



NEW YORK STATE SENATOR

Hugh T. Farley

## Senator Farley's Bill to Increase Tax Savings for Retirees Passes Senate

SENATOR HUGH T. FARLEY June 2, 2016



State Senator Hugh T. Farley (R, C, I – Schenectady) was pleased to report the New York State Senate passed his bill to increase tax savings for seniors and help encourage them to stay in New York post-retirement. Bill S2903C 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.

Senator Farley said, "Senior citizens are vital contributors to our communities and families.

Unfortunately, this tax exemption has never been adjusted and has not kept up with increases in the cost of living. I believe that reducing the tax burden on seniors will help improve their quality of life, encourage them to stay in New York, and provide more equitable treatment of private pensions in comparison to government pensions.”

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

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### **2015-S2903C**

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- 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
  
- 

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?