

6573

I N   S E N A T E

February 7, 2014

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Introduced by Sen. RITCHIE -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to increasing a pension exemption

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1     Section 1. Paragraph 3-a of subsection (c) of section 612 of the tax  
2     law, as amended by chapter 760 of the laws of 1992, is amended to read  
3     as follows:  
4     (3-a) Pensions and annuities received by an individual who has  
5     attained the age of fifty-nine and one-half, not otherwise excluded  
6     pursuant to paragraph three of this subsection, to the extent includible  
7     in gross income for federal income tax purposes, but not in excess of  
8     [twenty] SEVENTY-FIVE thousand dollars, which are periodic payments  
9     attributable to personal services performed by such individual prior to  
10    his retirement from employment, which arise (i) from an employer-employ-  
11    ee relationship or (ii) from contributions to a retirement plan which  
12    are deductible for federal income tax purposes. However, the term  
13    "pensions and annuities" shall also include distributions received by an  
14    individual who has attained the age of fifty-nine and one-half from an  
15    individual retirement account or an individual retirement annuity, as  
16    defined in section four hundred eight of the internal revenue code, and  
17    distributions received by an individual who has attained the age of  
18    fifty-nine and one-half from self-employed individual and owner-employee  
19    retirement plans which qualify under section four hundred one of the  
20    internal revenue code, whether or not the payments are periodic in  
21    nature. Nevertheless, the term "pensions and annuities" shall not  
22    include any lump sum distribution, as defined in subparagraph (A) of  
23    paragraph four of subsection (e) of section four hundred two of the  
24    internal revenue code and taxed under section six hundred three of this  
25    article. Where a husband and wife file a joint state personal income tax  
26    return, the modification provided for in this paragraph shall be  
27    computed as if they were filing separate state personal income tax

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets [ ] is old law to be omitted.

LBD13952-01-4

1 returns. Where a payment would otherwise come within the meaning of the  
2 term "pensions and annuities" as set forth in this paragraph, except  
3 that such individual is deceased, such payment shall, nevertheless, be  
4 treated as a pension or annuity for purposes of this paragraph if such  
5 payment is received by such individual's beneficiary.

6 S 2. This act shall take effect on the first of January next succeed-  
7 ing the date on which it shall have become a law.