

STATE OF NEW YORK

697

2019-2020 Regular Sessions

IN SENATE

(Prefiled)

January 9, 2019

Introduced by Sen. FELDER -- 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 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 section 3 of part I of chapter 59 of the laws of
3 2015, is amended to read 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-five thousand dollars for any taxable year beginning on
9 or after January first, two thousand twenty-one, thirty thousand dollars
10 for any taxable year beginning on or after January first, two thousand
11 twenty-two, thirty-five thousand dollars for any taxable year beginning
12 on or after January first, two thousand twenty-three, and forty thousand
13 dollars in each subsequent year, which are periodic payments attribut-
14 able to personal services performed by such individual prior to his
15 retirement from employment, which arise (i) from an employer-employee
16 relationship or (ii) from contributions to a retirement plan which are
17 deductible for federal income tax purposes. However, the term "pensions
18 and annuities" shall also include distributions received by an individ-
19 ual who has attained the age of fifty-nine and one-half from an individ-
20 ual retirement account or an individual retirement annuity, as defined
21 in section four hundred eight of the internal revenue code, and distrib-
22 utions received by an individual who has attained the age of fifty-nine
23 and one-half from self-employed individual and owner-employee retirement

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

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1 plans which qualify under section four hundred one of the internal
2 revenue code, whether or not the payments are periodic in nature. Never-
3 theless, the term "pensions and annuities" shall not include any lump
4 sum distribution, as defined in subparagraph (D) of paragraph four of
5 subsection (e) of section four hundred two of the internal revenue code
6 and taxed under section six hundred three of this article. Where a
7 husband and wife file a joint state personal income tax return, the
8 modification provided for in this paragraph shall be computed as if they
9 were filing separate state personal income tax returns. Where a payment
10 would otherwise come within the meaning of the term "pensions and annui-
11 ties" as set forth in this paragraph, except that such individual is
12 deceased, such payment shall, nevertheless, be treated as a pension or
13 annuity for purposes of this paragraph if such payment is received by
14 such individual's beneficiary.

15 § 2. This act shall take effect immediately.