



## **SB 810 Tax deductions for health savings accounts?**

Testimony for Senate Health Care – Anne Nesse – 3.28.2017

First of all savings is always a good idea, but medical savings presents a much more complicated situation.

Today's personal medical costs can be so high in our present marketplace and you have no bargaining power as an individual. Your costs can easily exceed your savings.

However, SB 810, by allowing individuals a tax shelter for their money in health savings accounts only benefits those with considerably high incomes. Middle and lower income individuals may not have the extra funds and ability to save. They instead need good health insurance options where they are part of a large pool of risk.

In conclusion, we recommend that SB810 should not be passed out of committee. This bill will reduce the General Fund. Instead, you should be hearing a bill to remove the option of sheltering income from taxation in Health Savings Accounts. This would increase the General Fund by \$22.3 million, bring more equity to our tax system, and provide revenue to meet the state's health care gap.