

Furthermore, the income base was increased in 1965, and a further increase in this base is pending in H.R. 12080. As a result of these increases, the retirement income credit should be correspondingly increased to \$1,800 for an individual and \$2,700 for a couple in 1967, with a further increase in 1968 to match increases resulting from H.R. 12080.

#### MEDICAL REDUCTIONS

We have another serious tax problem. Through the year 1966, we were permitted to claim as exemptions on our Federal income tax returns practically all of our medical and dental expenses, which was very important for persons who have to pay out large sums of money for medical care. This was drastically changed by an incidental provision of the law authorizing medicare, and now we find severe limits to the amount of medical expenses we can claim as deductions.

It is true that medicare helps with many of our medical problems, but we have many members who do not share its benefits. You will recall that most Federal employees who retired since July 1, 1960, were specifically excluded from medicare benefits but were not excluded from the change in income tax deductions.

Also, there are a great many others who have medical expenses which were not helped by medicare, as for example, the persons who have tremendous outlays for prescription drugs and medicines. These are the people most hurt by the new restrictions on medical deductions.

#### SUMMARY

Our members are loyal Americans who have demonstrated their devotion by long careers of public service prior to retirement. They are still loyal Americans willing to bear whatever just burden they must assume for the benefit of their country. If an increase in Federal taxes is best for the country, they will offer up their fair share.

In all justice, we should not have to pay more. And so we insist that as full citizens of this land we should not have our taxes increased without first eliminating the present discrimination against us in Federal income tax laws, and restoring to us the medical deductions so necessary to persons in our stage of life.

Therefore, we ask that any bill reported out by your committee include a provision to increase the retirement income credit to equal tax-free social security income, and to restore the unlimited medical deductions for persons over 65 years of age.

Mr. Chairman, we thank you for this opportunity to appear and present our views in this manner, and I will endeavor to answer any questions you or other members of the committee may have.

Thank you.

The CHAIRMAN. Mr. Tarr, we again thank you for bringing to the committee the views of yourself and the organization you represent. Are there any questions of Mr. Tarr? We thank you, sir.

Mr. TARR. Thank you very much.

The CHAIRMAN. Mr. Donald W. Jackson. Mr. Jackson, if you will give us your name and capacity in which you appear for the record we will be glad to recognize you, sir.