



EXHIBIT 7
DATE 2.4.05
HB 509

February 4, 2005

Representative Karl Waitschies
House Taxation Committee

RE: Support of HB 509, Revision of Low income elderly homeowners and renters credit

Mr. Chairman and Members of the Committee, for the record my name is Linda McCartney, volunteer advocate for AARP Montana. We have 143,000 members in Montana. In our recent member survey 83% of our member said they are concerned about their financial security which why I am her today.

As a matter of background, for the last 12 years I have taught tax law seminars for H& R Block and the IRS/AARP Tax Aide program. I also prepare income taxes returns. I am the district coordinator for Tax Aide and a real estate broker/owner for 34 years.

Housing is the single largest expenditure for older households. Nationally, households age 65 and older spend 33% of their income on housing. The 2001 American Housing Survey indicates that 59 percent of renter households age 65 and over incurred "excessive expenditures" for housing, defined as housing costs in excess of 30% of income or more.

This bill provides crucial help to thousands of elderly Montanans, many who live on fixed incomes. Often these people have significant health care costs and do not have much left over at the end of the month. This bill will help these folks keep pace with inflation on all their expenses, by providing a much needed income tax credit.

Generally, many of the people who benefit from this Montana tax credit don't even have to file a federal or state income tax return, so they are thrilled to receive this refundable tax credit. Often it helps them pay for their property taxes, heating bills or prescription drugs. This is one of the best things we do for older Montanans.

Please give HB 509 a DO PASS recommendation. Thank you.