

1397

2009-2010 Regular Sessions

I N   S E N A T E

January 29, 2009

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Introduced by Sens. MAZIARZ, BONACIC, DeFRANCISCO, FLANAGAN, GOLDEN,  
O. JOHNSON, LARKIN, MORAHAN, SEWARD, VOLKER, WINNER -- 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 exempting distributions from  
individual retirement accounts and individual retirement annuities  
from state personal income taxation when such distributions are used  
to purchase long-term health care insurance

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

1     Section 1. Subsection (c) of section 612 of the tax law is amended by  
2     adding a new paragraph 3-d to read as follows:  
3     (3-D) DISTRIBUTIONS RECEIVED BY AN INDIVIDUAL, NOT OTHERWISE EXCLUDED  
4     PURSUANT TO PARAGRAPH THREE OR THREE-A OF THIS SUBSECTION, TO THE EXTENT  
5     INCLUDABLE IN GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES, WHICH ARE  
6     ATTRIBUTABLE TO PERSONAL SERVICES PERFORMED BY SUCH INDIVIDUAL FROM  
7     EMPLOYMENT, WHICH ARISE (I) FROM AN EMPLOYER-EMPLOYEE RELATIONSHIP OR  
8     (II) FROM CONTRIBUTIONS TO A RETIREMENT PLAN WHICH ARE DEDUCTIBLE FOR  
9     FEDERAL INCOME TAX PURPOSES, TO THE EXTENT SUCH DISTRIBUTIONS ARE USED  
10    DURING THE TAXABLE YEAR TO PURCHASE A POLICY OF LONG-TERM CARE INSUR-  
11    ANCE, AS DEFINED IN SECTION ELEVEN HUNDRED SEVENTEEN OF THE INSURANCE  
12    LAW, FOR SUCH INDIVIDUAL OR A DEPENDENT OF SUCH INDIVIDUAL. SUCH  
13    DISTRIBUTIONS SHALL INCLUDE DISTRIBUTIONS FROM AN INDIVIDUAL RETIREMENT  
14    ACCOUNT OR AN INDIVIDUAL RETIREMENT ANNUITY, AS DEFINED IN SECTION FOUR  
15    HUNDRED EIGHT OF THE INTERNAL REVENUE CODE, AND DISTRIBUTIONS FROM  
16    SELF-EMPLOYED INDIVIDUAL AND OWNER-EMPLOYEE RETIREMENT PLANS WHICH QUAL-  
17    IFY UNDER SECTION FOUR HUNDRED ONE OF THE INTERNAL REVENUE CODE.  
18    S 2. This act shall take effect immediately and shall apply to taxable  
19    years commencing on January first in the year in which this act shall  
20    take effect and all subsequent taxable years.

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

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