

EXHIBIT 3
DATE 2/9/11
HB 357

February 9, 2011

HB357: Allowing a tax credit for employer contributions to an employee's health savings account (HSA).

Introduced by: G. Maclaren

In most respects, I support this bill.

However, I question the reasoning behind Section 2 (2) that states the credit is "available only to employers who have not paid contributions into an HSA during the 2 tax years immediately preceding the tax year for which the credit is first claimed...". The goal may be to encourage employers to start contributions, but it is discriminatory to those employers who took the lead in making contributions for their employees, with no expectation of tax benefits. It is not fair to exclude them from tax benefits.

My second concern is the limiting of the tax credit to 4 consecutive years out of 10. Doesn't an employer contribute to, and receive tax benefits, from contributions to an employee's retirement plan for an unspecified number of years (as long as a person is employed and eligible for retirement contributions)? Why should this benefit be limited?

Thank you,

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