



**ASSEMBLY AMENDMENT 10,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2001 SENATE BILL 55**

June 29, 2001 - Offered by Representatives BLACK and LASSA.

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 728, line 17: after that line insert:

3 **“SECTION 2142m.** 71.05 (1) (am) of the statutes is created to read:

4 71.05 (1) (am) *Pension income.* Except for a payment that is exempt under par.
5 (a) or that is exempt as a railroad retirement benefit, up to \$100,000 of payments
6 received each year by a single individual or a married individual who files a separate
7 return, or up to \$200,000 of payments received each year by a married couple that
8 files a joint return, from a retirement plan, including a plan that is included in
9 sections 401 to 409 or section 457 of the Internal Revenue Code and any amount that
10 is withdrawn from a retirement plan for one or more of the following reasons:

11 1. The payment of medical expenses of the plan’s participant, his or her spouse,
12 or his or her dependent who is claimed under section 151 (c) of the Internal Revenue

1 Code, to the extent that the payments exceed 7.5% of the participant's federal
2 adjusted gross income.

3 2. Amounts used to pay for first-time home buyer expenses, up to \$10,000, if
4 the distribution is used within 120 days to pay the costs of acquiring, constructing,
5 or reconstructing the first-time home buyer's principal residence.

6 3. Qualified higher education expenses, as that term is used in section 72 (t)
7 (7) of the Internal Revenue Code, for the plan's participant, his or her spouse, or his
8 or her dependent who is claimed under section 151 (c) of the Internal Revenue Code.

9 4. Amounts that are necessary to prevent eviction from the participant's
10 principle residence or mortgage foreclosure.”.

11 **2.** Page 1403, line 15: after that line insert:

12 “(4d) TAX EXEMPTION; CERTAIN RETIREMENT INCOME. The treatment of section
13 71.05 (1) (am) of the statutes first applies to taxable years beginning on January 1
14 of the year in which this subsection takes effect, except that if this subsection takes
15 effect after July 31 the treatment of section 71.05 (1) (am) of the statutes first applies
16 to taxable years beginning on January 1 of the year following the year in which this
17 subsection takes effect.”.

18 (END)