

The SALT Deduction Cap Promises to Greatly Benefit the Average New York Property Owner

O'Connor discusses the SALT Deduction Cap and how it promises to greatly benefit the average New York property owner.

NEW YORK CITY, NY, UNITED STATES, August 6, 2025 /EINPresswire.com/ -- Under the "One Big Beautiful Bill Act" (OBBBA), the state and local tax (SALT) deduction cap increase took effect in tax year 2025 and will hold until 2029. This change will be particularly beneficial for property owners in New York since it is a high-tax state, meaning the deduction cap increase will provide tax relief for property owners.

O'CONNOR
Tax Reduction Experts



New York SALT Deduction Cap 2025

Historical Context Behind SALT

Before the recent increase, the original SALT deduction cap was \$10,000 per year for joint filers and \$5,000 per year for married individuals filing separately. The cap was introduced by the Tax Cuts and Jobs Act (TCJA) in December 2017 and was applied to tax years 2018 – 2024.

Before 2018, the SALT deduction was uncapped, meaning taxpayers could deduct the full amount of state and local taxes owed. The TCJA's cap, introduced in 2017, capped it at \$10,000 (for joint) and \$5,000 (for individuals) to help advocate for lower tax rates and receive a larger reduction. It is important to be aware that this is a federal deduction; it does not affect the property owner's state or local taxes themselves, but the federal taxable income.

SALT Deduction Cap in New York

Under the increase, New York property owners who are joint filers can now deduct up to \$40,000 of SALT payments, which is a big improvement from the old \$10,000 cap. For those who are

married and filing separately, they have a \$20,000 cap, up from the original \$5,000.

This cap will be upheld as long as the adjusted gross income (AGI) stays under \$500,000 or less (\$250,000 for married couples filing separately). For high-income filers – above \$600,000 – there might not be a huge gain. For incomes exceeding the limit, the deduction is set to phase down by 30% of the excess income, but not below the original \$10,000.

This change – which will last through 2029 – should reduce federal income for most middle and upper-middle class homeowners. However, high-income earners will see limited benefits.

Impact on New York Property Owners

With the 2025 SALT deduction cap increase, middle-class and upper-middle class New York property owners will experience significant tax relief. Many New York homeowners paying over \$10,000 in property taxes can now deduct up to \$40,000. The increased deduction will also make owning a high-tax property more attractive and attainable.

What NY Property Owners Should Do

With the cap increase, NY homeowners should properly prepare to get the most gain out of the increase to reduce their tax burden and increase cash flow.

Recalculate tax liability with the increased SALT cap.

Plan for the future, especially if your AGI is nearly \$500,000, to make sure you avoid phase-out.

Itemize deductions instead of taking the standard deduction.

Monitor legislative updates to keep up to date on when the cap returns to \$10,000 starting in 2030.

The increased SALT cap offers temporary relief and can potentially provide significant tax savings for many New Yorkers. The increase is set to expire in 2030, so it is important to take advantage of the increase before the phase-out begins.

About O'Connor:

O'Connor is one of the largest property tax consulting firms, representing 185,000 clients in 49 states and Canada, handling about 295,000 protests in 2024, with residential property tax reduction services in New York, Texas, Illinois, and Georgia. O'Connor's possesses the resources and market expertise in the areas of property tax, cost segregation, commercial and residential real estate appraisals. The firm was founded in 1974 and employs a team of 1,000 worldwide. O'Connor's core focus is enriching the lives of property owners through cost effective tax reduction.

Property owners interested in assistance appealing their assessment can enroll in O'Connor's Property Tax Protection Program™. There is no upfront fee, or any fee unless we reduce your property taxes, and easy online enrollment only takes 2 to 3 minutes.

Patrick O'Connor, President
O'Connor
+ +1 713-375-4128

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