

# MICROFILM DIVIDER

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ROLL NUMBER

DESCRIPTION

1188

2007 HOUSE FINANCE AND TAXATION

HB 1188

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **HB 1188**

House Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: 1-15-07

Recorder Job Number: 1052

Committee Clerk Signature

*Marie Haam*

Minutes:

**Chairman Belter:** Opened the hearing on HB 1188.

**Rep Carlisle, Dist 30, Bismarck:** I'm introducing this bill on behalf of North Dakota Hearing Aid Society. Basically, it proposes a \$500 tax credit for North Dakota residents, 55 and older, for the purchase of a hearing aid, once every 5 years. The credits are nearly identical to a bill that's in Congress. Right now the penetration market is about 22% of the people that need hearing aids actually use them. It's 74% of the people that buy them that are age 55 and older ... it's a tax credit.

**Chairman Belter:** Was there any particular reason why you have an age limit on that?

**Rep Carlisle:** We came up with a compromise; I told them that this committee may take a look at that. We found that  $\frac{3}{4}$  of the people that buy hearing aids are 55 and older. If 10% (we have a state of 600,000 people) bought them, it would be 60,000 people. The numbers they don't show you is that it really takes off with the younger folks. It also affects the fiscal note, it will cost some money.

**Chairman Belter:** Do you know that if the people that buy a motorized cart or other health associated aids, do they get a tax credit?

**Rep Carlisle:** I'm not aware of that.

**Rep Froseth:** In reading the bill, would this have to be filed on the long form?

**Chairman Belter:** We'll have someone else address that later.

**Rep Drovdal:** Do you know if hearing aids (*?are covered?*) by health insurance?

**Rep Carlisle:** The others will speak on that, I'm just introducing it.

**Ronald R Shauer, member & lobbyist for the North Dakota Hearing Aid Society**

**(NDHAS):** Appeared in support of HB 1188. See attachment #1 for information and testimony.

**Rep Headland:** The \$4M fiscal note associated with this bill, is that based on the 20% of the people that are currently wearing hearing aids?

**Ronald R Shauer:** It's not based on the actual numbers, the Tax Department came up with some erroneous number, but if you take the 7,126 that were sold and take away the people that under are 55, you get down to 5,400 people and that doesn't count 3<sup>rd</sup> party, voc rehab and medical assistance. So my worst case scenario, in my guess, would be about 2,000 hearing aids or 3, in a 5 year period.

**Rep Froseth:** On Line 10 & 11, the amount allowed as a credit under this section, may not exceed \$500 per qualified hearing aid. You have 1 hearing aid, so if you buy 2 hearing aids (1 for each ear) you have to have a \$1000 tax credit?

**Ronald R Shauer:** As I understand it, it's for 1 hearing aid per person.

**Rep Froseth:** My 2<sup>nd</sup> question is, for medical reasons, does Medicare or Medicaid cover any of the cost of any hearing aid devices for anyone?

**Ronald R Shauer:** If you're on medical assistance by the state, Medicaid will cover 1 hearing aid every 5 years, Medicare will not. Very few 3<sup>rd</sup> party insurers will carry.

**Rep Froelich:** What is the price of a hearing aid?

**Ronald R Shauer:** If you're talking about good hearing aid, the average price in the US is about \$1,800, depending on the size. In the state it's probably about \$1,500.

**Rep Froelich:** Would that be for 1 hearing aid?

**Ronald R Shauer:** I personally wear the best hearing aids on the market, I've been wearing 2 of them since 1961.

**Rep Froelich:** Is that per hearing aid?

**Ronald R Shauer:** Yes.

**Rep Vig:** How often does a person purchase hearing aids, do they update them?

**Ronald R Shauer:** The average life of a hearing aid by the industry is somewhere between 7-10 years and maybe less, not because the instrument will wear out, it's because the hearing got worse or the quality got much better. The latest technology that came about a year ago in March is probably the best technology I've listened to in the 25 years I've had them, so I upgraded.

**Rep Drovdal:** Are there circumstances where a person's health insurance would cover?

**Ronald R Shauer:** Yes there is, if there's some medical reason or specialist determines that there's some medical problem with your ear, then their insurance may cover, depends upon the care. I would suggest to all the young people that they go to their insurance provider and get a rider, because their hearing will go down in life and then they'll have it.

**Rich Wakefield, NDHAS President:** Appeared in support of HB 1188. I have a practice in Grand Forks. See Attachment's #2 and #3 (testimony plus). On the question as to when (*can't understand*) will recommend a hearing aid paid by the insurance, is a typing error. It has to be some type physical (???) to cause the insurance to kick in, but for the most part, there's very little 3<sup>rd</sup> party support for hearing aids nationally. See the attachment passed out. I want to make it clear, as a provider, I have no influence in that organization. It's an

independent organization that represents the consumers across the country, they have chapters all over the United States, there's only 1 chapter in North Dakota, that's in Grand Forks. They were unable to be here so they sent the testimony with me. In this area we have 4/5 of the population driving down the road without hearing aids ... this is a serious problem, but it hasn't been documented. We have to remember that people who are engineers on RR's have to meet hearing standards and truck drivers. It has economic consequences for every community as well as for this state. A statistic that's well documented is that when an inventory is done on people who have hearing impairments, 30% indicated the economic costs are prohibitive. I believe that's a very conservative statistic because we're all individuals of pride, it's difficult for us to say that we don't have the money to buy something.

**Rep Weiler:** Could you give us a price range from the lowest amount, all the way up to that \$1,800?

**Rich Wakefield:** You'll probably see hearing aids advertised as low as \$500 and upwards and we don't want to overlook that there's a small, but never the less a market, for mail order hearing aids. The thing we want to keep in mind is the people who advertise relatively low costs, the \$500 range, the reality is the specific numbers who buy at that level are very small, close to 5%. The hearing aid at that level is a relatively crude instrument compared to the instruments that Ron is presently wearing and says they're the best he's ever worn. The average of \$1,800 may be a little high for North Dakota and his figure of \$1,400-\$1,500 may be more likely what people are paying for hearing aids.

**Rep Kelsch:** Can you tell me what the causes of hearing loss are and are there any medical procedures *(can't understand)*?

**Rich Wakefield:** I'm not a physician, but I'll basically say that *?presiclusise?* which is deterioration by virtue of aging process as the single most important reason for hearing loss.

There's genetic reasons and one of the most significant reasons on the medical side are implants. We have to keep in mind that less than 10% are having their hearing loss addressed clinically by doctors. Over 90% have to be addressed by hearing.

**Rep Pinkerton:** What are the regulatory requirements in the hearing aid society and is there training required to sell hearing aids?

**Rich Wakefield:** There is and I have 10 years of higher education, but this state has a very high examination and apprentice process. There is training required and a very comprehensive process. The process is listed in the North Dakota Century Code 43.33 ... all of the requirements.

**Chairman Belter:** Any further testimony in support, opposition or neutral? Joe, could you answer a few questions? In this case, we're asking for a tax credit for hearing aids, are we allowing any kind of tax credit for other types, such as dentures, eyeglasses, wheelchairs, motorized vehicles, etc which a person could need? If you're in need of a motorized car, does Blue Cross/Blue Shield pay for that?

**Joe Becker, Tax Department:** I can't answer that.

**Rep Drovdal:** Is there other medical equipment that we get tax credits on? (*answered already*)

**Joe Becker:** On Page 2, Lines 3 & 4, just so the Tax Department is clear on what your intent is, with that provision, it's possible we could read that provision 1 of 2 ways. The 1<sup>st</sup> one (and the one's that's intended) is that there's no other state statute that provides for a deduction or a credit for this type of advice. Second way could be interpreted is indirectly our statute does pick up on federal taxable income as a starting point, which means that the device is deductible on the federal tax return, the state would pick it up there. I want to go on record that we're clear on what you want this to say.

**Chairman Belter:** In Rep Froseth's question on Line 10 of 11 of the first page, it says "per qualified hearing aid", could the department take that as 1 hearing aid or if you had 2 would they get credit for each 1?

**Joe Becker:** Per hearing aid, for each 1.

**Chairman Belter:** Rep Aarsvold, if you came down for 1188 then would step up?

**Rep Aarsvold, Dist 20:** Appeared as a co-sponsor of HB 1188 and want to express my concern to the committee that we have people in the state that not able to resolve their hearing issues because of the cost of the instruments that I have on the table here. (*Can't understand*) have selective hearing years ago and as a response to that I went to a hearing aid professional and found I had a pretty substantial hearing loss. I've had 2 instruments for quite a long time. A modest help for those who can't afford those instruments would be appropriate and I think HB 1188 begins to address those problems.

**Dean Lampe, EMS Association:** I'd like to make 1 more comment. Hearing aids (not fly by night hearing aids) are determined by the federal government as a class 1 medical device.

**Rich Wakefield:** On that US Bill, which is almost identical to yours, there's not 1 organization nationally that has any association with hearing that opposes that bill.

**Rep Drovdal:** It says \$500, it doesn't say up to \$500, so a person should order a \$250 cost hearing aid to qualify for \$500 under this bill, could you clarify that?

**Joe Becker:** The language may not exceed \$500, I think we would interpret that, that if your cost is less, your credit would be less.

**Chairman Belter:** If no further questions, we'll close the hearing on HB 1188.



# 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1188 B

## House Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: January 15, 2007

Recorder Job Number: 1111 00min 25sec

Committee Clerk Signature

*Micki Schmidt*

Minutes:

**Chairman Belter:** Let's open the meeting on HB 1188. I think we answered the questions here to resolve income tax. We'll hold on to HB 1188 for now.

# 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **HB 1188**

House Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: 1-15-07

Recorder Job Number: 1115

Committee Clerk Signature

*W. J. Lane*

Minutes:

**Chairman Belter:** I'd like to entertain a motion on HB 1188

**Rep Headland:** I would move a DO NOT PASS

**Rep: Weiler:** Seconded it.

**Chairman Belter:** Any discussion? If not the clerk will call the roll on a **Do not Pass**

13 **Yes**    0 **No**    1 **Absent**

Carrier **Rep Pinkerton**

**Rep Pinkerton:** What does the committee think I should say?

**Rep Froseth:** I think it can be justified by the fiscal note which is \$4M to the general fund cap; also, if you're looking at a \$500 tax exemption and pays \$500 in state income taxes has to be earning a pretty good taxable salary to report the \$500 exemption to take advantage of that. If you're going to give a \$500 exemption for something like a hearing aid ... I think there's bigger causes in the state that would easily overshadow this.

**Rep Froelich:** Weren't they looking at some federal legislation doing the exact same thing?

**Chairman Belter:** It's stalled ... we don't have that luxury at the legislature, we can't long term stall like they can there.

Page 2

House Finance and Taxation Committee

Bill/Resolution No. "Click here to type Bill/Resolution No."

Hearing Date: "Click here to type Hearing Date"

**Rep Weiler:** In addressing Rep Pinkerton's concerns; you don't have to justify anything on the floor. When you carry the bill all you have to do is explain what the bill does and explain that the committee voted 13-0 for a Do Not Pass and explain what the bill does.

**FISCAL NOTE**  
**Requested by Legislative Council**  
01/08/2007

Bill/Resolution No.: HB 1188

**1A. State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>			(\$4,000,000)			
<b>Expenditures</b>						
<b>Appropriations</b>						

**1B. County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

**2A. Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB 1188 provides a tax credit for the out-of-pocket expenses associated with the purchase of qualified hearing aids for the taxpayer (if over 54 years of age) or the taxpayer's dependents.

**B. Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The tax credit is available once every five years for any given taxpayer, and is limited to \$500 per hearing aid. HB 1188 is expected to reduce state general fund revenues by an estimated \$4 million in the 2007-09 biennium.

**3. State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

**A. Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

**B. Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

**C. Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

<b>Name:</b>	Kathryn L. Strombeck	<b>Agency:</b>	Office of Tax Commissioner
<b>Phone Number:</b>	328-3402	<b>Date Prepared:</b>	01/12/2007

Date:  
Roll Call Vote #: 1188

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO.

House \_\_\_\_\_ Finance & Tax \_\_\_\_\_ Committee

Check here for Conference Committee

Legislative Council Amendment  
Number \_\_\_\_\_

Action Taken Do Not Pass

Motion Made By Rep. Headland Seconded By Rep. Weiler

Representatives	Yes	No	Representatives	Yes	No
Chairman Belter	✓		Rep. Froelich	✓	
Vice Chairman Drovdal	✓		Rep. Kelsh	✓	
Rep. Brandenburg	✓		Rep. Pinkerton	✓	
Rep. Froseth	✓		Rep. Schmidt	✓	
Rep. Grande	✓		Rep. Vig	✓	
Rep. Headland	✓				
Rep. Owens					
Rep. Weiler	✓				
Rep. Wrangham	✓				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Rep. Pinkerton

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE (410)**  
January 15, 2007 3:20 p.m.

**Module No: HR-09-0596**  
**Carrier: Pinkerton**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**HB 1188: Finance and Taxation Committee (Rep. Belter, Chairman) recommends DO NOT PASS (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1188 was placed on the Eleventh order on the calendar.**

2007 TESTIMONY

HB 1188

1-15-07  
#1 HB 1188

# North Dakota Hearing Aid Society

House Bill 1188 sets forth a proposed tax credit of \$500.00 for the purchase of a hearing aid. The attached statistics reported in the December 2006 Hearing Journal are taken from independent surveys of Marke Trak sponsored by Knowles Electronics and supervised by Sergei Kochkin, Ph.D. Knowles does not sell hearing aids but has surveyed the hearing industry via Marke Trak for many years.

In 2004 Senator Coleman of Minnesota and Representative Jim Ryan of Kansas introduced bills in their respective houses for a \$500.00 tax Credit for the Hearing Impaired to assist in the purchase of Hearing Aids. Since Congress works very slowly and because the current Federal fiscal situation is extremely tight, it may be some time before the federal tax credit is enacted.

New York, New Jersey, Michigan, California and North Dakota have introduced tax bills like the one in Washington. As of this date to the best of my knowledge none of the states have yet passed their bills. The North Dakota Hearing Aid Society would like North Dakota to be the first state to show their concern for the hearing impaired.

People do not seek hearing aid help for a number of reasons. Vanity, feelings of isolation and denial of hearing loss, misconception of what new digital hearing aids can do and cost are significant reasons why only 20% of the eligible hearing impaired population choose to wear hearing aids. The out of pocket costs for hearing aids is a significant reason why we feel this bill will motivate many hearing impaired people to seek the help they need.

If you will note that there were 7126 hearing aids sold in ND in 2005. 78% of those fitted purchased two hearing aids. That means that approximately 4347 hearing aid candidates would be eligible to obtain a tax credit for one hearing aid every five years.

Sincerely,

Ronald R. Schauer, BC-HIS  
Legislative Coordinator for NDHAS

Richard Wakefield, BC-HIS  
NDHAS President



Table 2. Unit sales by state, with percentage of increase (or decrease) from previous equivalent time period. ( $\Delta$  = difference). Information is derived from the Hearing Industries Association Statistical Reports for 2005 and 2006.

STATE	2005	% $\Delta$ from 2004	2006 (Jan.-Sept.)	% $\Delta$ from Jan.-Sept. 2005
Alabama	22,804	+0.4%	18,676	+5.6%
Alaska	4,293	+7.5%	3,101	-8.6%
Arizona	47,380	+5.5%	39,398	+14.2%
Arkansas	14,576	+7.4%	14,259	+26.8%
California	206,721	-0.4%	171,106	+7.4%
Colorado	34,309	+8.7%	29,199	+10.7%
Connecticut	22,870	+3.9%	18,689	+6.3%
Delaware	5,594	+16.0%	4,097	-0.2%
District of Columbia	3,440	-0.2%	2,452	-7.4%
Florida	141,553	+7.1%	116,266	+9.1%
Georgia	35,708	+11.2%	28,180	+1.9%
Hawaii	8,209	+7.3%	6,314	+0.5%
Idaho	11,544	+10.2%	9,535	+9.3%
Illinois	72,377	+1.7%	58,655	+6.8%
Indiana	48,077	+10.3%	36,889	+1.2%
Iowa	26,291	-0.0%	21,461	+7.9%
Kansas	21,562	+0.1%	17,565	+7.5%
Kentucky	23,862	+0.8%	18,155	-0.5%
Louisiana	18,178	-0.0%	16,742	+19.7%
Maine	10,916	+9.7%	7,684	-11.1%
Maryland	30,607	+7.7%	23,440	-1.0%
Massachusetts	47,265	+1.2%	35,959	+0.4%
Michigan	91,611	+12.3%	69,581	+0.2%
Minnesota	46,025	+1.6%	39,130	+15.7%
Mississippi	11,024	+3.2%	9,105	+9.4%
Missouri	41,370	-2.5%	34,920	+9.3%
Montana	9,432	+3.0%	7,234	+1.3%
Nebraska	13,673	+3.9%	10,549	+1.2%
Nevada	12,851	+1.9%	11,592	+20.2%
New Hampshire	9,191	+3.2%	8,643	+23.1%
New Jersey	48,385	+6.7%	37,523	+2.0%
New Mexico	15,029	+3.7%	12,301	+9.4%
New York	100,708	+5.6%	81,614	+7.6%
North Carolina	44,792	+13.9%	38,245	+13.5%
North Dakota	7,126	-7.6%	5,875	+8.3%
Ohio	79,712	+1.8%	63,608	+5.7%
Oklahoma	25,271	-10.4%	20,757	+7.2%
Oregon	36,906	+2.4%	28,737	+2.5%
Pennsylvania	90,134	-0.7%	69,333	+1.9%
Rhode Island	7,461	+3.8%	5,614	-2.5%
South Carolina	19,723	+8.4%	17,160	+13.9%
South Dakota	7,422	-6.9%	6,353	+9.1%
Tennessee	37,426	+5.1%	30,736	+7.9%
Texas	107,253	+7.7%	93,517	+14.6%
Utah	18,074	+11.2%	16,765	+23.9%
Vermont	5,572	-17.2%	4,230	-1.0%
Virginia	38,266	+8.6%	32,029	+9.0%
Washington	57,130	+8.1%	47,025	+8.7%
West Virginia	15,497	+2.1%	12,313	+6.1%
Wisconsin	39,410	+3.3%	32,519	+8.5%
Wyoming	3,606	+9.4%	3,100	+10.2%
VA	299,891	-6.2%	236,936	+2.8%
Unallocated by state	1,568	+81.8%	3,778	+210.2%
DOMESTIC TOTAL	2,199,676	+2.50%	1,788,654	+6.87%

# Hearing Loss Facts

2

Q: How many people have hearing loss?

A: According to a 2000 survey 28.6 million people (10 % of the American population) report "hearing trouble."

Q: What are the major causes of adult hearing loss?

A: The two major causes of adult hearing loss are noise exposure and aging.

Q: How many have hearing loss in both ears?

A: 78.7% of those with hearing loss have *bilateral* hearing loss.

Q: What is the proportion of males to females in the hearing impaired population?

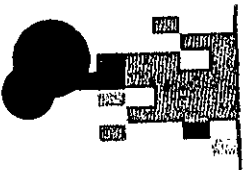
A: Of the hearing impaired 61.8% are male vs. 38.2 % female.

Q: What is the age of most hearing impaired persons?

A: While hearing impairment is most common in adults, it can occur at any age. The approximate percentage of hearing impaired within each age group is:

40

Age	Hearing Loss
< 18	7%
18 - 34	12.4%
35 - 44	21%
45 - 54	34.8%
55 - 64	32.7%
65 - 74	43.4%

**ND HEARING AID SOCIETY**

Mr. Wesley Beltes, Chairman  
Finance and Taxation Committee  
North Dakota House of Representatives

Dear Mr. Beltes and Committee Members:

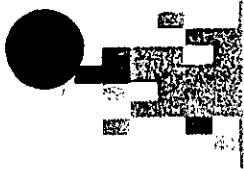
Today, 30% of those with hearing loss cite financial cost as the main reason they do not use hearing aids. Only 1/5 of the people who *can* correct their significant hearing loss, get hearing aids. Hearing aids are important because untreated hearing loss can severely reduce the quality of one's personal and professional life.

The North Dakota Hearing Aid Society members encourage each member of the Finance and Taxation Committee to support **HB 1188**. This bill proposes a \$500.00 tax credit for North Dakota residents 55 years and older, for the purchase of a hearing aid once every five years. This proposed tax credit is nearly identical to US Congress' **HR 414** and **SB 1060** which currently are co-sponsored by 110 US House members and 17 US Senators. Note the attached letter was distributed to all US House members. The letter is endorsed by several significant consumer, industry, and research entities. There is no private institutional or commercial entity that works directly with the hearing impaired who opposes the Federal Hearing Aid Tax Credit Bill.

The attached letter<sup>1</sup> gives information about the national use and cost of hearing aids. Currently 95% of the people who have significant hearing loss can be corrected with hearing aids, but only 22%, or approximately 1/5, of those affected use them. Nationally as of 2004, the average cost for *one* hearing aid was \$1,800, and 2/3 of the people require *two* hearing aids. 71% of hearing aid purchases are paid entirely by the consumer. Hearing aids are not covered by Medicare or by most 3<sup>rd</sup> party insurance. ND Medicaid and VOC rehab provide some hearing aid benefits for low income individuals.

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<sup>1</sup> "Marke Trak" report consumer survey on hearing loss.  
- International Hearing Society  
- American Academy of Audiology  
- Hearing Loss Association of America



## ND HEARING AID SOCIETY

The social, familial, financial, safety consequences of having such a large proportion of untreated hearing impaired people is more than sufficient reason for ND legislature to enact **HB 1188**.

The attached letter includes a brief description of a landmark study by the National Council on aging of 4,000 subjects and their families. This study and the two attached clinical summaries (Journal of American Medical Association; Apr 2003) reach similar conclusions that untreated hearing loss may result in distorted communication, depression, impaired memory, social isolation, anger and reduced general health. Conversely, hearing aid usage had a positive economic effect on earning power of around 50% and on enhanced mental stability, improved health status, less pain and improved familial and social relationships.

Untreated hearing loss results in additional costs to Medicare and state health programs due to the loss of independence, social isolation, depression, safety issues and quality of life.

Since 30% of those with hearing loss cite financial cost as the main reason they do not use hearing aids, we urge you to support this bill. Thank you for your consideration in this important matter. If you need additional information please contact Mr. Shauer or myself.

Sincerely,  
Richard Wakefield

NDHAS President  
Email: [wakehear@yahoo.com](mailto:wakehear@yahoo.com)

1188  
#2 (1-16)

*Similar letter sent to all Members of the House of Representatives.*

*January 16, 2004*

Honorable Neil Abercrombie  
1502 Longworth House Office Building  
Washington, D.C. 20515-1101

Dear Congressman Abercrombie:

On behalf of the organizations listed below, representing major national associations and consumer groups concerned with hearing health issues, we want to encourage your active support and co-sponsorship of H.R. 3103, the Hearing Aid Assistance Tax Credit Act.

More than 28 million Americans at all stages of life have some form of hearing loss. If left untreated, hearing loss can severely reduce the quality of one's personal and professional life. A landmark study conducted by the National Council on Aging (NCOA) concluded that hearing loss was associated with, among other things: depression, impaired memory, social isolation and reduced general health. For infants and children left untreated, the cost to schools for special education and other programs can exceed \$420,000, with additional lifetime costs of \$1 million in lost wages and other health complications, according to a respected 1995 study published in the International Journal of Pediatric Otorhinolaryngology.

While fully 95% of individuals with hearing loss could be successfully treated with hearing aids, only 22% currently use them, according to the largest national consumer survey on hearing loss in America. Almost 1/3 of the individuals surveyed cite financial constraints as a core reason they do not use hearing aids, which is not surprising since hearing aids are not covered under Medicare, or under the vast majority of state mandated benefits. In fact, over 71% of all hearing aid purchases involve no third party payments, thereby placing the entire burden of the purchase on the consumer.

H.R. 3103 offers a practical, low cost, and common sense solution to help older individuals who may not otherwise be able to afford to purchase a hearing aid, or those purchasing a hearing aid for their child. The bill would provide a tax credit of up to \$500 per hearing aid, available once every 5 years, towards the purchase of a hearing aid, and would be available to individuals age 55 and over, or those purchasing a hearing aid for a dependent. The bill is not intended to cover the full cost of hearing aids, but would simply provide some measure of financial assistance to the populations who are most in need of these devices but may not be able to afford them: those approaching or in retirement, and families with children.

This bipartisan initiative is endorsed by virtually the entire spectrum of organizations and consumer groups within the hearing health community. We view this legislation as an effective and responsible means to encourage individuals to treat their hearing loss in order to maintain quality of life and avoid further medical costs. As such, we urge you to cosponsor H.R. 3103 by contacting Jan Graves in Rep. Ryun's office at 202/225-6601, [jan.graves@mail.house.gov](mailto:jan.graves@mail.house.gov).

Thank you for your time and consideration. If you need additional information, feel free to contact any of the endorsing organizations listed below.

Respectfully,

American Academy of Audiology  
Deafness Research Foundation  
Hearing Industries Association  
International Hearing Society  
Self Help for Hard of Hearing People, Inc.  
Siemens

WDC99 866895-1.013024.0010

