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AARP Applauds Bipartisan Bill to Protect Seniors From Looming Health Care Tax Increase

WASHINGTON, DC — AARP applauds Senators Rob Portman (R-OH) and Sherrod Brown (D-OH) today for their bipartisan work in sponsoring the *Seniors Tax Hike Prevention Act of 2016* to protect seniors with high health care costs from a tax increase on January 1, 2017.

“On January 1st of next year, older Americans age 65 and older are set to be hit with an increase in the income threshold for medical expense deductions,” said [AARP CEO Jo Ann Jenkins](#). “The medical expense deduction is a tax benefit that helps millions of middle income Americans each year offset their high out-of-pocket health costs.”

The *Seniors Tax Hike Prevention Act of 2016* would delay for two years the scheduled increase from 7.5% to 10% of the income threshold after which medical expenses can be deducted on itemized tax returns. AARP supports this temporary delay as a necessary immediate step toward permanently restoring the current tax threshold for older Americans with high out-of-pocket health care costs.

Although the overwhelming majority of Americans age 65 and older have Medicare coverage, beneficiaries still spend a large portion of their income on out-of-pocket health expenses. The average Medicare beneficiary spends about \$6,150 out-of-pocket on medical care. Many older Americans face high costs for long-term services and supports, which are generally not covered by Medicare, as well as for hospitalizations and prescription drugs. Tax relief for middle income seniors with high medical costs provides needed financial resources.

According to preliminary 2013 IRS tax data:

- 56% of those taking the medical expense deduction were age 65 or older;
- Nearly 31% of taxpayers age 65+ that claimed the medical expense deduction had annual income under \$50,000; and
- Nearly 73% of people (of all ages) claiming the medical expense deduction had annual income under \$75,000.

“We are thankful to Senators Portman and Brown for their leadership in working together across the aisle and recognizing the critical need for some seniors to continue to receive important tax relief that helps offset high medical costs,” Jenkins said.

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About AARP

AARP is a nonprofit, nonpartisan organization, with a membership of nearly 38 million that helps people turn their goals and dreams into 'Real Possibilities' by changing the way America defines aging. With staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands, AARP works to strengthen communities and promote the issues that matter most to families such as healthcare security, financial security and personal fulfillment. AARP also advocates for individuals in the marketplace by selecting products and services of high quality and value to carry the AARP name. As a trusted source for news and information, AARP produces the world's largest circulation magazine, AARP The Magazine and AARP Bulletin. AARP does not endorse candidates for public office or make contributions to political campaigns or candidates. To learn more, visit www.aarp.org or follow @aarp and our CEO @JoAnnJenkins on Twitter.

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