

Testimony to the Minnesota House Tax Committee  
in support of Social Security Tax Exemption (HF300)  
Submitted by Robert Allender  
March 9, 2023

My name is Robert Allender from Rosemount. As a newly retired, middle-class, single person with a mortgage, Social Security constitutes a significant part of my income. Taxation will play a significant part in my decision whether to remain in Minnesota. Taxation is an often-mentioned consideration of retirees with whom I've spoken.

The government likened Social Security benefits to defined benefit pension plans. Instead, it is akin to a Roth IRA, as such taxation of these benefits amounts double taxation. The income levels discussed are too low if a phase-out is considered and the federal guidance is out-of-date. A single person could have an income of \$125 thousand and still be considered middle class.

Health care insurance is \$7,900 annually, triple my working years. Long-term care insurance is \$4,800 annually and increases each year. The cost of keeping oneself physically and mentally fit is higher than in your working years. Add to this the other higher costs of living against a reduced income. The federal tax code penalizes high-tax states, and accordingly, I cannot itemize with my mortgage, given limits on state and local taxes. Minnesota's taxation ranks fifth in the nation on a population that ranks 22nd. Surrounding mid-western states, which don't tax Social Security benefits, I could save \$3-to-\$6 thousand in taxes each year.

Eliminating the Social Security tax would be a significant step to buttressing headwinds seniors such as myself face while helping to ensure I can remain in Minnesota with friends of many years and preserving a planned legacy here. Eliminating this tax in totality represents less than three percent of the state's surplus, immaterial.

Social Security was designed to be an anti-poverty program, not to fund state government. I urge you to eliminate Minnesota's Social Security tax.