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The Honorable Steven T. Mnuchin
Secretary of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

Dear Secretary Mnuchin,

I am writing to seek clarification with respect to an IRS advisory relating to one aspect of a provision in the Tax Cuts and Jobs Act of 2017.

On December 27, 2017, the IRS issued an advisory regarding pre-payment of 2018 state and local real property taxes in 2017. The advisory provides information and examples relating to whether a taxpayer who makes a pre-payment in 2017 of real property taxes for 2018 or later would be eligible to deduct the payment on his or her 2017 federal tax return.

The situation in Illinois, however, is quite different because real property taxes are billed in arrears. In Illinois, it has been common practice for taxpayers in some circumstances to pay the real property taxes that relate to a particular year during that year even though those taxes would not be billed in the ordinary course until the following year. Such a payment in 2017 would be a pre-payment of 2017 real property taxes.

It appears to me that the IRS advisory addresses only payments of real property taxes for 2018 or later and does not address payments in 2017 of real property taxes for 2017. Given the importance of this issue for affected taxpayers in Illinois, I would appreciate your confirmation that this understanding of the IRS advisory is correct.

Very truly yours,


PETER J. ROSKAM
Member of Congress