

STATE OF NEW YORK

2047

2023-2024 Regular Sessions

IN SENATE

January 18, 2023

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-five, thirty thousand
10 dollars for any taxable year beginning on or after January first, two
11 thousand twenty-six, thirty-five thousand dollars for any taxable year
12 beginning on or after January first, two thousand twenty-seven, and
13 forty thousand dollars in each subsequent year, which are periodic
14 payments attributable to personal services performed by such individual
15 prior to his retirement from employment, which arise (i) from an employ-
16 er-employee relationship or (ii) from contributions to a retirement plan
17 which are deductible for federal income tax purposes. However, the term
18 "pensions and annuities" shall also include distributions received by an
19 individual who has attained the age of fifty-nine and one-half from an
20 individual retirement account or an individual retirement annuity, as
21 defined in section four hundred eight of the internal revenue code, and
22 distributions received by an individual who has attained the age of
23 fifty-nine and one-half from self-employed individual and owner-employee
24 retirement plans which qualify under section four hundred one of the

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

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