Limited exclusion enacted for pension and retirement income certain taxpayers.

Effective for taxable years beginning on or after 01/01/2021, provides for a limited exclusion for the gross income tax on pension and retirement income for taxpayers with income between $100,000 and $150,000. Under current law, a taxpayer whose income exceeds $100,000 becomes ineligible for the pension and retirement income exclusion. The bill provides a limited exclusion as follows: (1) If the taxpayer has income greater than $100,000, but not more than $125,000, for a taxpayer filing as married filing jointly, the amount of the exclusion is 50% of pension payments and other retirement income; for taxpayers filing as married filing separately, the exclusion is 25% of pension payments and other retirement income; and for taxpayers filing as single, the exclusion is 37.5% of pension payments and other income. (2) If the taxpayer has income greater than $125,000, but not more than $150,000 for a taxpayer filing as married filing jointly, the amount of the exclusion is 25% of pension payments and other retirement income; for taxpayers filing as married filing separately, the exclusion is 12.5% of pension and other retirement income; and for taxpayers filing as single, the exclusion is 18.75% of pension payments and other retirement income.