

House Republican Press Release

January 27, 2009
Press Office: 860-240-8700

General Assembly Considers Senior Tax Exemptions



Shelton Delegation Supports Bill

The General Assembly's Select Committee on Aging heard testimony today on a bill to exempt Social Security and pensions from the state income tax. The bill, SB-147, *An Act Exempting Social Security and Pensions from the Income Tax*, was introduced by Senator Dan

Debicella R-21st District, and was endorsed by State Representatives Jason Perillo R-113th District, and Lawrence G. Miller R-122nd District.

Senator Debicella told the Committee on Aging that he wrote the bill because “most seniors live on fixed incomes, and the rising costs of living in Connecticut have hurt them especially hard in this recession. Providing relief through not taxing social security and pensions will make a huge difference to middle class seniors struggling to make ends meet.”

Only 15 other states tax Social Security benefits, according to Senator Debicella, and two of them (Iowa and Missouri) are phasing out the tax.

“It is clear that most states have decided against ‘double taxing’ our seniors by taxing Social Security and private pensions which have already been taxed during seniors’ working years,” said **Senator Debicella**.

Representative Perillo said he supports the bill, adding it will provide seniors with the relief they need. “For seniors who are dependent on their Social Security and pension checks for the basic necessities of life, exempting their only source of income from the state income tax is the right thing to do,” he said. “It’s my hope that it gets the bipartisan support it will need to become law.”

Representative Miller said eliminating the tax is an idea whose time has come.

“With temperatures dipping into the teens and single digits for the past few weeks, this has been an especially difficult heating season for seniors in Shelton, Stratford and elsewhere in Connecticut, forcing them to spend more to keep their homes and apartments warm. The unusually cold weather is likely to continue into February and March, which will make life even more difficult for retirees living on their Social Security and pension income,” said state **Representative Miller**. “When you are forced

to stretch every dollar to make ends meet, exempting Social Security and pension income from the state income tax becomes even more important. This legislation will help every senior in Connecticut and this is the year it ought to pass.”

Senator Debicella said that exempting Social Security and pensions from the state income tax would cost \$250-270 million per year in the state’s \$36 billion, two-year budget.

“We have a massive \$6 billion budget deficit over the next two years,” said **Senator Debicella**, “While I realize enacting this proposal under these conditions is very difficult, I believe it is critical for our seniors that we make it a part of our budget deliberations.”

Senator Debicella suggested possibly phasing it in over several years like Iowa and Missouri, or finding additional offsetting spending cuts in the state budget.

“The General Assembly has an opportunity to provide real economic help to our senior citizens, and I would hope we will get bipartisan support for its passage,” said **Senator Debicella**.