

Dear Friend,

I have a disagreement with the White House that I want to share with you.

Many in Washington say that the "richest people in America" should share most of the burden for relieving our deficits. That seems fair. But few in Washington have been able to define exactly what salary makes one rich.

As you already know, Long Island is home to some of the nation's finest schools and most beautiful natural resources. However, we pay a high price to live here. Not only do Long Islanders pay some of the highest property taxes in the country, but the cost of everything else – from gas to groceries – is higher here too. These costs can take a toll on a middle-class family, which is why we need to be vigilant in ensuring that when Washington talks about raising taxes on the "wealthiest" families, they aren't lumping middle class Long Islanders in with Warren Buffett. While we all know that what qualifies as wealthy in Arkansas isn't necessarily rich on Long Island, the problem is that the tax code doesn't recognize the difference and treats both families the same.

That's why I support indexing the income tax brackets to reflect regional cost of living. Under this proposal, the level at which a tax rate kicks in would be adjusted by how expensive an area is. For example, last year a single filer earning between about \$82,000 and \$170,000 was in the 28% bracket. Now, \$85,000 a year just doesn't go as far on Long Island as it does in other parts of the country. People in high cost of living areas like Long Island would see that bracket shifted up and may find themselves in a lower tax bracket. That person making \$85,000 and living on Long Island might now move from the 28% tax bracket to the 25% tax bracket, reducing their federal income tax burden.

It's no secret that "rich" is relative. The tax code should recognize that reality by indexing its brackets to account for differences in the regional cost of living.

I'd like to hear from you about this issue. Visit my website (<http://israel.house.gov>) and let me know what you think about the high cost of living on Long Island.

Sincerely,

Steve Israel  
Member of Congress