

House Republican Press Release

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SENIORS DESERVE PENSION, PROPERTY TAX BREAKS



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Connecticut, unfortunately has consistently led the nation in taxing its residents and workers in every conceivable manner to the point where many decide they can no longer live here. While there are legitimate arguments to make for raising taxes to pay for the services and goods we want and need, there is one particularly onerous levy that cannot be supported.

Connecticut is one of only four states that fully tax all pensions. House Republicans have proposed doing away with that burden for those over 62 years of age. Having worked a lifetime in order to raise a family, put children through school and save for retirement, our seniors deserve a break that nearly every other state offers.

We have also offered pension tax relief for our retired military personnel. Connecticut is one of only five states that provides no tax relief for veterans.

The price for sustaining Connecticut's high standard of living – the highest in the country based on virtually any index – is admittedly great. But there is no reasonable argument to make to tax pensions. With rising energy costs, healthcare premiums going through the roof and most seniors living on fixed incomes, it is more important than ever to roll back this tax.

Our seniors have worked too long to ask them to continue paying taxes on their retirement benefits that the state treats as earned income. It is fundamentally unfair and cannot be justified. We are not singling out seniors as a special interests group. House Republicans have also proposed creative ways to help younger people buy their first homes; we have put forth important ways to provide relief to small business owners; we led the way last year to fully fund pensions for retired teachers. We also believe that taxing our residents after they have died is a bad idea and will continue to push for that relief.

But this specific proposal, now before the legislature, would phase out state taxes on all income received from defined benefit plans, individual retirement accounts, 401(k) plans and Social Security beginning at age 62.

We have also proposed property tax breaks on seniors who volunteer their time in their communities and reducing age eligibility for tax freezes from 70 to 65.

The stress on saving for retirement has grown over the years with the rising cost of living. People are working longer and many continue to work part-time after they “officially” retire. As a state, we want to keep our retirees in Connecticut because of what they have to offer to ensure we retain that high standard of living. Our seniors form the backbone of our volunteer community, they are our parents and grandparents and we owe them much.

We owe them a debt of gratitude in their Golden Years.