

**Testimony**  
**Engrossed House Bill 1320 – Department of Human Services**  
**Senate Finance and Taxation Committee**  
**Senator Cook, Chairman**  
**March 9, 2011**

Chairman Cook, members of the Finance and Taxation Committee, I am Curtis Volesky, Director of Medicaid Eligibility for the Department of Human Services. I am here to provide information on Engrossed House Bill 1320.

In determining eligibility for Medicaid, current policy counts the gross amount of income received from rental property and does not provide a deduction for property taxes. Some Medicaid recipients have modified their rental agreements so the renter pays the property taxes, but others, primarily those unfamiliar with how income is treated by Medicaid, either pay the taxes out of their remaining assets or find a family member willing to cover the annual tax expense.

The engrossed bill will:

- Allow the tax deduction only for individuals receiving nursing care services, and will require that income be treated differently as an individual transitions into or out of nursing care, or for a spouse who is receiving nursing care as opposed to the spouse who is not.
- Allow the tax deduction from the rental income that is generated from the property, and not allow a deduction if the property is not being rented.

- Allow the deduction to the extent the individual is responsible for paying the taxes.
- Allow the deduction regardless of where the property is located.

This concludes my testimony. I'll be happy to respond to any questions you may have.