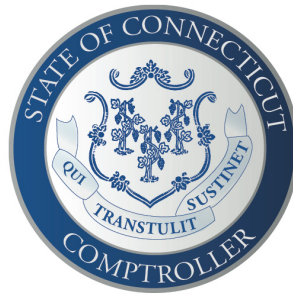


KEVIN LEMBO
STATE COMPTROLLER



MARTHA CARLSON
DEPUTY COMPTROLLER



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**Written Testimony
Comptroller Kevin Lembo
March 8, 2018**

Concerning

**H.B. 5242: AN ACT EXEMPTING SOCIAL SECURITY BENEFITS FROM STATE
INCOME TAX**

Good afternoon, Sen. McCrory, Sen. Kelly, Rep. Serra, Rep. Byron and Members of the Aging Committee:

I write today in support of House Bill 5242, An Act Exempting Social Security Benefits From State Income Tax.

This legislation rightfully seeks to expand the number of Connecticut residents who will benefit from a state income tax exemption on social security benefits that will be effective next year.

Thank you for raising this legislation and for the opportunity to show my support for exempting social security benefits from the state income tax – and for ensuring that as many Connecticut citizens benefit from this measure as possible.

Connecticut is often perceived as unfriendly to retirees. The U.S. Census Survey over recent years has proven that our state experienced a net out-migration of thousands of residents aged 65 and older. Connecticut consistently ranks poorly among the best states to retire — 42nd by Bankrate and 39th by Money Magazine. Currently, Connecticut is among only 13 states taxing social security benefits.

As the state seeks to retain our retiree residents, we must stay competitive with other states. Connecticut currently allows taxpayers to deduct either 75% or 100% of federally taxable Social Security benefits, depending on income. Expanding this policy to exempt all Social Security benefits, regardless of federal tax treatment or taxpayer Adjusted Gross Income (AGI), will be an important step toward ensuring our state is committed to its retirees.

I urge your support and thank the Committee for raising this bill.