

STATE OF NEW YORK

414

2017-2018 Regular Sessions

IN SENATE

(Prefiled)

January 4, 2017

Introduced by Sen. FELDER -- 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 the exemption for pensions and annuities for certain persons

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 section 3 of part I of chapter 59 of the laws of
3 2015, is amended to read 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~~] twenty-five thousand dollars for any taxable year beginning on
9 or after January first, two thousand eighteen, thirty thousand dollars
10 for any taxable year beginning on or after January first, two thousand
11 nineteen, thirty-five thousand dollars for any taxable year beginning on
12 or after January first, two thousand twenty, and forty thousand dollars
13 in each subsequent year, which are periodic payments attributable to
14 personal services performed by such individual prior to his retirement
15 from employment, which arise (i) from an employer-employee relationship
16 or (ii) from contributions to a retirement plan which are deductible for
17 federal income tax purposes. However, the term "pensions and annuities"
18 shall also include distributions received by an individual who has
19 attained the age of fifty-nine and one-half from an individual retire-
20 ment account or an individual retirement annuity, as defined in section
21 four hundred eight of the internal revenue code, and distributions
22 received by an individual who has attained the age of fifty-nine and
23 one-half from self-employed individual and owner-employee retirement

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

LBD00555-01-7

1 plans which qualify under section four hundred one of the internal
2 revenue code, whether or not the payments are periodic in nature. Never-
3 theless, the term "pensions and annuities" shall not include any lump
4 sum distribution, as defined in subparagraph (D) of paragraph four of
5 subsection (e) of section four hundred two of the internal revenue code
6 and taxed under section six hundred three of this article. Where a
7 husband and wife file a joint state personal income tax return, the
8 modification provided for in this paragraph shall be computed as if they
9 were filing separate state personal income tax returns. Where a payment
10 would otherwise come within the meaning of the term "pensions and annui-
11 ties" as set forth in this paragraph, except that such individual is
12 deceased, such payment shall, nevertheless, be treated as a pension or
13 annuity for purposes of this paragraph if such payment is received by
14 such individual's beneficiary.

15 § 2. This act shall take effect immediately.