy of subjects and to maintain the confidentiality of all data.
- Appropriate additional safeguards have been included to protect vulnerable subjects.
- Any unanticipated, serious, or continuing problems encountered involving risks to subjects must be reported immediately. Problems should be reported to ORI via the Incident template on Cayuse IRB.
- The period of approval is twelve months. An application for renewal must be submitted for projects exceeding twelve months.

PROTOCOL NUMBER: IRB-19-203
PROJECT TITLE: Impact of SALT deduction cap on Individual taxpayers
SCHOOL/PROGRAM: Accounting/MPA
RESEARCHER(S): Mahum Chaudhry, Megan Leach

IRB COMMITTEE ACTION: Exempt
CATEGORY: Exempt
Category 2.(i). Research that only includes interactions involving educational tests (cognitive, diagnostic, aptitude, achievement), survey procedures, interview procedures, or observation of public behavior (including visual or auditory recording).
The information obtained is recorded by the investigator in such a manner that the identity of the human subjects cannot readily be ascertained, directly or through identifiers linked to the subjects.

APPROVED STARTING: July 8, 2019

Donald Sacco, Ph.D.

Donald Sacco, Ph.D.

Institutional Review Board Chairperson