

Tapes 20 (A/B), 21 (B)
Work Session
HB 2352, HB 2528, HB 2750

HOUSE COMMITTEE ON REVENUE AND SCHOOL FINANCE
SUBCOMMITTEE ON INCOME TAXATION

April 10, 1991 8:00 am Hearing Room A State Capitol Building

Members Present: Representative John Schoon, Chair
Representative Mike Burton
Representative Bev Clarno
Representative Mike Nelson
Members Excused: Representative Delna Jones
Staff: Dick Yates, Legislative Revenue Office
Marlene Stickley, Committee Assistant

TAPE 20. SIDE A

004 CHAIR SCHOON called the meeting to order at 8:15 and conducted administrative business.

WORK SESSION HB
235 2

009 DICK YATES began his explanation of Responses to the Davis Decision in relation to HB 2352. Exhibit 1, page 1

025 DICK YATES discussed the example calculating a pension tax credit. Exhibit 1, page 1

036 DICK YATES referred to alternatives for computing the credit, explaining the columns in table 4. Exhibit 1, page 3

069 Questions and discussion regarding table 4. Exhibit 1, page 3

094 DICK YATES explained the tax on pension income comparisons in table 1. Exhibit 1, page 1

121 DICK YATES defined eligibility age and the maximum base amount for determining the amount of credit.

140 Questions and discussion regarding household income.

These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speakers exact words. For complete context of proceedings, please refer to the tape recording. House Committee on Revenue & School Finance Subcommittee on Income Taxation April 10, 1991 Page 2

160 DICK YATES continued his explanation of the tax on pension income comparisons in table 1. Exhibit 1, page 1

171 Questions and discussion regarding table 1. Exhibit 1, page 1

180 DICK YATES explained the comparisons between old and current law in table 1. Exhibit 1, page 1

196 DICK YATES referred to table 2 which shows the reduction in the tax on pension income relative to full taxation, noting all pension income would be eligible for the credit. Exhibit 1, page 2

224 DICK YATES mentioned the structure of table 2 would double the base amount for a joint return, therefore providing a double credit.

254 Questions and discussion regarding table 1 figures. Exhibit 1, page 1

277 DICK YATES clarified that the figures in table 1 are only for comparison, pointing out different affects when the age or base amount are changed. Exhibit 1, page 1

300 Questions and discussion regarding age limit.

328 DICK YATES interjected that the age limit can be anything.

337 DICK YATES continued discussing table 2. Exhibit 1,

page 2

362 DICK YATES described the use of age for determining credits and exclusions.

405 DICK YATES explained the General Fund revenue increase for the 1991-93 biennium in table 3. Exhibit 1, page 2

TAPE 21, SIDE

A

001 DICK YATES continued explaining the General Fund revenue increase for the 1991-93 biennium in table 3. Exhibit 1, page 2

034 Questions and discussion regarding table 3. Exhibit 1, page 2

048 DICK YATES explained age and maximum base amount changes in table 3. Exhibit 1, page 2

061 DICK YATES overviewed the impact on various retiree groups, noting full taxation figures at far right. Exhibit 1, pages 5-8

107 Questions and discussion interspersed.

130 DICK YATES referred to tables 1 and 2; discussed differences in Social Security distribution among retirees.

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160 Questions and discussion regarding Social Security.

190 DICK YATES clarified that bracketed numbers symbolize a reduction. Exhibit 1, pages 5-8.

223 DICK YATES presented the tax-free income threshold calculation. Exhibit 1, page 3

340 Questions and discussion regarding table 4. Exhibit 1, page 3

372 DICK YATES began explaining Additional Tax Relief for Elderly With Medical Expense. Exhibit 2, page 1

TAPE 20. SIDE B

001 DICK YATES continued explaining Additional Tax Relief for Elderly With Medical Expense. Exhibit 2, page 1.

008 DICK YATES clarified this program would require an adjustment to the income tax forms and explained how the medical deduction would be calculated.

020 Questions and discussion regarding the medical expense analysis. Exhibit 2, page 1

066 DICK YATES explained the Elderly Rental Assistance (ERA) program and the 1988 statistics. Exhibit 2, page 2

075 Questions and discussion regarding ERA program.

092 DICK YATES presented history resulting in the ERA program.

128 Questions and discussion interspersed regarding ERA statistics. Exhibit 2, page 2

177 DICK YATES defined eligibility of the ERA program. Exhibit 2.

187 DICK YATES referred to Homeowner and Renter Refund Program (HARRP) figures, noting age 58 threshold. Exhibit 2, page 3

195 DICK YATES overviewed the ERA expanded coverage charts. Exhibit 2, pages 4-6

291 ACTING CHAIR REP. BURTON conducted administrative business and recessed the meeting at 9:34.

309 CHAIR SCHOON reconvened and adjourned the meeting at 9:55.

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meeting. Text enclosed in quotation marks reports the speakers exact words. For complete context of proceedings, please refer to the tape recording. House Committee on Revenue ~ School Finance Subcommittee on Income Taxation April 10, 1991 Page 4

Marlene Stickley, Committee Assistant

, Kimberly Taylor, Office Manager

EXHIBIT SUMMARY

1. Responses to the Davis Decision, LRO, 4/10/91 - HB 2352
2. Additional Tax Relief for Elderly With Medical Expense, . LRO, 4/10/91 - HB 2352
3. Social Security Administration 1991 Facts and Figures, Ed Hughes, 11/90 - HB 2750

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