

Cantwell Announces State Sales Tax Deduction Included in Tax Credit Agreement

Local News

Posted by: David Haviland

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Washington DC - Today, U.S. Senator Maria Cantwell (D-WA) announced progress in the effort to extend the state and local sales tax deduction.

Early this morning, the Senate Finance Committee reached a bipartisan agreement to move forward on an extension of the state and local sales tax deduction. Cantwell will bring a [vote](#) on the legislation for 10 A.M. on Thursday.

Under the agreement, the state and local sales tax deduction would be extended for two years, covering calendar years 2012 and 2013.

"This new bipartisan agreement would provide certainty for Washington state taxpayers and businesses and support job growth," Cantwell said.

Cantwell has been a national leader on efforts to secure an extension. In March, Cantwell and Senator Marco Rubio (R-FL) [introduced](#) an amendment to extend the state and local sales tax deduction for one year. The itemized deduction was extended through 2011.

On February 2

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, she also sent a [letter](#)

with 14 other Senators to Senate Majority Leader Harry Reid, Senate Minority Leader Mitch McConnell, and Senate Finance Committee Chairman Max Baucus to [secure](#) an extension of the sales tax deduction in December 2010 – which expired at the end of 2011.

Taxpayers in Alaska, Florida, Nevada, Tennessee, Texas, South Dakota, Washington and Wyoming benefit from the state and local sales tax deduction.

The agreement includes the extension of other important Cantwell-backed provisions that have supported job and economic growth:

- Returning Heroes and Wounded Warriors Work Opportunity Tax Credits – These credits have allowed businesses to obtain a tax credit when they hire qualified veterans to fill openings. The agreement would extend this opportunity for one year through 2013.
- Clean Energy Tax Credits – The deal would extend for two years a provision that encourages the production of biodiesel and biomass fuel sources. It would also continue credits that encourage the construction of energy efficient homes. The 2010 lapse of the biodiesel tax credit resulted in a 42 percent drop in production that year, which led to the loss of nearly 8,900 jobs.
- Research and Development Tax Credits – Under the agreement Research and Development Tax Credits would be extended for two years. This would ensure that businesses can continue to receive credits as they pursue key research breakthroughs that could benefit the larger economy.
- New Markets Tax Credit – The New Markets Tax Credit (NMTC) would be extended for two years, under the agreement. The NMTC has invested in key projects that support job growth, leveraging \$8 of private investment for every dollar of public funding. Cantwell has [urged](#) Senate Finance Committee Chairman Max Baucus to extend the NMTC's because of its job benefits in Washington state and around the country. Last year she visited [Seattle Children's Hospital](#), where NMTC helped create 50 jobs, and the [Port of Vancouver](#) where the credit helped Farwest

Steel bring 200 jobs to the area.