

STATE OF NEW YORK

7211

2025-2026 Regular Sessions

IN SENATE

April 4, 2025

Introduced by Sens. LANZA, BORRELLO, HELMING, RHOADS -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue

AN ACT to amend the tax law, in relation to increasing the maximum pension and annuity exclusion from federal adjusted gross income

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-two] thousand dollars, which are periodic payments
9 attributable to personal services performed by such individual prior to
10 [~~his~~ such individual's] retirement from employment, which arise (i) from
11 an employer-employee relationship or (ii) from contributions to a
12 retirement plan which are deductible for federal income tax purposes.
13 However, the term "pensions and annuities" shall also include distrib-
14 utions received by an individual who has attained the age of fifty-nine
15 and one-half from an individual retirement account or an individual
16 retirement annuity, as defined in section four hundred eight of the
17 internal revenue code, and distributions received by an individual who
18 has attained the age of fifty-nine and one-half from self-employed indi-
19 vidual and owner-employee retirement plans which qualify under section
20 four hundred one of the internal revenue code, whether or not the
21 payments are periodic in nature. Nevertheless, the term "pensions and
22 annuities" shall not include any lump sum distribution, as defined in
23 subparagraph (D) of paragraph four of subsection (e) of section four
24 hundred two of the internal revenue code and taxed under section six

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

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1 hundred three of this article. Where a [~~husband and wife file~~] **spouse**
2 **files** a joint state personal income tax return, the modification
3 provided for in this paragraph shall be computed as if they were filing
4 separate state personal income tax returns. Where a payment would other-
5 wise come within the meaning of the term "pensions and annuities" as set
6 forth in this paragraph, except that such individual is deceased, such
7 payment shall, nevertheless, be treated as a pension or annuity for
8 purposes of this paragraph if such payment is received by such individ-
9 ual's beneficiary.

10 § 2. This act shall take effect immediately and shall apply to taxable
11 years beginning on and after such date.