



NEWS The United States Conference of Mayors

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The U.S. Conference of Mayors Statement on the Report of the President's Advisory Panel on Federal Tax Reform

Statement by The U.S. Conference of Mayors President and Long Beach Mayor Beverly O'Neill:

"The nation's mayors take the issue of tax reform very seriously, which is why I appointed a special Tax Reform Task Force to work on this issue upon assuming the Presidency of The U.S. Conference of Mayors in June of 2005.

"Reforming the federal tax code presents us with the opportunity to help working families and cities by expanding tax incentives that promote savings and investments. However, we are very concerned about changes which would hurt our ability to fund needed local services and build strong and vibrant communities with good jobs. That is why we strongly oppose elimination of the deductibility of state and local taxes, as well as new limits on the mortgage interest deduction. At the same time, we appreciate the Panel's support for several tax credits that would help families, and hope to build on these initial recommendations.

"While the President's Advisory Panel on Federal Tax Reform did not meet with us as an organization, we look forward to working directly with the Administration and Congress as these and other tax reform proposals move forward in the months ahead. We will work to get Washington's support for the positive recommendations developed by our Task Force -- led by Chicago Mayor Richard M. Daley -- which would make a real difference to working families, to our cities, and to our national economy."

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Statement by Chicago Mayor Richard M. Daley, Chair of The U.S. Conference of Mayors Tax Reform Task Force:

"I commend the President's Advisory Panel on Federal Tax Reform for its hard work and thoughtful deliberation. Our country desperately needs a simpler tax code, and this report will help jump start a national debate on this important topic.

"Mayors are especially encouraged by the panel's support for a Family Credit and a renewed Saver's Credit -- versions of which were included in our own plan to reform the federal tax code. Not only do these proposals make the tax system fairer and simpler for poor and working families, but they demonstrate that we need not cut valuable tax incentives in order to simplify them.

"On the other hand, we believe the panel is dead wrong to propose eliminating deductions for state and local taxes, and limiting home mortgage interest.

“Eliminating the state and local tax deduction would be an unfunded mandate in the extreme. It would force many cities and states to cut back on services or consider tax increases.

“And the home mortgage interest deduction should be preserved. For a generation, it has helped working and middle-class Americans make the jump from renting to owning, and encouraged individual investment perhaps better than any other tax incentive.

“The United States Conference of Mayors has its own plan to simplify the system and promote a family friendly tax code. Under our plan, a Single Family Credit replaces three current child credits and benefits a broader range of families. A Single College Credit replaces five overlapping higher education tax breaks and still reaches millions more low-income students. And an “above-the-line” home mortgage interest deduction allows ten million more Americans to finally claim this deduction without needing to itemize their taxes. We hope lawmakers will seriously consider these and other recommendations in our plan.

“Everyone in Washington claims to be on the side of working families. Tax reform will be a chance to prove it.”

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