

SENATOR HALL: Wait, I was going to say, would it be fair to assume that the calculations necessary to come up with that credit are extremely complex, complicated, and something that someone who wasn't fairly familiar with taxes would not understand at first blush?

SENATOR HANNIBAL: No, and, yes. It probably isn't very complex and complicated but, yes, somebody who is not familiar and doesn't understand it, and that is me.

SENATOR HALL: Senator Hannibal, are you aware that the federal credit for the elderly as it currently exists is...would be available to an individual who had, for example, a hundred, two hundred thousand, three hundred thousand tax exempt muni bonds, if their other income met the necessary requirements?

SENATOR HANNIBAL: It is my understanding that this income credit goes only to people with incomes that are less than \$15,000 annually.

SENATOR HALL: That is correct, but, Senator Hannibal, are you aware that the adjusted gross income that is used to determine that 15,000 is figured after the tax exempt muni bonds are stricken out of that calculation?

SENATOR HANNIBAL: I have been led to believe that that is correct.

SENATOR HALL: Thank you. Mr. President and members, this provision would increase 100 percent and to 100 percent of the federal allowable exemption for the elderly. My problem is with it is that it is well-intended, and it is, but it would allow for just what I laid out for Senator Hannibal, and that he agreed to, that an elderly person who is very well off, indeed, would still be eligible to receive this because of the way that it is structured. It is the one provision in the bill that I have the most problem with because it is the smallest in nature in terms of the amount of dollars. It is \$200,000. The total is 200,000. The total that we currently allow for 50 percent is \$200,000, but it would be available to an individual, the way it is drafted, and the way it works, as complicated as it is, to someone who is extremely wealthy that happened to have their dollars, their money invested in tax exempt muni bonds, and because that calculation comes out prior to figuring adjusted gross income, and somebody could be a millionaire, very possible