

# STATE OF NEW YORK

7973

2023-2024 Regular Sessions

## IN ASSEMBLY

August 18, 2023

Introduced by M. of A. SLATER -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to including retirement plans in the exemption for pensions and annuities for certain persons and to increasing such 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 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 and other retirement plans received by  
5 an individual who has attained the age of fifty-nine and one-half, not  
6 otherwise excluded pursuant to paragraph three of this subsection, to  
7 the extent includible in gross income for federal income tax purposes,  
8 but not in excess of [~~twenty~~] forty thousand dollars for any taxable  
9 year beginning on or after January first, two thousand twenty-five,  
10 sixty thousand dollars for any taxable year beginning on or after  
11 January first, two thousand twenty-six, eighty thousand dollars for any  
12 taxable year beginning on or after January first, two thousand  
13 twenty-seven, one hundred thousand dollars for any taxable year begin-  
14 ning on or after January first, two thousand twenty-eight, multiplied by  
15 one plus the percentage by which the consumer price index for the  
16 preceding calendar year exceeds the consumer price index for the taxable  
17 year beginning on or after January first, two thousand twenty-eight,  
18 which are periodic payments attributable to personal services performed  
19 by such individual prior to his retirement from employment, which arise  
20 (i) from an employer-employee relationship or (ii) from contributions to  
21 a retirement plan which are deductible for federal income tax purposes.  
22 However, the term "pensions and annuities" shall also include distrib-  
23 utions received by an individual who has attained the age of fifty-nine  
24 and one-half from an individual retirement account or an individual

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

LBD11929-02-3

1 retirement annuity, as defined in section four hundred eight of the  
2 internal revenue code, and distributions received by an individual who  
3 has attained the age of fifty-nine and one-half from self-employed indi-  
4 vidual and owner-employee retirement plans which qualify under section  
5 four hundred one of the internal revenue code, whether or not the  
6 payments are periodic in nature. Nevertheless, the term "pensions and  
7 annuities" shall not include any lump sum distribution, as defined in  
8 subparagraph (D) of paragraph four of subsection (e) of section four  
9 hundred two of the internal revenue code and taxed under section six  
10 hundred three of this article. Where a husband and wife file a joint  
11 state personal income tax return, the modification provided for in this  
12 paragraph shall be computed as if they were filing separate state  
13 personal income tax returns. Where a payment would otherwise come within  
14 the meaning of the term "pensions and annuities" as set forth in this  
15 paragraph, except that such individual is deceased, such payment shall,  
16 nevertheless, be treated as a pension or annuity for purposes of this  
17 paragraph if such payment is received by such individual's beneficiary.  
18 For purposes of this paragraph, "consumer price index" means the average  
19 of the consumer price index as of the close of the twelve-month period  
20 ending on August thirty-first of such taxable year for all-urban consum-  
21 ers published by the United States department of labor.

22 § 2. This act shall take effect immediately.