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AARP Comments on Senate Tax Legislation

WASHINGTON, DC—AARP Executive Vice President Nancy LeMond gave comments in response to the tax proposal released today in the U.S. Senate:

“AARP is carefully evaluating the Senate proposal outlined today to assess the impact it will have on older Americans and individuals saving for their retirement. As we review the outlined proposal, we urge the House and Senate to ensure the tax system produces sufficient revenue to fund important priorities, including Medicare, Medicaid, other programs important to older Americans, and maintain fiscal stability. We will continue to communicate with our membership on how the Senate proposal may affect them.

*“We are pleased that the Senate tax proposal includes some important improvements over the House bill voted out of the Ways and Means Committee yesterday. The Senate proposal would keep the medical expense deduction for millions of Americans with high medical costs—something that is especially important for middle income seniors. The House tax bill repeals the medical expense deduction, resulting in a health tax for taxpayers who get sick or have chronic conditions. AARP also continues to urge Congress to go further and pass the bipartisan **Seniors Tax Hike Prevention Act** to protect seniors ages 65+ from a **looming tax hike**. The Senate proposal – unlike the House bill -- also retains the extra standard deduction for those ages 65+, which will help some modest income older taxpayers avoid a tax hike.*

*“The Senate proposal, like the House bill, rejects capping contributions to 401(k) plans. Proposals to immediately tax income placed in a 401(k)-type retirement plan would have been a retirement tax on workers and likely discouraged savings for retirement. In addition, like the House bill, the Senate proposal retains the Child and Dependent Care Tax Credit, which can provide some assistance to taxpayers who are caregiving for a dependent. However, we also urge Congress to consider passage of the bipartisan **Credit for Caring Act** that would help support America’s family caregivers, including those caring for a loved one who is not a dependent, by offering a federal tax credit for qualifying caregiving expenses.*

“As Congress continues its consideration of tax legislation, we continue to urge the House and Senate to work in a bipartisan manner to maintain tax incentives that promote retirement savings, retirement security and help offset the high out-of-pocket health care costs of older Americans.”

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About AARP

AARP is the nation’s largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age. With nearly 38 million members and offices in every state, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands, AARP works to strengthen communities and advocate for what matters most to families with a focus on health security, financial stability and personal fulfillment. AARP also works for individuals in the marketplace by sparking new solutions and allowing carefully chosen, high-quality products and services to carry the AARP name. As a trusted source for news and information, AARP produces the nation’s largest circulation publications, AARP The Magazine and AARP Bulletin. To learn more, visit www.aarp.org or follow @AARP and @AARPadvocates on social media.

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