



My turn: Governor's proposal to tax retirement savings would hurt Gold Country

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In announcing his May revision of the California state budget, Gov.

Schwarzenegger proposes to tax occupied nursing home beds of residential retirement communities. These communities were excluded from paying this tax because the residents pay entrance fees that pre-pay future health and housing costs of their retirement. Moreover, at nearly one-half of these communities, the community itself is legally responsible to continue to provide care for residents who out-live their retirement savings.

The governor proposes adding \$11.16/bed/day to the bill of nursing home residents who pay privately for their nursing home care. Moreover, these private-pay residents are expected to pick up the cost per day not only of their nursing home bed, but also the cost per day of the Medi-Cal and Medicare residents residing in that nursing home, because the government does not pay taxes. This tax is levied only on occupied nursing home beds so that people outside a

residential retirement community are not taxed at all.

In essence, the governor is requiring 87-year-olds (the average age of a nursing home resident) lying in a bed to pay a tax out of their retirement savings that no other person is required to pay.

Recognizing that almost two-thirds of nursing home residents are Medi-Cal patients, and that there are a large number of Medicare patients in nursing homes, it seems very unfair to ask private pay nursing home residents to pay taxes on themselves and pay taxes for the Medi-Cal and Medicare residents as well.

If this tax survives the legislative process, there will be a steady erosion of private-pay residential skilled nursing care because fewer and fewer people will be willing to put themselves in a situation to have their retirement nest-egg taxed solely because they live in a residential retirement community.

While the state has been dysfunctional for years, this proposal brings it to new lows. In a state that refuses to tax million-dollar incomes, it is OK to tax the retirement savings of the "retired" living in residential care communities? Nursing home residents cannot get out of bed and fight for themselves. We must fight for them by vigorously opposing this ill-conceived tax.

Write your state Assembly person and senator urging them to oppose this tax.

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