

HCS HBs 1762 & 2059 -- PRIVATE PENSION TAXATION

SPONSOR: McGirl

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Pensions by a vote of 8 to 4.

The following is a summary of the House Committee Substitute for HBs 1762 & 2059.

This bill increases the maximum amount to be subtracted from a taxpayer's adjusted gross income for tax years beginning on or after January 1, 2027, to the first \$12,000 of any retirement allowance received from any privately funded sources. The current maximum is \$6,000.

The following limits on a taxpayer's adjusted gross income in order to be entitled to the above maximum exemption are also increased for tax years beginning on or after January 1, 2027:

- (1) Single, Head of Household -- increases from \$24,999 to \$49,999;
- (2) Married Filing Combined -- increases from \$31,999 to \$63,999; and
- (3) Married Filing Separate -- increases from \$15,999 to \$32,599

This bill is similar to HB 44 (2025) and HB 2657 (2024).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that a couple of years ago public pensions were exempted, and now it is time for private pensions to enjoy the very same exemptions. This bill is beneficial because it expands the income thresholds for eligibility, allowing more people to take advantage. As a result, this bill would treat all pension holders equally, regardless of where they work. If the people have additional money they can spend it. Several states do not tax the private pension portion.

Testifying in person for the bill were Representative McGirl

OPPONENTS: There was no opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.