

2903--A

2015-2016 Regular Sessions

I N S E N A T E

January 30, 2015

Introduced by Sen. FARLEY -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the tax law, in relation to increasing the exemption for pensions and annuities for certain persons

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 chapter 760 of the laws of 1992, is amended to read
3 as follows:
4 (3-a) Pensions and annuities received by an individual who has
5 attained the age of fifty-nine and one-half, not otherwise excluded
6 pursuant to paragraph three of this subsection, to the extent includible
7 in gross income for federal income tax purposes, but not in excess of
8 [twenty] TWENTY-SEVEN THOUSAND DOLLARS FOR ANY TAXABLE YEAR BEGINNING ON
9 OR AFTER JANUARY FIRST, TWO THOUSAND FIFTEEN, THIRTY-FOUR THOUSAND
10 DOLLARS FOR ANY TAXABLE YEAR BEGINNING ON OR AFTER JANUARY FIRST, TWO
11 THOUSAND SIXTEEN, AND FORTY thousand dollars IN EACH SUBSEQUENT YEAR,
12 which are periodic payments attributable to personal services performed
13 by such individual prior to his retirement from employment, which arise
14 (i) from an employer-employee relationship or (ii) from contributions to
15 a retirement plan which are deductible for federal income tax purposes.
16 However, the term "pensions and annuities" shall also include distrib-
17 utions received by an individual who has attained the age of fifty-nine
18 and one-half from an individual retirement account or an individual
19 retirement annuity, as defined in section four hundred eight of the
20 internal revenue code, and distributions received by an individual who
21 has attained the age of fifty-nine and one-half from self-employed indi-
22 vidual and owner-employee retirement plans which qualify under section
23 four hundred one of the internal revenue code, whether or not the

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

LBD08412-02-5

1 payments are periodic in nature. Nevertheless, the term "pensions and
2 annuities" shall not include any lump sum distribution, as defined in
3 subparagraph (A) of paragraph four of subsection (e) of section four
4 hundred two of the internal revenue code and taxed under section six
5 hundred three of this article. Where a husband and wife file a joint
6 state personal income tax return, the modification provided for in this
7 paragraph shall be computed as if they were filing separate state
8 personal income tax returns. Where a payment would otherwise come within
9 the meaning of the term "pensions and annuities" as set forth in this
10 paragraph, except that such individual is deceased, such payment shall,
11 nevertheless, be treated as a pension or annuity for purposes of this
12 paragraph if such payment is received by such individual's beneficiary.
13 S 2. This act shall take effect immediately and shall be deemed to
14 have been in full force and effect on and after the first of January of
15 the year in which it shall have become a law.