

HB 143 -- Income Tax: Pension Exemption

Co-Sponsors: Moore, Crawford, Luetkemeyer, Ervin, Sager, Behnen, Portwood, Sutherland, Hunter

Under current law, public and private entity retirees may deduct up to \$6,000 of pension allowances received each year if their income is not in excess of \$32,000 for married or \$25,000 for single taxpayers. This bill removes the income limitation when a taxpayer reaches the age of 65 years, allowing the full \$6,000 of retirement benefits to be deducted from state income tax regardless of income. Taxpayers under the age of 65 years will still be allowed the \$6,000 benefit deduction subject to the income limitations.

The bill has an effective date of January 1, 2004.