

Cleansing SALT from wound



THE COLUMN

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On Tax Day '19 — which slammed many Long Islanders this year — the office of County Executive Steve Bellone scheduled a news conference, according to a release, to announce that Suffolk had become the first county in New York State to establish a charitable fund to reduce the impact of losing some state and local tax deductions on federal tax returns.

Well, not quite.

Yes, the county's chosen a name for what Bellone says could be a potential workaround to the cap on SALT deductions — the Suffolk County Charitable Gift Reserve Fund.

And the county's also identified a potential infrastructure to administer the fund — SuffolkShare, where nearly 100 local governments throughout the county already share services, including bulk purchase of supplies.

And Bellone's even slated a deadline, of sorts, for getting a Suffolk program up and running — by the 2020 tax year.

Still, his plan is facing significant skepticism — while, next door in Nassau County, the notion of such a workaround already is DOA.

"Because the IRS made clear it would not permit the use of a charitable fund to offset SALT, Nassau County will continue to work with the coalition to protect our taxpayers through other means," a spokeswoman for Nassau County Executive Laura Curran said. She was referring to a group of officials, including Bellone, Gov. Andrew M. Cuomo and Rep. Peter King (R-Seaford), that aims to lessen the effects of the tax cap.

DuWayne Gregory, presiding officer of the Suffolk County Legislature, initially was among Bellone's skeptics.

But, Gregory (D-Copiapogue) cast the deciding vote in April to authorize creation of Suffolk's Charitable Gifts Reserve Fund Tax Credit after testimony from administration officials during a legislative hear-



Suffolk County Executive Steve Bellone announces that Suffolk will establish a charitable fund to reduce the impact of lost tax deductions.

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ing persuaded him to do so.

"They want to do due diligence and see if this will work," Gregory said.

Bellone, who is running for re-election this year, said he's willing to have Suffolk sue the Internal Revenue Service, if necessary, to get a county fund up, and keep it running.

Jon Kaiman, a Suffolk deputy county executive who is leading Suffolk's push to consolidate services, said last week that lawyers advising the county believe that Bellone's

proposed workaround is legally defensible.

"We hope that more people fight with us than raise concerns," Kaiman said in an interview.

But suing is where Gregory draws the line.

"If it's not going to work, Suffolk shouldn't do it," Gregory said, "and I would not support a lawsuit."

Lawmakers heard from two Suffolk town tax receivers — one of whom was opposed to the idea — during a public hearing before the legislature's April vote on creating the fund.

No Suffolk residents, however, rose to speak for — or against — the proposal.

Does that indicate a lack of public interest, and thus a lack of public support?

"I don't think so," Gregory said. He noted he queried residents at a recent Chamber of Commerce meeting about Bellone's proposal — and no one had heard of it.

"If this works out, one of the first things they will need to do is a public information campaign," Gregory said.

But Bellone has more work than that awaiting him.

In addition to fighting the Internal Revenue Service — which already has said it will not approve use of charitable funds as a workaround — Bellone will have to persuade school boards, and every other taxing entity, including Suffolk towns and villages, to sign onto the idea.

He also will have to persuade residents — and their accountants — to use the fund, espe-

cially in the face of IRS opposition.

How would the fund work?

Instead of paying property taxes, residents with state and local tax bills greater than \$10,000 would opt to pay some equivalent amount into a charitable fund.

In turn, residents would then claim those payments as charitable federal tax deductions. Those deductions would provide a workaround to the \$10,000 cap on SALT deductions in the 2017 federal Tax Cuts and Jobs Act — which hit many residents in New York and other high tax states hard.

Bellone and other New York officials still are pushing to have the SALT cap lifted.

Thus far, however, they've had zero success.