

2016 -- S 2439

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LC004374
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

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A N A C T

RELATING TO TAXATION -- PERSONAL INCOME TAX

Introduced By: Senators Cote, Lombardi, and Picard

Date Introduced: February 11, 2016

Referred To: Senate Finance

(by request)

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 44-30 of the General Laws entitled "Personal Income Tax" is
2 hereby amended by adding thereto the following section:

3 **44-30-12.1. Out-of-state pension benefits.** – (a) A resident of the state of Rhode Island
4 who collects a pension that originates in another state which collects income tax may have that
5 portion of their pension to which they contributed, and said contribution having been already
6 taxed by the state in which it was earned, exempted from any income tax imposed in Rhode
7 Island, provided the taxpayer, or the taxpayer's surviving spouse as provided in subsection (b) of
8 this section, furnishes to the division of taxation a statement, on letterhead of the state institution
9 to which said contributions were made, of the total contributions made by the taxpayers to their
10 pension. The exemption shall be credited against the total amount contributed by the taxpayer
11 until the total amount of the taxpayer's pension contribution has been reached.

12 (b) In the event of the taxpayer's death, the exemption shall cease; provided, however, if a
13 taxpayer's surviving spouse receives a reduced amount of the deceased taxpayer's pension, then in
14 such event, the surviving spouse shall be eligible to receive the exemption. The exemption shall
15 terminate upon the earlier of:

16 (1) The death of the surviving spouse; or

17 (2) The limit of the total pension contributions made by the deceased taxpayer has been
18 reached.

19 (c) The exemption contained in this section shall only occur if the taxpayer has not made

1 [use of it when residing in another state.](#)

2 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO TAXATION -- PERSONAL INCOME TAX

1 This act would exempt from state taxation certain pension benefits that originate from
2 another state.

3 This act would take effect upon passage.

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