

ASSEMBLY SENIOR ISSUES, TOURISM AND GAMING  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 1899**

**STATE OF NEW JERSEY**

DATED: SEPTEMBER 16, 1996

The Assembly Senior Issues, Tourism and Gaming Committee reports favorably Assembly, No.1899.

This bill amends the New Jersey Gross Income Tax Act (specifically N.J.S.A.54A:6-10) to increase the amount of certain retirement income a person 62 years of age or older, or a disabled individual eligible for federal Social Security benefits, would be able to exclude from gross income. The excludable amounts will be increased from \$10,000 to \$20,000 for a married couple filing jointly, from \$5,000 to \$10,000 for a married person filing separately, and from \$7,500 to \$15,000 for an individual filing as a single taxpayer, in equal increments over a period of four years commencing with taxable years beginning on or after January 1, 1997. Currently, a person 62 years of age or older, or a disabled individual eligible for federal Social Security benefits, may exclude only up to \$10,000 in retirement income if married and filing jointly, \$5,000 if married but filing separately, or \$7,500 if filing as a single taxpayer. Excludable retirement income includes such items as payments upon an annuity, endowment or life insurance contract, pension, disability or retirement benefit payments from a private or public plan, or Individual Retirement Account withdrawals.

In addition, N.J.S.A.54A:6-15 is amended to increase the excludable amounts of other retirement income to match the levels in section 1 of the bill. Currently, N.J.S.A.54A:6-15 permits the exclusion from gross income of other retirement income, such as interest and dividend earnings from investments, but only if the taxpayer has less than \$3,000 in income from such sources as a salary or wage, net profit from a business, or distribution of partnership income or net share of S corporation income. The above restriction is retained by the bill, as well as the restriction that limits the total amount of income excludable under both N.J.S.A.54A:6-10 and N.J.S.A.54A:6-15 to the amounts set forth in the latter.