NEW YORK STATE SENATOR

Patrick M. Gallivan

Senate Passes Bill to Increase Tax Savings for Retirees

JIM RANNEY   June 13, 2016

| ISSUE: **RETIREMENT, INCOME TAX**

Senator Patrick M. Gallivan (R-C-I, Elma) announces the Senate has passed a bill (S-2903C) to increase tax savings for seniors and help encourage them to stay in New York post-retirement. The bill, co-sponsored by Gallivan, would double the exempt amount of private pensions and retirement income, increasing it for the first time since 1981 and saving approximately $275 million annually.

"Adjustments to the tax exemption for senior citizens who worked in the private sector are

long overdue," Gallivan said. "These changes will reduce the tax burden on our seniors, allow them to keep more of their income and encourage them to stay in New York throughout their retirement."

For 35 years, seniors have been able to claim the first $20,000 of pension or retirement income as exempt income. An updated exemption level would help address the inequity in the tax treatment of private pensions and government pensions, which are tax exempt under the State Constitution. In addition, reducing the tax burden on older New Yorkers will help encourage retirees to remain in New York State during their retirement years.

This bill increases that exempt amount to $25,000 for the 2017 taxable year, to $30,000 for the 2018 taxable year, to $35,000 for the 2019 taxable year, and to $40,000 in the 2020 and subsequent taxable years. This would provide tax relief to more than 377,000 seniors and would save taxpayers hundreds of dollars.

The bill has been sent to the Assembly.

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RELATED LEGISLATION

2015-S2903C

- Introduced

- - In Committee Assembly

  - In Committee Senate

- - On Floor Calendar Assembly

  - On Floor Calendar Senate

- - Passed Assembly

  - Passed Senate

- Delivered to Governor

- Signed By Governor

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Increases the tax exemption for pensions and annuities for persons age fifty-nine and one-half or greater

January 30, 2015

In Assembly Committee

Sponsored by Hugh T. Farley

Do you support this bill?