

Testimony to the Minnesota House Tax Committee
in support of Social Security Tax Exemption (HF300)
Submitted by Peggy Heistand-Harri
March 9, 2023

My name is Peggy Heistand-Harri from Hermantown, Minnesota. I am here today to speak in favor of Social Security tax relief and am a volunteer with AARP.

I am a retired widow. I planned all my life and saved responsibly, and I still am. I feel lucky because my husband left me a pension, but with his pension, my Social Security, and my IRA, I earn about 64,000 a year. I live frugally, but even with my income, I find it challenging to keep up with my expenses. I own my home, but the utilities and cost of keeping the house, like taxes and insurance, have gone up 18% in one year. This does not include gas for the car, groceries, house repairs, or any activities-only costs related to survival. Add onto this what I call the widow's tax, which means I pay higher taxes because I only have one deduction, and in my case, my income taxes went up from 12-22% last year.

My most significant expense is my health insurance, which costs over \$6,660 a year, my real estate taxes, which cost \$4,480, and \$4,400 for expenses to pay for a home association fee that covers things like shoveling and lawn maintenance.

I have considered downsizing, as I have a big house. However, the rents alone exceed my expenses to keep this house running, so it would not be cost-effective. The shortage of homes for sale and rent in my area is not affordable for seniors.

I know it can seem like I have a lot of money, but I worry about the future. I saw how expensive my mother's long-term care was, and I worry about how I will be able to pay for my own long-term care expenses.

My husband and I worked hard for our money and are grateful for Social Security, but these benefits shouldn't be taxed, especially in light of the budget surplus.

Thank you for your time today.