Good morning Mister Chairman and members of the Committee. My name is Catherine Edwards. I am the Executive Director of the Missouri Association of Area Agencies on Aging (ma4). Collectively, we represent the 10 Area Agencies on Aging (AAA’s) that exist throughout the state. On behalf of ma4 and the seniors we serve throughout Missouri, thank you for the opportunity to speak with you today.

The AAA’s represent the front line in providing vital services, programs and information to Missouri’s seniors and and their caregivers, including, home-delivered meals, in-home services, disease prevention and health promotion, transportation, and public benefits counseling (like Medicare). Through all these programs and services we seek to help seniors to live as independently as they can for as long as they can. One key to independence and certainly quality of life is affordable housing.

MA4 would like to go on record in opposition to SB 285. Finding affordable housing for seniors and those with disabilities is a big problem in Missouri. Eliminating this tax credit would only aggravate this situation.

Established in 1973, the Circuit Breaker is a property tax credit that helps Missouri seniors, people living with disabilities and veterans to remain in their homes by offsetting costs related to property taxes. Missouri seniors and people living with a disability can qualify for the credit if their annual incomes are below $27,500 if single, or $29,500 if married. The maximum annual credit is $750 for renters and $1,100 for homeowners. However, the average credit claimed by renters is approximately $530.

Missouri voters recognized the need for this credit and specifically approved a Constitutional Amendment (Article X, Section 6(a) to the Missouri Constitution) in a 1972 election that allowed the Missouri legislature to create a tax credit or rebate to offset
property taxes paid by homeowners and to create a comparable benefit for renters. Including renters in eligibility for state property tax credits is not unusual. In fact, **16 of the 18 states with Circuit Breaker Property Tax Credits include renters in their eligibility structure.**

In 2012 the Senate removed cuts to Missouri’s Circuit Breaker Tax Credit program for renters from an economic development package under consideration at the time. In 2013 the Senate rejected another initiative to eliminate this credit for senior renters and redirect it to a senior fund. The Senate’s past actions indicate that you believe there are alternatives for balancing budgets in this state that do not put senior citizens and low income Missourians in jeopardy. And we agree with that.

MA4 supports the retention of the Missouri Circuit Breaker Tax Credit program as it currently exists, as it benefits low income seniors in Missouri – many of whom rely on this program to offset taxes allowing them to stay in their homes. Moreover, even some nursing home residents who have followed the Medicaid spend down rules and are left with very little discretionary income rely on this program.

As you know, the senior population is especially vulnerable to economic ill winds---because they often are on a fixed income---tend to have more healthcare expenditures which accompany this stage of life---and now are becoming care givers for grandchildren as families struggle. In Missouri about 7% of our seniors live in poverty and the median income is approximately $26,000 for males and $15,000 for females. The circuit breaker tax credit often provides a life line to these folks.

By nature of the program, those who qualify for the credit are all moderate to low income people who especially feel the rising cuts in services and costs of necessities like food and gas. This may not seem like a lot to some---but for our seniors, it can make all the difference in the world to help with utilities, or medicine, or eyeglasses or a repair to their homes. For those recipients in nursing homes, that credit can help with incidentals such as toiletries or pajamas, especially for those seniors who are Medicaid recipients.

The people we serve are Missouri’s seniors---people who worked hard all their lives, raised families and now, as they age, find their dollars don’t stretch as far as they need to--in many cases, now, they are simply poor, on fixed incomes or infirm---or just need the help while they are recuperating from surgery or hospitalization.

We respectfully ask that you reject the elimination of the circuit breaker tax credit for renters.

Thank you.