

SENATE, No. 3293

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED MAY 20, 2024

Sponsored by:

Senator DOUGLAS J. STEINHARDT

District 23 (Hunterdon, Somerset and Warren)

SYNOPSIS

Modifies eligibility requirements for other retirement income exclusion concerning other sources of income.

CURRENT VERSION OF TEXT

As introduced.



S3293 STEINHARDT

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1 AN ACT modifying the eligibility requirements for the other
2 retirement income exclusion concerning other sources of income,
3 amending P.L.1977, c.273.

4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

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8 1. Section 3 of P.L.1977, c.273 (C.54A:6-15) is amended to
9 read as follows:

10 3. Other retirement income. a. (1) Gross income shall not
11 include income:

12 for taxable years beginning before January 1, 2000, of up to
13 \$10,000 for a married couple filing jointly, \$5,000 for a married
14 person filing separately, or \$7,500 for an individual filing as a
15 single taxpayer or an individual determining tax pursuant to
16 subsection a. of N.J.S.54A:2-1;

17 for the taxable year beginning on or after January 1, 2000, but
18 before January 1, 2001, of up to \$12,500 for a married couple filing
19 jointly, \$6,250 for a married person filing separately, or \$9,375 for
20 an individual filing as a single taxpayer or an individual
21 determining tax pursuant to subsection a. of N.J.S.54A:2-1;

22 for the taxable year beginning on or after January 1, 2001, but
23 before January 1, 2002, of up to \$15,000 for a married couple filing
24 jointly, \$7,500 for a married person filing separately, or \$11,250 for
25 an individual filing as a single taxpayer or an individual
26 determining tax pursuant to subsection a. of N.J.S.54A:2-1;

27 for the taxable year beginning on or after January 1, 2002, but
28 before January 1, 2003, of up to \$17,500 for a married couple filing
29 jointly, \$8,750 for a married person filing separately, or \$13,125 for
30 an individual filing as a single taxpayer or an individual
31 determining tax pursuant to subsection a. of N.J.S.54A:2-1;

32 for taxable years beginning on or after January 1, 2003, but
33 before January 1, 2017, gross income shall not include income of up
34 to \$20,000 for a married couple filing jointly, \$10,000 for a married
35 person filing separately, or \$15,000 for an individual filing as a
36 single taxpayer or an individual determining tax pursuant to
37 subsection a. of N.J.S.54A:2-1;

38 for taxable years beginning on or after January 1, 2017 but
39 before January 1, 2018, gross income shall not include income of up
40 to \$40,000 for a married couple filing jointly, \$20,000 for a married
41 person filing separately, or \$30,000 for an individual filing as a
42 single taxpayer or an individual determining tax pursuant to
43 subsection a. of N.J.S.54A:2-1;

44 for taxable years beginning on or after January 1, 2018, but
45 before January 1, 2019, gross income shall not include income of up
46 to \$60,000 for a married couple filing jointly, \$30,000 for a married

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 person filing separately, or \$45,000 for an individual filing as a
2 single taxpayer or an individual determining tax pursuant to
3 subsection a. of N.J.S.54A:2-1;

4 for taxable years beginning on or after January 1, 2019, but
5 before January 1, 2020, gross income shall not include income of up
6 to \$80,000 for a married couple filing jointly, \$40,000 for a married
7 person filing separately, or \$60,000 for an individual filing as a
8 single taxpayer or an individual determining tax pursuant to
9 subsection a. of N.J.S.54A:2-1;

10 for taxable years beginning on or after January 1, 2020, gross
11 income shall not include income of up to \$100,000 for a married
12 couple filing jointly, \$50,000 for a married person filing separately,
13 or \$75,000 for an individual filing as a single taxpayer or an
14 individual determining tax pursuant to subsection a. of N.J.S.54A:2-
15 1,

16 when received in any tax year by a person aged 62 years or older
17 who received no income in excess of ~~[\$3,000]~~ \$25,000 from one or
18 more of the sources enumerated in subsections a., b., k. and p. of
19 N.J.S.54A:5-1.

20 (2) For taxable years beginning on or after January 1, 2005, the
21 exclusion provided by this subsection shall only be allowed if the
22 taxpayer has gross income for the taxable year of not more than
23 \$100,000.

24 (3) The total exclusion under this subsection and that allowable
25 under N.J.S.54A:6-10 shall not exceed the amounts of the
26 exclusions set forth in this subsection.

27 b. In addition to the exclusion provided under N.J.S.54A:6-10
28 and subsection a. of this section, gross income shall not include
29 income of up to \$6,000 for a married couple filing jointly or an
30 individual determining tax pursuant to subsection a. of N.J.S.54A:2-
31 1, or \$3,000 for a single person or a married person filing
32 separately, who is not covered under N.J.S.54A:6-2 or N.J.S.54A:6-
33 3, but who would be eligible in any year to receive payments under
34 either section if he or she were covered thereby.

35 (cf: P.L.2016, c.57, s.10)

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37 2. This act shall take effect immediately.

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STATEMENT

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42 This bill amends the eligibility requirements concerning other
43 sources of income as it relates to the retirement income exclusion.
44 Under current law, taxpayers are not allowed to claim the retirement
45 income exclusion if they have income in excess of \$3,000 from
46 certain sources of income, such as salaries, wages, tips, fees,
47 commissions, net profits from businesses, distributive share of
48 partnership income, net pro rate share of S corporation income, and

S3293 STEINHARDT

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1 others. This bill increases the income limit for those sources of
2 income to \$25,000. However, if a taxpayer's total gross income
3 exceeds \$100,000, the taxpayer will still be ineligible for this
4 exclusion.