

THE SENIORS' TAX SIMPLIFICATION ACT

Under current Internal Revenue Service (IRS) rules, many taxpayers have the ability to file their taxes using the IRS's "easy" tax form – the 1040EZ. Unfortunately, individuals who are age 65 or over are prohibited from using Form 1040EZ. Seniors that do not qualify for a shorter form (Form 1040A) fill out a longer, more complicated Form 1040 that deals with schedules, and includes much that is not pertinent to seniors' taxable situations.

The Seniors' Tax Simplification Act would allow our nation's senior citizens to file their federal income taxes on a new and simplified Form 1040S that would capture sources of income commonly reported by seniors, including social security benefits, distributions from qualified retirement plans, annuities or other deferred payment arrangements, interest and dividends, and capital gains and losses. In fact, the IRS estimates that as many as 11 million seniors could benefit from a simplified tax form in the first year it is made available. Congress took heed and the House unanimously passed legislation by a recorded vote to create such a form. Unfortunately the Senate failed to consider the legislation and the IRS has since halted efforts to create such a form.

Specifically, the Seniors' Tax Simplification Act would:

- Direct the Treasury Secretary (or Secretary's delegate) to create a new form – as similar as practicable to Form 1040EZ – for individuals 65 and over by the close of the taxable year;
- Require the 1040S to be used even if income for the taxable year includes: social security benefits, distributions from qualified retirement plans, annuities or other deferred payment arrangements, interest and dividends, or capital gains and losses; and
- Establish that Form 1040S is made available regardless of taxable income for the taxable year.



It is clear that millions stand to benefit from the Seniors' Tax Simplification Act, and countless hours of time and energy could be saved not fretting over complex and often confusing tax forms.

DID YOU KNOW?

- Florida's total 65 and over population represents over 3.3 million residents – that's 17.4% of the total population.
- In 2030, when all of the baby boomers will be 65 and over, nearly one in five U.S. residents are expected to be 65 and older.
- The 65 and over age group is projected to increase to 88.5 million in 2050, more than doubling the number in 2008 (38.7 million).
- The number of those aged 85 and over is expected to more than triple, from 5.4 million in 2008 to 19 million by 2050.

Information provided from: U.S. Census Bureau, August 14, 2008, <http://www.census.gov/Press-Release/www/releases/archives/population/012496.html> and Florida Department of Elder Affairs, July 28, 2008, http://elderaffairs.state.fl.us/english/pubs/stats/County_2008/2008cp.html

"On behalf of America's seniors, the 60 Plus Association strongly supports Congressman Putnam's "Seniors' Tax Simplification Act of 2010" -- which would create a new short-form 1040S for our nation's senior taxpayers. This senior-friendly proposal would dramatically simplify the federal income tax filing process for millions of our nation's senior citizens."

James L. Martin, President of the 60 Plus Association