

7333

I N S E N A T E

May 13, 2014

Introduced by Sen. YOUNG -- 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 establishing a personal income tax deduction for certain withdrawals from a 401(k) plan by a taxpayer suffering from a terminal illness

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

1 Section 1. Subsection (c) of section 612 of the tax law is amended by
2 adding a new paragraph 42 to read as follows:
3 (42) HARDSHIP DISTRIBUTIONS FROM A RETIREMENT ACCOUNT ESTABLISHED
4 PURSUANT TO SECTION 401(K) OF THE INTERNAL REVENUE CODE TO THE EXTENT
5 INCLUDABLE IN FEDERAL ADJUSTED GROSS INCOME, PROVIDED, HOWEVER, THAT THE
6 EXCLUSION PROVIDED FOR IN THIS PARAGRAPH SHALL NOT EXCEED TWENTY THOU-
7 SAND DOLLARS; PROVIDED, FURTHER, THAT SUCH EXCLUSION SHALL ONLY BE
8 AVAILABLE BY REASON OF A MEDICALLY DETERMINABLE PHYSICAL OR MENTAL
9 IMPAIRMENT OF AN INDIVIDUAL TAXPAYER WHICH CAN BE EXPECTED TO RESULT IN
10 DEATH WITHIN A PERIOD OF NOT MORE THAN TWELVE MONTHS.
11 S 2. This act shall take effect immediately and shall apply to the tax
12 year in which it takes effect and all subsequent tax years.

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

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