

SENATE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

May 3, 2016
Date

Committee on Appropriations.

After consideration on the merits, the Committee recommends the following:

SB16-001 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

- 1 Amend printed bill, page 2, line 3, strike "(III); and **add** (4) (f) (IV)".
- 2 Page 2, strike lines 7 through 23.
- 3 Strike page 3.
- 4 Page 4, strike lines 1 through 13 and substitute:
 - 5 "~~(f) (I) For income tax years commencing on or after January 1,~~
 - 6 ~~1989,~~ Amounts received as pensions or annuities from any source, by any
 - 7 individual who is fifty-five years of age or older at the close of the taxable
 - 8 year, to the extent included in federal adjusted gross income or as added
 - 9 in paragraph (c) of subsection (3) of this section;
 - 10 ~~(II) For income tax years commencing on or after January 1, 1989,~~
 - 11 Amounts received as pensions or annuities from any source by any
 - 12 individual who is less than fifty-five years of age at the close of the
 - 13 taxable year if such benefits are received because of the death of the
 - 14 person originally entitled to receive such benefits and only to the extent
 - 15 such benefits are included in federal adjusted gross income or as added
 - 16 in paragraph (c) of subsection (3) of this section;
 - 17 (II.5) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
 - 18 JANUARY 1, 2017, THERE IS NO LIMIT ON THE AMOUNT SUBTRACTED
 - 19 UNDER SUBPARAGRAPHS (I) AND (II) OF THIS PARAGRAPH (f) FOR AN

1 AMOUNT RECEIVED AS A PENSION OR ANNUITY THAT ARISES FROM AN
2 INDIVIDUAL'S SERVICE IN THE UNIFORMED SERVICES OF THE UNITED
3 STATES.

4 (III) ~~For income tax years commencing on or after January 1,~~
5 ~~1989,~~ Amounts subtracted under SUBPARAGRAPHS (I) AND (II) OF this
6 paragraph (f) FOR A PENSION OR ANNUITY THAT ARISES FROM ANY SOURCE
7 OTHER THAN AN INDIVIDUAL'S SERVICE IN THE UNIFORMED SERVICES OF
8 THE UNITED STATES, shall not exceed twenty thousand dollars per tax
9 year; except that ~~for income tax years commencing on or after January 1,~~
10 ~~2000,~~ amounts subtracted under subparagraph (I) of this paragraph (f)
11 FROM THESE SAME SOURCES shall not exceed twenty-four thousand dollars
12 per tax year for any individual who is sixty-five years of age or older at
13 the close of the taxable year. For the purpose of determining the exclusion
14 allowed by this paragraph (f), in the case of a joint return, social security
15 benefits included in federal taxable income shall be apportioned in a ratio
16 of the gross social security benefits of each taxpayer to the total gross
17 social security benefits of both taxpayers. For the purposes of this
18 paragraph (f), "pensions ~~and~~ OR annuities" means retirement benefits that
19 are periodic payments attributable to personal services performed by an
20 individual prior to his or her retirement from employment and that arise
21 from an employer-employee relationship, from service in the uniformed
22 services of the United States, or from contributions to a retirement plan
23 which are deductible for federal income tax purposes. "Pensions ~~and~~ OR
24 annuities" includes ~~lump-sum distributions from pension and profit~~
25 ~~sharing plans to the extent that such distributions qualify for the~~
26 ~~tax-averaging computation under section 402 (e) (1) of the internal~~
27 ~~revenue code,~~ distributions from individual retirement arrangements and
28 self-employed retirement accounts to the extent that such distributions are
29 not deemed to be premature distributions for federal income tax purposes,
30 amounts received from fully matured privately purchased annuities, social
31 security benefits, and amounts paid from any such sources by reason of
32 permanent disability or death of the person entitled to receive the benefits.

33 **SECTION 2. Act subject to petition - effective date -**
34 **applicability.** (1) This act".

35 Page 4, after line 22 insert:

36 "(2) This act applies for income tax years that commence after the
37 applicable effective date of this act."

1 Strike the Finance Committee Report, dated January 28, 2016.

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