

United States Senate
WASHINGTON, DC 20510

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March 21, 2014

The Honorable Ron Wyden
Chairman
Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Orrin Hatch
Ranking Member
Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Wyden and Senator Hatch,

As you are working to find a responsible solution on a tax extenders package, I write to express my deep concerns regarding several priorities for the citizens of Nevada. Currently, Nevada is in a fragile state of recovery, and in order to spur economic growth in our state, I request that a continuation of the state and local sales tax deduction and Mortgage Forgiveness Debt Relief Act be included in any tax extenders legislation. It is my hope that Congress can move quickly to pass a tax extenders package into law soon, with these two critical provisions, in order to provide more clarity and certainty for Nevada taxpayers.

There has been unanimous agreement by both Democrats and Republicans that taxes should not be raised on the lower and middle classes, and I agree. While much attention is given to overall tax rates, what also needs to be a priority is the deduction of state and local sales taxes. This critical deduction saves Nevada taxpayers millions of dollars and is a vital component of our economy, spurring growth and creating jobs. Failure to extend this critical deduction will force many lower and middle class Nevadans to bear a higher share of the federal tax burden.

Additionally, many Nevadans fighting to pay their bills are underwater on their home mortgages. No state has felt the impact of falling home values more than Nevada. Congress passed the Mortgage Forgiveness Debt Relief Act to ensure that those who owe more on their mortgages than their homes are now worth would not be hit with additional income taxes if a part of their mortgage loan is forgiven. Unfortunately, the housing crisis in Nevada is not over. Failure to extend this law will cause many lower and middle class Americans to pay taxes when they refinance or sell their homes in "short sales." It makes little sense to tax people on income they never received, and an extension of this tax relief is needed to further help improve the housing market in Nevada.

I appreciate your attention to these issues and will work with all my colleagues in the Senate to find a responsible solution on tax extenders legislation as well as fundamental tax reform.

Sincerely,



U.S. Senator Dean Heller