



HB 4072 When Wellness is Already Incented

Testimony for House Revenue Committee

Name David R Roth, February 4, 2014

The impulse to pass HB 4072 is noble. The reports on this program are great. Incentives like this work for some people, and every time they do, it's a win for all of us.

However, adding a five hundred dollar subtraction from taxable income to the mix will provide no increased incentive.

If the boss says, "I'll give you \$500 to pay for this quit-smoking program if you'll go for a full 12 months," no one will ask, "Will I have to pay taxes on that \$500?" before saying "I'm going to try."

The very biggest tax break would be \$50, while the typical tax break will be in the \$30 range. No one will notice the gift at tax time, because the benefit will just be included on the W-2. If the person begins to lose enthusiasm during the program because it's inconvenient, it's hard work, and they don't like the way the program is run, they're still not likely to care much that they'll save 30, 40, or 50 dollar subtraction. What will really matter is whether they'll have to pay for the program if they quit.

In recent Sessions, the Governor and the Legislature have carefully repaired troublesome financial leaks in the ship of state. They included the BETC's, certain PERS benefits, and the Senior Medical deduction. The Governor and the Legislature hope to reach a destination where the revenues of the state will be reliable and adequate enough to restore the proud reputation of our education system. If the Legislature allows new leaks to develop by granting new tax expenditures that do not serve the fundamental priorities of the state, the ship may never get to port.

This is one of those "seems great" bills where Legislators should think again.