S T A T E O F N E W Y O R K

1397

2009-2010 Regular Sessions

I N S E N A T E

January 29, 2009

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 ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Subsection (c) of section 612 of the tax law is amended by adding a new paragraph 3-d to read as follows:

(3-D) DISTRIBUTIONS RECEIVED BY AN INDIVIDUAL, NOT OTHERWISE EXCLUDED PURSUANT TO PARAGRAPH THREE OR THREE-A OF THIS SUBSECTION, TO THE EXTENT INCLUDABLE IN GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES, WHICH ARE ATTRIBUTABLE TO PERSONAL SERVICES PERFORMED BY SUCH INDIVIDUAL FROM EMPLOYMENT, WHICH ARISE (I) FROM AN EMPLOYER-EMPLOYEE RELATIONSHIP OR (II) FROM CONTRIBUTIONS TO A RETIREMENT PLAN WHICH ARE DEDUCTIBLE FOR FEDERAL INCOME TAX PURPOSES, TO THE EXTENT SUCH DISTRIBUTIONS ARE USED DURING THE TAXABLE YEAR TO PURCHASE A POLICY OF LONG-TERM CARE INSURANCE, AS DEFINED IN SECTION ELEVEN HUNDRED SEVENTEEN OF THE INSURANCE LAW, FOR SUCH INDIVIDUAL OR A DEPENDENT OF SUCH INDIVIDUAL. SUCH DISTRIBUTIONS SHALL INCLUDE DISTRIBUTIONS FROM AN INDIVIDUAL RETIREMENT ACCOUNT OR AN INDIVIDUAL RETIREMENT ANNUITY, AS DEFINED IN SECTION FOUR HUNDRED EIGHT OF THE INTERNAL REVENUE CODE, AND DISTRIBUTIONS FROM SELF-EMPLOYED INDIVIDUAL AND OWNER-EMPLOYEE RETIREMENT PLANS WHICH QUALIFY UNDER SECTION FOUR HUNDRED ONE OF THE INTERNAL REVENUE CODE.

S 2. This act shall take effect immediately and shall apply to taxable years commencing on January first in the year in which this act shall take effect and all subsequent taxable years.

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

LBD01226-01-9