

2013-K720

LEGISLATIVE RESOLUTION urging the New York State Congressional delegation to enact legislation to authorize the IRS to temporarily waive penalties for taxpayers who made early withdrawals from their retirement accounts due to financial hardships caused by Superstorm Sandy, retroactive to the 2012 tax year

WHEREAS, Individuals who take an early distribution from a qualified retirement plan are subject to an additional 10% tax penalty; and

WHEREAS, In the past, Congress has allowed this type of exemption for individuals, including the Katrina Emergency Tax Relief Act of 2005, which created an exception for victims of Hurricane Katrina (later expanded to include Hurricanes Rita and Wilma) and the Heartland Disaster Tax Relief Act of 2008 which created an exemption for victims of the severe storms, flooding and tornadoes that occurred in the Midwest; and

WHEREAS, Superstorm Sandy has created significant financial hardships for many families trying to rebuild or repair their homes that were damaged or destroyed; and

WHEREAS, As a result, many families have been forced to tap into their retirement accounts as they await payments from insurance policies or to cover other unexpected expenses; and

WHEREAS, Current law discourages early withdrawal from retirement plans by imposing a 10% tax penalty, but during disasters like Superstorm Sandy, families should be able to access all of their resources without being penalized; now, therefore, be it

RESOLVED, That the New York State Congressional delegation be and hereby is respectfully memorialized by this Legislative Body to authorize the IRS to temporarily waive penalties for taxpayers who made early withdrawals from their retirement accounts due to financial hardships caused by Superstorm Sandy, retroactive to the 2012 tax year; and be it

further

RESOLVED, That copies of this Resolution, suitably engrossed, be transmitted to each member of the Congressional delegation from the State of New York.