STATE OF NEW YORK

690

2017-2018 Regular Sessions

IN ASSEMBLY

January 9, 2017

Introduced by M. of A. MAGNARELLI, SKOUFIS, TITONE, STIRPE, GOTTFRIED, COOK, MOSLEY, LUPARDO, SKARTADOS, STECK, BENEDETTO, HOOPER, PICHARDO, ARROYO, SCHIMMINGER -- Multi-Sponsored by -- M. of A. BRAUNSTEIN, ENGLEBRIGHT, MAGEE, RIVERA, THIELE -- read once and referred to the Committee on Ways and Means

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:

Section 1. Paragraph 3-a of subsection (c) of section 612 of the tax law, as amended by section 3 of part I of chapter 59 of the laws of 2015, is amended to read as follows:

(3-a) Pensions and annuities received by an individual who has attained the age of fifty-nine and one-half, not otherwise excluded pursuant to paragraph three of this subsection, to the extent includible in gross income for federal income tax purposes, but not in excess of [~~twenty~~] twenty-five thousand dollars for any taxable year beginning on or after January first, two thousand eighteen, thirty thousand dollars for any taxable year beginning on or after January first, two thousand nineteen, thirty-five thousand dollars for any taxable year beginning on or after January first, two thousand twenty, and forty thousand dollars in each subsequent year, which are periodic payments attributable to personal services performed by such individual prior to his retirement 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. However, the term "pensions and annuities" shall also include distributions received by an individual who has attained the age of fifty-nine and one-half from an individual retirement account or an individual retirement annuity, as defined in section four hundred eight of the internal revenue code, and distributions received by an individual who has attained the age of fifty-nine and

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

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one-half from self-employed individual and owner-employee retirement plans which qualify under section four hundred one of the internal revenue code, whether or not the payments are periodic in nature. Nevertheless, the term "pensions and annuities" shall not include any lump sum distribution, as defined in subparagraph (D) of paragraph four of subsection (e) of section four hundred two of the internal revenue code and taxed under section six hundred three of this article. Where a husband and wife file a joint state personal income tax return, the modification provided for in this paragraph shall be computed as if they were filing separate state personal income tax returns. Where a payment would otherwise come within the meaning of the term "pensions and annuities" as set forth in this paragraph, except that such individual is deceased, such payment shall, nevertheless, be treated as a pension or annuity for purposes of this paragraph if such payment is received by such individual's beneficiary.

§ 2. This act shall take effect immediately.