

FISCAL NOTE

Senate Bill 18 as introduced would allow a taxpayer who is 65 years old or older to exempt from income tax \$10,000 of the distributions from a defined contribution deferred compensation plan, up to the caps set by this bill. Beginning with Tax Year 2023 the maximum exemption amount would be \$5,000 and would increase to a maximum of \$10,000 in Tax Year 2024.

According to the Department of Revenue, this bill would decrease receipts to the Education Trust Fund by a maximum of (\$25,000,000) in FY 2024 and by a maximum of (\$40,000,000) in FY 2025 and each fiscal year thereafter.

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Arthur Orr, Chairperson
Finance and Taxation Education