

5463

2013-2014 Regular Sessions

I N S E N A T E

May 16, 2013

Introduced by Sen. CARLUCCI -- 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 the personal wealth building savings program

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

1 Section 1. The tax law is amended by adding a new section 39 to read
2 as follows:

3 S 39. PERSONAL WEALTH BUILDING SAVINGS PROGRAM. 1. DEFINITIONS. (A)
4 ACCOUNT. FOR PURPOSES OF THIS SECTION, THE TERM "ACCOUNT" MEANS A
5 PERSONAL WEALTH BUILDING SAVINGS ACCOUNT ESTABLISHED IN ACCORDANCE WITH
6 THE PROVISIONS OF THIS SECTION.

7 (B) ACCOUNT BENEFICIARY. THE TERM "ACCOUNT BENEFICIARY" MEANS THE
8 INDIVIDUAL IN WHOSE NAME THE ACCOUNT WAS ESTABLISHED.

9 (C) FINANCIAL ORGANIZATION. FOR PURPOSES OF THIS SECTION, THE TERM
10 "FINANCIAL ORGANIZATION" SHALL MEAN AN ORGANIZATION AUTHORIZED TO DO
11 BUSINESS IN THE STATE OF NEW YORK AND (I) WHICH IS AN AUTHORIZED FIDUCI-
12 ARY TO ACT AS A TRUSTEE PURSUANT TO THE PROVISIONS OF AN ACT OF CONGRESS
13 ENTITLED "EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974" AS SUCH
14 PROVISIONS MAY BE AMENDED FROM TIME TO TIME, OR AN INSURANCE COMPANY;
15 AND (II)(A) IS LICENSED OR CHARTERED BY THE DEPARTMENT OF FINANCIAL
16 SERVICES, (B) IS CHARTERED BY AN AGENCY OF THE FEDERAL GOVERNMENT, (C)
17 IS SUBJECT TO THE JURISDICTION AND REGULATION OF THE SECURITIES AND
18 EXCHANGE COMMISSION OF THE FEDERAL GOVERNMENT, OR (D) IS ANY OTHER ENTI-
19 TY OTHERWISE AUTHORIZED TO ACT IN THIS STATE AS A TRUSTEE PURSUANT TO
20 THE PROVISIONS OF AN ACT OF CONGRESS ENTITLED "EMPLOYEE RETIREMENT
21 INCOME SECURITY ACT OF 1974" AS SUCH PROVISIONS MAY BE AMENDED FROM TIME
22 TO TIME.

23 (D) QUALIFIED TAXPAYER. FOR PURPOSES OF THIS SECTION, THE TERM "QUALI-
24 FIED TAXPAYER" MEANS, WITH RESPECT TO ANY TAXABLE YEAR, A RESIDENT INDI-

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

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1 VIDUAL OF THE STATE WHOSE FEDERAL ADJUSTED GROSS INCOME IS LESS THAN
2 FIFTY THOUSAND DOLLARS.

3 (E) QUALIFIED DISTRIBUTION. THE TERM "QUALIFIED DISTRIBUTION" MEANS
4 ANY AMOUNT PAID TO THE ACCOUNT BENEFICIARY, PROVIDED THAT AGGREGATE
5 PAYMENTS SHALL NOT EXCEED TEN PERCENT OF THE FUNDS IN SUCH ACCOUNT
6 DURING A GIVEN TAXABLE YEAR.

7 2. FUNCTIONS OF THE COMMISSIONER. (A) THE COMMISSIONER SHALL IMPLEMENT
8 THE PROGRAM UNDER THE TERMS AND CONDITIONS ESTABLISHED BY THIS SECTION.
9 THE COMMISSIONER SHALL HAVE THE AUTHORITY AND IT SHALL BE HIS OR HER
10 RESPONSIBILITY TO:

11 (I) DEVELOP AND IMPLEMENT THE PROGRAM IN A MANNER CONSISTENT WITH THE
12 PROVISIONS OF THIS SECTION THROUGH RULES AND REGULATIONS ESTABLISHED IN
13 ACCORDANCE WITH THE STATE ADMINISTRATIVE PROCEDURE ACT;

14 (II) ENGAGE THE SERVICES OF CONSULTANTS ON A CONTRACT BASIS FOR
15 RENDERING PROFESSIONAL AND TECHNICAL ASSISTANCE AND ADVICE;

16 (III) CHARGE, IMPOSE, AND COLLECT ADMINISTRATIVE FEES AND SERVICE
17 CHARGES IN CONNECTION WITH ANY AGREEMENT, CONTRACT OR TRANSACTION RELAT-
18 ING TO THE PROGRAM;

19 (IV) DEVELOP MARKETING PLANS AND PROMOTION MATERIAL;

20 (V) ESTABLISH THE METHODS BY WHICH THE FUNDS HELD IN SUCH ACCOUNTS BE
21 DISPERSED;

22 (VI) ESTABLISH THE METHOD BY WHICH FUNDS SHALL BE ALLOCATED TO PAY FOR
23 ADMINISTRATIVE COSTS; AND

24 (VII) DO ALL THINGS NECESSARY AND PROPER TO CARRY OUT THE PURPOSES OF
25 THIS SECTION.

26 3. POWERS OF THE COMMISSIONER. (A) THE COMMISSIONER MAY IMPLEMENT THE
27 PROGRAM THROUGH USE OF FINANCIAL ORGANIZATIONS AS ACCOUNT DEPOSITORIES
28 AND MANAGERS. UNDER THE PROGRAM, QUALIFIED TAXPAYERS MAY ESTABLISH
29 ACCOUNTS DIRECTLY WITH AN ACCOUNT DEPOSITORY.

30 (B) THE COMMISSIONER MAY SOLICIT PROPOSALS FROM FINANCIAL ORGANIZA-
31 TIONS TO ACT AS DEPOSITORIES AND MANAGERS OF THE PROGRAM. FINANCIAL
32 ORGANIZATIONS SUBMITTING PROPOSALS SHALL DESCRIBE THE INVESTMENT INSTRU-
33 MENT WHICH WILL BE HELD IN ACCOUNTS. THE COMMISSIONER SHALL SELECT AS
34 PROGRAM DEPOSITORIES AND MANAGERS THE FINANCIAL ORGANIZATION, FROM AMONG
35 THE BIDDING FINANCIAL ORGANIZATIONS THAT DEMONSTRATES THE MOST ADVANTA-
36 GEOUS COMBINATION, BOTH TO POTENTIAL PROGRAM PARTICIPANTS AND THE STATE,
37 OF THE FOLLOWING FACTORS:

38 (I) FINANCIAL STABILITY AND INTEGRITY OF THE FINANCIAL ORGANIZATION;

39 (II) THE SAFETY OF THE INVESTMENT INSTRUMENT BEING OFFERED;

40 (III) THE ABILITY OF THE FINANCIAL ORGANIZATION TO SATISFY RECORDKEEP-
41 ING AND REPORTING REQUIREMENTS;

42 (IV) THE FINANCIAL ORGANIZATION'S PLAN FOR PROMOTING THE PROGRAM AND
43 THE INVESTMENT IT IS WILLING TO MAKE TO PROMOTE THE PROGRAM;

44 (V) THE FEES, IF ANY, PROPOSED TO BE CHARGED TO PERSONS FOR OPENING
45 ACCOUNTS;

46 (VI) THE ABILITY OF BANKING ORGANIZATIONS TO ACCEPT ELECTRONIC WITH-
47 DRAWALS, INCLUDING PAYROLL DEDUCTION PLANS; AND

48 (VII) OTHER BENEFITS TO THE STATE OR ITS RESIDENTS INCLUDED IN THE
49 PROPOSAL, INCLUDING FEES PAYABLE TO THE STATE TO COVER EXPENSES OF OPER-
50 ATION OF THE PROGRAM.

51 (C) THE COMMISSIONER MAY ENTER INTO A CONTRACT WITH A FINANCIAL ORGAN-
52 IZATION. SUCH FINANCIAL ORGANIZATION MANAGEMENT MAY PROVIDE ONE OR MORE
53 TYPES OF INVESTMENT INSTRUMENT.

54 (D) THE COMMISSIONER MAY SELECT MORE THAN ONE FINANCIAL ORGANIZATION
55 FOR THE PROGRAM.

1 (E) A MANAGEMENT CONTRACT SHALL INCLUDE, AT A MINIMUM, TERMS REQUIRING
2 THE FINANCIAL ORGANIZATION TO:

3 (I) KEEP ADEQUATE RECORDS OF EACH ACCOUNT, KEEP EACH ACCOUNT SEGRE-
4 GATED FROM EACH OTHER ACCOUNT, AND PROVIDE THE COMMISSIONER WITH THE
5 INFORMATION NECESSARY TO PREPARE THE STATEMENTS REQUIRED BY SUBDIVISION
6 FOUR OF THIS SECTION;

7 (II) COMPILE AND TOTAL INFORMATION CONTAINED IN STATEMENTS REQUIRED TO
8 BE PREPARED UNDER SUBDIVISION FOUR OF THIS SECTION AND PROVIDE SUCH
9 COMPILATIONS TO THE COMMISSIONER;

10 (III) IF THERE IS MORE THAN ONE PROGRAM MANAGER, PROVIDE THE COMMIS-
11 SIONER WITH SUCH INFORMATION NECESSARY TO DETERMINE COMPLIANCE WITH
12 SUBDIVISION FOUR OF THIS SECTION;

13 (IV) PROVIDE THE COMMISSIONER OR HIS OR HER DESIGNEE ACCESS TO THE
14 BOOKS AND RECORDS OF THE PROGRAM MANAGER TO THE EXTENT NEEDED TO DETER-
15 MINE COMPLIANCE WITH THE CONTRACT;

16 (V) HOLD ALL ACCOUNTS FOR THE BENEFIT OF THE ACCOUNT BENEFICIARY;

17 (VI) BE AUDITED AT LEAST ANNUALLY BY A FIRM OF CERTIFIED PUBLIC
18 ACCOUNTANTS SELECTED BY THE PROGRAM MANAGER AND THAT THE RESULTS OF SUCH
19 AUDIT BE PROVIDED TO THE COMMISSIONER;

20 (VII) PROVIDE THE COMMISSIONER WITH COPIES OF ALL REGULATORY FILINGS
21 AND REPORTS MADE BY IT DURING THE TERM OF THE MANAGEMENT CONTRACT OR
22 WHILE IT IS HOLDING ANY ACCOUNTS, OTHER THAN CONFIDENTIAL FILINGS OR
23 REPORTS THAT WILL NOT BECOME PART OF THE PROGRAM. THE PROGRAM MANAGER
24 SHALL MAKE AVAILABLE FOR REVIEW BY THE COMMISSIONER THE RESULTS OF ANY
25 PERIODIC EXAMINATION OF SUCH MANAGER BY ANY STATE OR FEDERAL BANKING,
26 INSURANCE, OR SECURITIES COMMISSION, EXCEPT TO THE EXTENT THAT SUCH
27 REPORT OR REPORTS MAY NOT BE DISCLOSED UNDER APPLICABLE LAW OR THE RULES
28 OF SUCH COMMISSION; AND

29 (VIII) ENSURE THAT ANY DESCRIPTION OF THE PROGRAM, WHETHER IN WRITING
30 OR THROUGH THE USE OF ANY MEDIA, IS CONSISTENT WITH THE MARKETING PLAN
31 DEVELOPED PURSUANT TO THE PROVISIONS OF SUBDIVISION TWO OF THIS SECTION.

32 (F) THE COMMISSIONER MAY PROVIDE THAT AN AUDIT SHALL BE CONDUCTED OF
33 THE OPERATIONS AND FINANCIAL POSITION OF THE PROGRAM DEPOSITORY AND
34 MANAGER AT ANY TIME IF THE COMMISSIONER HAS ANY REASON TO BE CONCERNED
35 ABOUT THE FINANCIAL POSITION, THE RECORDKEEPING PRACTICES, OR THE STATUS
36 OF ACCOUNTS OF SUCH PROGRAM DEPOSITORY AND MANAGER.

37 (G) DURING THE TERM OF ANY CONTRACT WITH A PROGRAM MANAGER, THE
38 COMMISSIONER SHALL CONDUCT AN EXAMINATION OF SUCH MANAGER AND ITS HANDL-
39 ING OF ACCOUNTS. SUCH EXAMINATION SHALL BE CONDUCTED AT LEAST BIENNIALY
40 IF SUCH MANAGER IS NOT OTHERWISE SUBJECT TO PERIODIC EXAMINATION BY THE
41 SUPERINTENDENT OF FINANCIAL SERVICES, THE FEDERAL DEPOSIT INSURANCE
42 CORPORATION OR OTHER SIMILAR ENTITY.

43 (H) (I) IF SELECTION OF A FINANCIAL ORGANIZATION AS A PROGRAM MANAGER
44 OR DEPOSITORY IS NOT RENEWED, AFTER THE END OF ITS TERM:

45 (A) ACCOUNTS PREVIOUSLY ESTABLISHED AND HELD IN INVESTMENT INSTRUMENTS
46 AT SUCH FINANCIAL ORGANIZATION MAY BE TERMINATED;

47 (B) ADDITIONAL CONTRIBUTIONS MAY BE MADE TO SUCH ACCOUNTS;

48 (C) NO NEW ACCOUNTS MAY BE PLACED WITH SUCH FINANCIAL ORGANIZATION;
49 AND

50 (D) EXISTING ACCOUNTS HELD BY SUCH DEPOSITORY SHALL REMAIN SUBJECT TO
51 ALL OVERSIGHT AND REPORTING REQUIREMENTS ESTABLISHED BY THE COMMISSION-
52 ER.

53 (II) IF THE COMMISSIONER TERMINATES A FINANCIAL ORGANIZATION AS A
54 PROGRAM MANAGER OR DEPOSITORY, HE OR SHE SHALL TAKE CUSTODY OF ACCOUNTS
55 HELD BY SUCH FINANCIAL ORGANIZATION AND SHALL SEEK TO PROMPTLY TRANSFER
56 SUCH ACCOUNTS TO ANOTHER FINANCIAL ORGANIZATION THAT IS SELECTED AS A

1 PROGRAM MANAGER OR DEPOSITORY AND INTO INVESTMENT INSTRUMENTS AS SIMILAR
2 TO THE ORIGINAL INSTRUMENTS AS POSSIBLE.

3 (I) THE COMMISSIONER MAY ENTER INTO SUCH CONTRACTS AS HE OR SHE DEEMS
4 NECESSARY AND PROPER FOR THE IMPLEMENTATION OF THE PROGRAM.

5 4. PROGRAM DESCRIPTION AND REQUIREMENTS; PERSONAL WEALTH BUILDING
6 SAVINGS ACCOUNT. (A) PERSONAL WEALTH BUILDING SAVINGS ACCOUNTS ESTAB-
7 LISHED PURSUANT TO THE PROVISIONS OF THIS SECTION SHALL BE GOVERNED BY
8 THE PROVISIONS OF THIS SUBDIVISION.

9 (B) A PERSONAL WEALTH BUILDING SAVINGS ACCOUNT MAY BE OPENED BY ANY
10 QUALIFIED TAXPAYER WHO DESIRES TO SAVE MONEY FOR THE PURPOSES OF BUILD-
11 ING PERSONAL WEALTH.

12 (I) AN APPLICATION FOR SUCH ACCOUNT SHALL BE IN THE FORM PRESCRIBED BY
13 THE PROGRAM AND SHALL CONTAIN THE NAME, ADDRESS AND SOCIAL SECURITY
14 NUMBER OF THE QUALIFIED TAXPAYER, AND SUCH OTHER INFORMATION AS THE
15 PROGRAM MAY REQUIRE.

16 (II) THE COMMISSIONER MAY ESTABLISH A NOMINAL FEE FOR SUCH APPLICA-
17 TION.

18 (C) ANY PERSON, INCLUDING THE QUALIFIED TAXPAYER, MAY MAKE CONTRIB-
19 UTIONS TO THE ACCOUNT AFTER THE ACCOUNT IS OPENED.

20 (D) CONTRIBUTIONS TO ACCOUNTS MAY BE MADE ONLY IN CASH.

21 (E) IN THE CASE OF A QUALIFIED TAXPAYER, THERE SHALL BE ALLOWED AS A
22 DEDUCTION FOR THE TAXABLE YEAR AN AMOUNT EQUAL TO THE AGGREGATE AMOUNT
23 PAID IN CASH DURING SUCH TAXABLE YEAR BY OR ON BEHALF OF SUCH INDIVIDUAL
24 TO AN ACCOUNT OF SUCH INDIVIDUAL.

25 (F) THERE SHALL BE NO MINIMUM OR MAXIMUM CONTRIBUTION REQUIREMENT.
26 HOWEVER, AGGREGATE CONTRIBUTIONS MAY NOT EXCEED FIVE THOUSAND DOLLARS IN
27 A GIVEN TAXABLE YEAR.

28 (G) AN ACCOUNT ESTABLISHED UNDER THIS SECTION IS EXEMPT FROM TAXATION
29 UNDER THIS CHAPTER UNLESS SUCH ACCOUNT HAS CEASED TO BE A PERSONAL
30 WEALTH BUILDING SAVINGS ACCOUNT.

31 (H) WITH RESPECT TO ANY TAXABLE YEAR, IF THE FEDERAL ADJUSTED GROSS
32 INCOME OF THE BENEFICIARY EXCEEDS FIFTY THOUSAND DOLLARS, ALL PERSONAL
33 WEALTH BUILDING SAVINGS ACCOUNTS OF SUCH INDIVIDUAL SHALL CEASE TO BE
34 SUCH ACCOUNTS AND THE BALANCE OF ALL SUCH ACCOUNTS SHALL BE TREATED AS
35 (I) DISTRIBUTED TO SUCH INDIVIDUAL, AND (II) NOT PAID IN A QUALIFIED
36 DISTRIBUTION.

37 (I) TAX TREATMENT OF DISTRIBUTIONS. (I) GENERAL. IN GENERAL, ANY
38 AMOUNT PAID OR DISTRIBUTED OUT OF A PERSONAL WEALTH BUILDING SAVINGS
39 ACCOUNT SHALL BE INCLUDED IN GROSS INCOME.

40 (II) ADDITIONAL TAX ON NON-QUALIFIED DISTRIBUTIONS. IN ADDITION TO ANY
41 OTHER TAX IMPOSED BY THIS CHAPTER, ANY NON-QUALIFIED DISTRIBUTION FROM A
42 PERSONAL WEALTH BUILDING SAVINGS ACCOUNT SHALL BE SUBJECT TO A FIFTEEN
43 PERCENT SURCHARGE ON THE AMOUNT OF SUCH NON-QUALIFYING DISTRIBUTION.
44 SUCH SURCHARGE SHALL NOT APPLY IF THE PAYMENT OR DISTRIBUTION IS MADE
45 AFTER THE ACCOUNT BENEFICIARY BECOMES DISABLED OR DIES.

46 (III) ROLLOVER CONTRIBUTIONS. FOR PURPOSES OF THIS SECTION, ANY AMOUNT
47 PAID OR DISTRIBUTED FROM AN ACCOUNT TO THE ACCOUNT BENEFICIARY SHALL BE
48 TREATED AS A QUALIFIED DISTRIBUTION TO THE EXTENT THE AMOUNT RECEIVED IS
49 PAID INTO A PERSONAL WEALTH BUILDING SAVINGS ACCOUNT FOR THE BENEFIT OF
50 SUCH BENEFICIARY NOT LATER THAN THE SIXTIETH DAY AFTER THE DAY ON WHICH
51 THE BENEFICIARY RECEIVES THE PAYMENT OR DISTRIBUTION.

52 (IV) TREATMENT AFTER DEATH OF ACCOUNT BENEFICIARY. IF, BY REASON OF
53 THE DEATH OF THE ACCOUNT BENEFICIARY, ANY PERSON ACQUIRES THE ACCOUNT
54 BENEFICIARY'S INTEREST IN A PERSONAL WEALTH BUILDING SAVINGS ACCOUNT:

55 (A) SUCH ACCOUNT SHALL CEASE TO BE A PERSONAL WEALTH BUILDING SAVINGS
56 ACCOUNT AS OF THE DATE OF DEATH, AND

1 (B) AN AMOUNT EQUAL TO THE FAIR MARKET VALUE OF THE ASSETS IN SUCH
2 ACCOUNT ON SUCH DATE SHALL BE INCLUDED IN SUCH PERSON'S GROSS INCOME FOR
3 THE TAXABLE YEAR WHICH INCLUDES SUCH DATE IF SUCH PERSON IS NOT THE
4 ESTATE OF SUCH BENEFICIARY; OR IF SUCH PERSON IS THE ESTATE OF SUCH
5 BENEFICIARY, IN SUCH BENEFICIARY'S GROSS INCOME FOR THE LAST TAXABLE
6 YEAR OF SUCH BENEFICIARY.

7 (J) THE PROGRAM SHALL PROVIDED SEPARATE ACCOUNTING FOR EACH ACCOUNT
8 BENEFICIARY.

9 (K) NO ACCOUNT BENEFICIARY OF ANY ACCOUNT SHALL BE PERMITTED TO DIRECT
10 THE INVESTMENT OF ANY CONTRIBUTIONS TO AN ACCOUNT OR THE EARNINGS THERE-
11 ON.

12 (L)(I) IF THERE IS ANY DISTRIBUTION FROM AN ACCOUNT TO AN ACCOUNT
13 BENEFICIARY DURING A CALENDAR YEAR, SUCH DISTRIBUTION SHALL BE REPORTED
14 TO THE INTERNAL REVENUE SERVICE AND THE QUALIFIED TAXPAYER TO THE EXTENT
15 REQUIRED BY FEDERAL LAW OR REGULATION.

16 (II) STATEMENTS SHALL BE PROVIDED TO EACH QUALIFIED TAXPAYER AT LEAST
17 ONCE EACH YEAR WITHIN SIXTY DAYS AFTER THE END OF THE TWELVE MONTH PERI-
18 OD TO WHICH THEY RELATE. THE STATEMENT SHALL IDENTIFY THE CONTRIBUTIONS
19 MADE DURING A PRECEDING TWELVE MONTH PERIOD, THE TOTAL CONTRIBUTIONS
20 MADE TO THE ACCOUNT THROUGH THE END OF THE PERIOD, THE VALUE OF THE
21 ACCOUNT AT THE END OF SUCH PERIOD, DISTRIBUTIONS MADE DURING SUCH PERIOD
22 AND ANY OTHER INFORMATION THAT THE COMMISSIONER SHALL REQUIRE TO BE
23 REPORTED TO THE QUALIFIED TAXPAYER.

24 (III) STATEMENTS AND INFORMATION RELATING TO ACCOUNTS SHALL BE
25 PREPARED AND FILED TO THE EXTENT REQUIRED BY FEDERAL AND STATE TAX LAW.

26 (M) AN ANNUAL FEE MAY BE IMPOSED UPON THE QUALIFIED TAXPAYER FOR THE
27 MAINTENANCE OF THE ACCOUNT.

28 (N) THE PROGRAM SHALL DISCLOSE THE FOLLOWING INFORMATION IN WRITING TO
29 EACH QUALIFIED TAXPAYER AND PROSPECTIVE QUALIFIED TAXPAYER OF A PERSONAL
30 WEALTH BUILDING SAVINGS ACCOUNT:

31 (I) THE TERMS AND CONDITIONS FOR PURCHASING A PERSONAL WEALTH BUILDING
32 SAVINGS ACCOUNT;

33 (II) THE PERSON OR ENTITY ENTITLED TO TERMINATE THE PERSONAL WEALTH
34 BUILDING SAVINGS AGREEMENT;

35 (III) THE PERIOD OF TIME DURING WHICH A BENEFICIARY MAY RECEIVE BENE-
36 FITS UNDER THE PERSONAL WEALTH BUILDING SAVINGS AGREEMENT;

37 (IV) THE TERMS AND CONDITIONS UNDER WHICH MONEY MAY BE WHOLLY OR
38 PARTIALLY WITHDRAWN FROM THE PROGRAM, INCLUDING, BUT NOT LIMITED TO, ANY
39 REASONABLE CHARGES AND FEES THAT MAY BE IMPOSED FOR WITHDRAWAL;

40 (V) THE PROBABLE TAX CONSEQUENCES ASSOCIATED WITH CONTRIBUTIONS TO AND
41 DISTRIBUTIONS FROM ACCOUNTS; AND

42 (VI) ALL OTHER RIGHTS AND OBLIGATIONS PURSUANT TO PERSONAL WEALTH
43 BUILDING SAVINGS AGREEMENTS, AND ANY OTHER TERMS, CONDITIONS AND
44 PROVISIONS DEEMED NECESSARY AND APPROPRIATE BY THE COMMISSIONER.

45 (O) PERSONAL WEALTH BUILDING SAVINGS AGREEMENTS SHALL BE SUBJECT TO
46 SECTION FOURTEEN-C OF THE BANKING LAW AND THE "TRUTH-IN-SAVINGS" REGU-
47 LATIONS PROMULGATED THEREUNDER.

48 S 2. Subsection (b) of section 612 of the tax law is amended by adding
49 a new paragraph 40 to read as follows:

50 (40) ANY NON-QUALIFYING DISTRIBUTIONS MADE FROM A PERSONAL WEALTH
51 BUILDING SAVINGS ACCOUNT. THIS SHALL NOT INCLUDE ANY DISTRIBUTIONS THAT
52 ARE EXEMPT FROM TAXATION AS SPECIFIED IN PARAGRAPH (E) OF SUBDIVISION
53 ONE OF SECTION THIRTY-NINE OF THIS CHAPTER.

54 S 3. Subsection (c) of section 612 of the tax law is amended by adding
55 a new paragraph 40 to read as follows:

1 (40) AN AMOUNT EQUAL TO ANY QUALIFIED CONTRIBUTION TO A PERSONAL
2 WEALTH BUILDING SAVINGS ACCOUNT ESTABLISHED PURSUANT TO SECTION THIRTY-
3 NINE OF THIS CHAPTER.

4 S 4. Section 601 of the tax law is amended by adding a new subsection
5 (j) to read as follows:

6 (J) PERSONAL WEALTH BUILDING SAVINGS ACCOUNTS. ANY PERSONAL WEALTH
7 BUILDING SAVINGS ACCOUNT PROPERLY ESTABLISHED UNDER SECTION THIRTY-NINE
8 OF THIS CHAPTER SHALL NOT BE SUBJECT TO TAX UNDER THIS ARTICLE.

9 S 5. This act shall take effect immediately and shall apply to taxable
10 years commencing after such effective date. Effective immediately, the
11 commissioner of taxation and finance may add, amend, or repeal any rule
12 or regulation necessary to timely implement the provisions of this act
13 on its effective date.