

House Republican Press Release

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Press Office: 860-240-8700

Rep. Frey Champions Tax Relief for Retirees



***“Learn Here, Live Here, Retire Here”
‘Senior Security’***

HARTFORD – House Republican Whip John Frey, today announced support for a series of House Republican proposals that would provide direct tax relief to retirees to encourage them to stay and retire in Connecticut.

House Republicans have proposed House Bill 5541 which would eliminate the personal income tax on pensions and Social Security for individuals sixty-two years of age or older. This bill would undoubtedly retain more Connecticut residents and reduce the incentive for leaving in order to sustain a more reasonable tax break. Connecticut is one of four states that fully tax all pensions as earned income, and one of only five states that provides no relief for veterans.

A bill to create a volunteer property tax abatement program for homeowners 65 years of age and older is also being proposed, *HB- 5712, An Act Establishing a Program to Allow Senior Citizens to Earn a Property Tax Abatement by Performing Work in their Municipality*. This would permit eligible seniors to receive a property tax abatement of up to \$750 in exchange for volunteering their service in the municipality where they reside.

Another proposal, *HB-5542 An Act Concerning Eligibility for Elderly Property Tax Relief*, calls for reducing the current age of eligibility from 70 years of age to 65 years of age, and increase the income eligibility limits for individuals by \$10,000 and married couples by \$10,000 for the Elderly Property Tax Credit.

This issue is part of an overall larger effort by House Republicans to provide incentives for not only seniors, but to younger people as well to remain in Connecticut. Proposed House Bill 5490 provides Connecticut college students with a trust fund of their income tax for ten years after graduation to use as a down payment toward a house.

Two other proposals House Republican members are putting forward which relate to seniors are, senior citizen home health care and prescription drug assistance.

One proposal is *HB- 5638 An Act Concerning Expansion of the ‘Money Follows the Person’ Home Care Demonstration Program* would expand a program helping eligible seniors to move from nursing homes into home care or community care arrangements.

A proposal increasing income eligibility for the state ConnPACE prescription drug assistance program, which would be part of the state budget legislation.

Connecticut had a net loss of over seven thousand taxpayers of all ages to other states in a period of one year from 2003 to 2004. Those net 7,393 taxpayers took with them an estimated \$404.8 million in AGI (adjusted gross income).

Rep. Frey said, “We need to embrace seniors in Connecticut for their abundance of knowledge and experience and encourage older adults to remain in Connecticut continuing to contribute to their community and remain close to their families by promoting a better quality of life.”

“Our seniors have worked too long and hard to ask them to continue paying taxes on their retirement benefits. With the first wave of baby boomers ready to retire, Connecticut should do its best to lessen their tax burden or risk losing them to other tax friendly states,” added Rep. Frey.