



## STATE INCOME TAXES ON SOCIAL SECURITY AND PENSION INCOME

By: John Rappa, Chief Analyst

### FEDERAL ADJUSTED GROSS INCOME (AGI)

Connecticut and several other states base their personal income taxes on the amount of income subject to federal income taxes (federal AGI) and require taxpayers to add and subtract specified income and expenses from that amount to compute the state's AGI.

By adopting the federal AGI, states exclude federal tax-exempt income from the state AGI. Federal tax-exempt income includes a portion of Social Security income.

Some states, including Connecticut, exempt some or all of federally taxable Social Security income.

Connecticut, for example, allows taxpayers to exempt all of that income depending on their filing status and federal AGI.

### ISSUES

Does Connecticut exempt Social Security income from the income tax? How many states exempt Social Security and other retirement income from this tax?

### SUMMARY

Connecticut exempts from its income tax (1) Social Security income the federal government exempts from its income tax and, (2) depending on a taxpayer's federal AGI, some or all of the Social Security income the federal government taxes. That is because Connecticut bases its income tax on federal adjusted gross income (AGI), which taxpayers must determine to compute their federal income taxes. The adjustments to the federal AGI include exemptions for various types of retirement income, including Social Security and railroad retirement income.

Connecticut also exempts from its income tax 100% of railroad retirement income and 50% of federally taxable military retirement income. It does not exempt other types of pension income.

Of the 41 states with broad-based personal income taxes, all but Rhode Island and Vermont have at least one income tax exemption for retirement income in addition to the retirement exclusions incorporated in federal AGI. As Attachment 1 shows, we divided retirement income into five categories by source: State and Local Pensions, Federal Civil Service Pensions, Military Pensions, Social Security, and Private Pensions. Some states, such as Alabama, Hawaii, and Pennsylvania fully exempt the income from most of these sources. Most of the other states exempt some of the income from at least one of these sources.

The most common exemptions are for Social Security and military pensions. Twenty-seven states exempt all Social Security income and three exempt some. Connecticut and five other states exempt all or most of this income for people meeting specified income limits. Fifteen states exempt all military pension income and 21, including Connecticut, exempt some. Ten states exempt all public pension income and 23 exempt some. Five states exempt all private pension income and 21 exempt some.

## **CONNECTICUT INCOME TAX EXEMPTION FOR PENSION INCOME**

### ***Social Security and Railroad and Military Retirement Income***

Connecticut exempts some or all of Social Security, railroad retirement, and military retirement income from the income tax. It does not exempt public and private pension income from the tax. Part of Connecticut's Social Security income tax exemption results from the use of federal AGI as the starting point for computing the state income tax.

***Federal Social Security Income Tax Exemption.*** The federal income tax partially exempts Social Security and Tier I Railroad Retirement income for taxpayers whose incomes exceed a specified amount. The income counted for determining the exemption is all the non-Social Security or railroad retirement income a taxpayer receives (including any tax-exempt interest) plus 50% of his or her Social Security or railroad retirement benefits for the year. Fifty percent of the Social Security or railroad retirement income is taxable if that total exceeds (1) \$32,000 for a married couple filing jointly or (2) \$25,000 for a single person, head of household, or married person filing separately. The taxable share jumps to 85% for taxpayers whose incomes exceeds \$44,000 for joint filers and \$34,000 for other filers.

However, Connecticut taxpayers would have to pay income taxes on their federally taxable Social Security and railroad retirement income if the state did not exempt some or all of that income from the Connecticut income tax.

**Connecticut Social Security Income Tax Deduction.** Taxpayers determine their Connecticut Social Security or railroad retirement exemption by computing their Connecticut AGI, which is based on their federal AGI. Connecticut law allows them to deduct the following amounts before determining their Connecticut tax:

1. 75% or 100% of federally taxable Social Security benefits, depending on income and
2. 100% of any railroad retirement benefits in excess of the deducted Social Security benefits.

A taxpayer can deduct 100% of his or her federally taxable Social Security benefits if he or she is:

1. single or married filing separately and his or her federal AGI is less than \$50,000 or
2. married filing jointly or a head of household and his or her federal AGI is less than \$60,000.

A filer whose federal AGI equals or exceeds the applicable threshold can deduct 75% of his or her federally taxable benefits ([CGS § 12-701\(20\)\(B\)\(x\)](#)).

### ***Military Retirement Benefits***

Connecticut exempts 50% of federally taxable military retirement income from the state income tax. The exemption applies to retirement income for service in the U.S. Army, Navy, Air Force, Marines, Coast Guard, and Army and Air National Guard ([CGS § 12-701\(20\)\(B\)\(xvii\)](#)).

## **COMPARISON OF HOW STATES TAX RETIREMENT INCOME**

Of the 41 states that levy a broad-based personal income tax:

1. 27 exempt all Social Security income, three exempt some of this income, six exempt all of the income for taxpayers meeting specified income limits, and five incorporate the federal exclusion in the state AGI (Connecticut incorporates the federal exclusion in the state AGI and provides a full or partial exemption for federally taxable social security income for taxpayers meeting specified income limits);
2. 15 states exempt all military pension income and 21 exempt some;
3. 10 states exempt all state and local public pension income and 22 exempt some and these same 10 states also exempt all federal civil service pension income;

4. 23 states exempt some federal pension income, including the same 22 states that exempt some state and local pension income; and
5. five states exempt all private pension income and 21 exempt some.

California, Indiana, Ohio, and Utah provide income tax credits to taxpayers over a specific age and, in some cases, who also meet income guidelines.

Attachment 1 shows how states tax public and private pension and Social Security income. The information applies to the 2013 tax year unless otherwise noted. Since no state taxes railroad retirement benefits, Row 5 shows only Social Security exemptions.

JR:ts

**Attachment 1: State Income Tax Exemptions for Retirement Income  
(2013 Tax Year, Unless Otherwise Noted)**

<b>Retirement Income Exemptions</b>	<b>States</b>					
	<b>Alabama</b>	<b>Alaska</b>	<b>Arizona</b>	<b>Arkansas</b>	<b>California</b>	<b>Colorado</b>
State and Local Pensions	100%	Not applicable, no personal income tax	\$2,500	\$6,000	None	<ul style="list-style-type: none"> <li>• Age 65 and over: \$24,000</li> <li>• Age 55-65: \$20,000</li> </ul>
Federal Civil Service Pension	100%	Not applicable, no personal income tax	\$2,500	\$6,000	None	<ul style="list-style-type: none"> <li>• Age 65 and over: \$24,000</li> <li>• Age 55-65: \$20,000</li> </ul>
Military Pension	100%	Not applicable, no personal income tax	\$2,500	\$6,000	None	<ul style="list-style-type: none"> <li>• Age 65 and over: \$24,000</li> <li>• Age 55-65: \$20,000</li> </ul>
Social Security	100%	Not applicable, no personal income tax	100%	100%	100%	<ul style="list-style-type: none"> <li>• Age 65 and over: \$24,000</li> <li>• Age 55-65: \$20,000</li> </ul>
Private Pension	100% for defined benefit plans	Not applicable, no personal income tax	None	None	None	<ul style="list-style-type: none"> <li>• Age 65 and over: \$24,000</li> <li>• Age 55-65: \$20,000</li> </ul>
Other Exemptions	None	None	None	None	\$98 tax credit for each taxpayer over age 65	None

**Attachment 1: State Income Tax Exemptions for Retirement Income  
(2013 Tax Year, Unless Otherwise Noted), continued**

<b>Retirement Income Exemptions</b>	<b>States</b>			
	<b>Connecticut</b>	<b>Delaware</b>	<b>Florida</b>	<b>Georgia</b>
State and Local Pensions	None	<ul style="list-style-type: none"> <li>• Age 60 and over: \$12,500</li> <li>• Under age 60: \$2,000</li> </ul>	Not applicable, no personal income tax	<ul style="list-style-type: none"> <li>• Age 65 and over: \$65,000</li> <li>• Age 62-64 or under 62 and disabled:               <ul style="list-style-type: none"> <li>○ \$35,000 for single filers</li> <li>○ \$70,000 joint filers</li> </ul> </li> </ul>
Federal Civil Service Pension	None	<ul style="list-style-type: none"> <li>• Age 60 and over: \$12,500</li> <li>• Under age 60: \$2,000</li> </ul>	Not applicable, no personal income tax	<ul style="list-style-type: none"> <li>• Age 65 and over: \$65,000</li> <li>• Age 62-64 or under 62 and disabled:               <ul style="list-style-type: none"> <li>○ \$35,000 for single filers</li> <li>○ \$70,000 joint filers</li> </ul> </li> </ul>
Military Pension	50%	<ul style="list-style-type: none"> <li>• Age 60 and over: \$12,500</li> <li>• Under age 60: \$2,000</li> </ul>	Not applicable, no personal income tax	<ul style="list-style-type: none"> <li>• Age 65 and over: \$65,000</li> <li>• Age 62-64 or under 62 and disabled:               <ul style="list-style-type: none"> <li>○ \$35,000 for single filers</li> <li>○ \$70,000 joint filers</li> </ul> </li> </ul>
Social Security	Incorporates federal Social Security exemptions in state AGI  Additional exemption: <ul style="list-style-type: none"> <li>• 100% for federal adjusted gross income (AGI) for:               <ul style="list-style-type: none"> <li>○ single filers under \$50,000</li> <li>or</li> <li>○ joint filers under \$60,000</li> </ul> </li> <li>• 75% for higher AGIs</li> </ul>	100%	Not applicable, no personal income tax	100%
Private Pension	None	<ul style="list-style-type: none"> <li>• Age 60 and over: \$12,500</li> <li>• Under age 60: \$2,000</li> </ul>	Not applicable, no personal income tax	<ul style="list-style-type: none"> <li>• Age 65 and over: \$65,000</li> <li>• Age 62-64 or under 62 and disabled:               <ul style="list-style-type: none"> <li>○ \$35,000 for single filers</li> <li>○ \$70,000 joint filers</li> </ul> </li> </ul>
Other Exemptions	None	None	None	None

**Attachment 1: State Income Tax Exemptions for Retirement Income  
(2013 Tax Year, Unless Otherwise Noted), continued**

<b>Retirement Income Exemptions</b>	<b>States</b>				
	<b>Hawaii</b>	<b>Idaho</b>	<b>Illinois</b>	<b>Indiana</b>	<b>Iowa</b>
State and Local Pensions	100%	Exclusion applies to certain Idaho public safety officers' benefits, minus SS or RR benefits.  Benefit caps for 2014: <ul style="list-style-type: none"> <li>• \$31,704 for single filers</li> <li>• \$47,556 for joint filers</li> </ul>	100%	None	Age 55 and over: <ul style="list-style-type: none"> <li>• \$6,000 for single filers</li> <li>• \$12,000 for joint filers</li> </ul>
Federal Civil Service Pension	100%	Exclusion applies to only to federal CSRS benefits, minus SS or RR benefits.  Benefit caps for 2014: <ul style="list-style-type: none"> <li>• \$31,704 for single filers</li> <li>• \$47,556 for joint filers</li> </ul>	100%	Age 62 and older, \$2,000 per spouse, minus SS benefits	Age 55 and over: <ul style="list-style-type: none"> <li>• \$6,000 for single filers</li> <li>• \$12,000 for joint filers</li> </ul>
Military Pension	100%	Benefit caps same as those for CSRS	100%	Age 60 and older, \$5,000 per spouse	100% starting 2014 tax year
Social Security	100%	100%	100%	100%	100% starting in 2014
Private Pension	<ul style="list-style-type: none"> <li>• 100% of income from entirely employer-funded plan</li> <li>• Partial taxation of plans to which employees contributed</li> </ul>	None	100% for qualified plans	None	Age 55 and over: <ul style="list-style-type: none"> <li>• \$6,000 for single filers</li> <li>• \$12,000 for joint filers</li> </ul>
Other Exemptions	None	None	None	Taxpayers over 65 filing joint return qualify for up to \$140 credit depending on income	None

**Attachment 1: State Income Tax Exemptions for Retirement Income  
(2013 Tax Year, Unless Otherwise Noted), continued**

<b>Retirement Income Exemptions</b>	<b>States</b>				
	<b>Kansas</b>	<b>Kentucky</b>	<b>Louisiana</b>	<b>Maine (for 2014 Tax Year)</b>	<b>Maryland</b>
State and Local Pensions	100%	<ul style="list-style-type: none"> <li>100% for benefits earned before 1/1/98</li> <li>Prorated for benefits earned after that date up to \$41,100</li> </ul>	Louisiana state pensions: 100%  Out of state pensions: <ul style="list-style-type: none"> <li>Must be 65 or older</li> <li>\$6,000 for single filers</li> <li>\$12,000 for joint</li> </ul>	\$10,000 minus Social Security and Railroad Retirement income	Taxpayers 65 and over qualify for annually adjusted exemption (\$27,800 in 2013), minus Social Security and Retirement income for income from qualified plans.
Federal Civil Service Pension	100%	<ul style="list-style-type: none"> <li>100% for benefits earned before 1/1/98</li> <li>Prorated for benefits earned after that date up to \$41,100</li> </ul>	100%	\$10,000 minus Social Security and Railroad Retirement income	Taxpayers 65 and over qualify for annually adjusted exemption (\$27,800 in 2013), minus Social Security and Retirement income for income from qualified plans.
Military Pension	100%	<ul style="list-style-type: none"> <li>100% for benefits earned before 1/1/98</li> <li>Prorated for benefits earned after that date up to \$41,100</li> </ul>	100%	\$10,000 minus Social Security and Railroad Retirement income	Taxpayers 65 and over qualify for annually adjusted exemption (\$27,800 in 2013), minus Social Security and Retirement income for income from qualified plans.
Social Security	100% for federal AGI under \$75,000	100% for income under \$41,100	100%	100%	100%
Private Pension	None	<ul style="list-style-type: none"> <li>100% for benefits earned before 1/1/98</li> <li>Prorated for benefits earned after that date up to \$41,100</li> </ul>	<ul style="list-style-type: none"> <li>Age 65 and over:</li> <li>\$6,000 for single filers</li> <li>\$12,000 for joint</li> </ul>	\$10,000 minus Social Security and Railroad Retirement income  Exclusion applies to income from specified employer – funded plans	Taxpayers 65 and over qualify for annually adjusted exemption (\$27,800 in 2013), minus Social Security and Retirement income for income from qualified plans.
Other Retirement Exemptions	None	None	None	None	None

**Attachment 1: State Income Tax Exemptions for Retirement Income  
(2013 Tax Year, Unless Otherwise Noted), continued**

Retirement Income Exemptions	State			
	Massachusetts	Michigan	Minnesota	Mississippi
State and Local Pensions	100% for Massachusetts pensions  Out-of-state pension income exempted if home state exempts Massachusetts pensions	100% for Michigan pensions and out-of-state pensions from home states that also exempt Michigan pensions  Other state and local pensions capped at: <ul style="list-style-type: none"> <li>• \$48,302 for single filers</li> <li>• \$96,605 for joint filers</li> </ul>	For taxpayers 65 and over qualify for maximum: <ul style="list-style-type: none"> <li>• \$9,600 exemption for single filers</li> <li>• \$12,000 for joint filers</li> </ul>	100%
Federal Civil Service Pension	100%	100%	For taxpayers 65 and over qualify for maximum: <ul style="list-style-type: none"> <li>• \$9,600 exemption for single filers</li> <li>• \$12,000 for joint filers</li> </ul>	100%
Military Pension	100%	100%	For taxpayers 65 and over qualify for maximum: <ul style="list-style-type: none"> <li>• \$9,600 exemption for single filers</li> <li>• \$12,000 for joint filers</li> </ul>	100%
Social Security	100%	100%	Incorporates federal Social Security exemptions in state AGI	100%
Private Pension	None	Capped at annually adjusted levels for eligible private plan  In 2013, for taxpayers 69 and over: <ul style="list-style-type: none"> <li>• \$48,302 for single filers</li> <li>• \$96,605 for joint filers</li> </ul> In 2013: for taxpayers born between 1946 and 1952: <ul style="list-style-type: none"> <li>• \$20,000 for single filers</li> <li>• \$40,000 for joint filers</li> </ul>	For taxpayers 65 and over qualify for maximum: <ul style="list-style-type: none"> <li>• \$9,600 exemption for single filers</li> <li>• \$12,000 for joint filers</li> </ul>	100% for qualified plans
Other Exemptions	None	68 and over qualify for exemption from interest, dividend, and capital gains exemption included in AGI capped at: <ul style="list-style-type: none"> <li>• \$10,767 for single filers</li> <li>• \$21,534 for joint filers</li> </ul>	None	None

**Attachment 1: State Income Tax Exemptions for Retirement Income  
(2013 Tax Year, Unless Otherwise Noted), continued**

Retirement Income Exemptions	States			
	Missouri	Montana	Nebraska	Nevada
State and Local Pensions	Greater of \$6,000 or 100% of pension amount (\$35,939 in 2013), subject to income limits: <ul style="list-style-type: none"> <li>• Single filers with income up to \$85,000</li> <li>• Joint filers with income up to \$100,000</li> </ul>	<ul style="list-style-type: none"> <li>• Up to \$3,900 for single filers</li> <li>• Up to \$32,480 for joint filers with retirement income up to \$7,800</li> </ul>	None	Not applicable, no personal income tax
Federal Civil Service Pension	Greater of \$6,000 or 100% of pension amount (\$35,939 in 2013), subject to income limits: <ul style="list-style-type: none"> <li>• Single filers with income up to \$85,000</li> <li>• Joint filers with income up to \$100,000</li> </ul>	<ul style="list-style-type: none"> <li>• Up to \$3,900 for single filers</li> <li>• Up to \$32,480 for joint filers with retirement income up to \$7,800</li> </ul>	None	Not applicable, no personal income tax
Military Pension	60%	<ul style="list-style-type: none"> <li>• Up to \$3,900 for single filers</li> <li>• Up to \$32,480 for joint filers with retirement income up to \$7,800</li> </ul>	2014, none  Starting in 2015 taxpayer may choose to exclude: <ul style="list-style-type: none"> <li>• 40% for seven years or</li> <li>• 15% for all years upon turning 67</li> </ul>	Not applicable, no personal income tax
Social Security	100% for: <ul style="list-style-type: none"> <li>• Single filers with income up to \$85,000</li> <li>• Joint filers with income up to \$100,000</li> </ul>	100% only for taxpayers with income including Social Security under: <ul style="list-style-type: none"> <li>• \$25,000 for single filers,</li> <li>• \$32,000 for joint filers</li> <li>• \$16,000 for married filing separately</li> </ul>	2014, incorporates federal Social Security exemptions in state AGI  100% starting in 2015 for: <ul style="list-style-type: none"> <li>• Single filers with incomes \$58,000 or less</li> <li>• Joint filers with incomes under \$ 43,000 or less</li> </ul>	Not applicable, no personal income tax
Private Pension	\$6,000 for: <ul style="list-style-type: none"> <li>• Single filers with income up to \$25,000</li> <li>• Joint filers with income up to \$32,000</li> <li>• Married, filing separately with income up to \$16,000</li> </ul>	<ul style="list-style-type: none"> <li>• Up to \$3,900 for single filers</li> <li>• Up to \$32,480 for joint filers with retirement income up to \$7,800</li> </ul>	None	Not applicable, no personal income tax
Other Exemptions	None	None	None	Not applicable, no personal income tax

**Attachment 1: State Income Tax Exemptions for Retirement Income  
(2013 Tax Year, Unless Otherwise Noted), continued**

<b>Retirement Income Exemptions</b>	<b>States</b>			
	<b>New Hampshire</b>	<b>New Jersey</b>	<b>New Mexico</b>	<b>New York</b>
State and Local Pensions	Not applicable; income tax limited to interest and dividend income	62 and over: <ul style="list-style-type: none"> <li>\$20,000 for joint filers</li> <li>\$15,000 for single filers</li> <li>\$10,000 for married filing separately</li> </ul>	Taxpayers 65 and over qualify for maximum \$8,000 that phases out as AGI increases: <ul style="list-style-type: none"> <li>\$28,500 for single filers</li> <li>\$51,000 for joint filers</li> <li>\$25,000 for separate filers</li> </ul>	100% for New York pensions  Out-of-state pensions, \$20,000 for taxpayers 59 ½ or older
Federal Civil Service Pension	Not applicable; income tax limited to interest and dividend income	62 and over: <ul style="list-style-type: none"> <li>\$20,000 for joint filers</li> <li>\$15,000 for single filers</li> <li>\$10,000 for married filing separately</li> </ul>	Taxpayers 65 and over qualify for maximum \$8,000 that phases out as AGI increases: <ul style="list-style-type: none"> <li>\$28,500 for single filers</li> <li>\$51,000 for joint filers</li> <li>\$25,000 for separate filers</li> </ul>	100%
Military Pension	Not applicable; income tax limited to interest and dividend income	100%	Taxpayers 65 and over qualify for maximum \$8,000 that phases out as AGI increases: <ul style="list-style-type: none"> <li>\$28,500 for single filers</li> <li>\$51,000 for joint filers</li> <li>\$25,000 for separate filers</li> </ul>	100%
Social Security	Not applicable; income tax limited to interest and dividend income	100%	Taxpayers 65 and over qualify for maximum \$8,000 that phases out as AGI increases: <ul style="list-style-type: none"> <li>\$28,500 for single filers</li> <li>\$51,000 for joint filers</li> <li>\$25,000 for separate filers</li> </ul>	100%
Private Pension	Not applicable; income tax limited to interest and dividend income	62 and over: <ul style="list-style-type: none"> <li>\$20,000 for joint filers</li> <li>\$15,000 for single filers</li> <li>\$10,000 for married filing separately</li> </ul>	Taxpayers 65 and over qualify for maximum \$8,000 that phases out as AGI increases: <ul style="list-style-type: none"> <li>\$28,500 for single filers</li> <li>\$51,000 for joint filers</li> <li>\$25,000 for separate filers</li> </ul>	\$20,000 for taxpayers 59 ½ or older
Other Exemptions	None	Taxpayers 62 and over qualify for additional exemption needed to reach the pension exclusion amount	None	None

**Attachment 1: State Income Tax Exemptions for Retirement Income  
(2013 Tax Year, Unless Otherwise Noted), continued**

<b>Retirement Income Exemptions</b>	<b>States</b>			
	<b>North Carolina</b>	<b>North Dakota</b>	<b>Ohio</b>	<b>Oklahoma</b>
State and Local Pensions	Until Tax Year 2013: <ul style="list-style-type: none"> <li>• \$4,000 for single filers</li> <li>• \$8,000 for joint filers</li> </ul> After 2013, the above schedule applies only to retirees with less than five years of service  Starting in 2014 100% for benefits received from specified plans	None	None	Amount included in Federal AGI up to \$10,000
Federal Civil Service Pension	Until Tax Year 2013: <ul style="list-style-type: none"> <li>• \$4,000 for single filers</li> <li>• \$8,000 for joint filers</li> </ul> After 2013, the above schedule applies only to retirees with less than five years of service  Starting in 2014 100% for benefits received from specified plans	None	None	Amount included in Federal AGI up to \$10,000
Military Pension	Until Tax Year 2013: <ul style="list-style-type: none"> <li>• \$4,000 for single filers</li> <li>• \$8,000 for joint filers</li> </ul> After 2013, the above schedule applies only to retirees with less than five years of service  Starting in 2014 100% for benefits received from specified plans	None	100%	Greater of 75% of benefits or \$10,000 not to exceed amount included in federal AGI
Social Security	100%	Incorporates federal Social Security exemptions in state AGI	100%	100%
Private Pension	<ul style="list-style-type: none"> <li>• \$2,000 for single filers</li> <li>• \$4,000 for joint filers</li> </ul>	None	None	Amount included in federal AGI up to \$10,000
Other Exemptions	None	None	Age-related tax credits available, including maximum \$200 retirement credit	None

**Attachment 1: State Income Tax Exemptions for Retirement Income  
(2013 Tax Year, Unless Otherwise Noted), continued**

<b>Retirement Income Exemptions</b>	<b>States</b>			
	<b>Oregon</b>	<b>Pennsylvania</b>	<b>Rhode Island</b>	<b>South Carolina</b>
State and Local Pensions	No specified state and local pension exclusion, but taxpayers 62 and over may claim 9% credit based on income and filing status	100%	None	No specific exemptions for state and local, federal, or military pensions, but all taxpayers qualify for: <ul style="list-style-type: none"> <li>• Retirement deduction: <ul style="list-style-type: none"> <li>○ under 65 qualify for \$3,000 retirement deduction and</li> <li>○ over 65 qualify for a \$10,000 deduction.</li> </ul> </li> <li>• Age 65 or older deduction: <ul style="list-style-type: none"> <li>○ \$15,000 single for single filers</li> <li>○ \$30,000 for married filing jointly</li> </ul> </li> </ul>
Federal Civil Service Pension	No federal pension exclusion, but may claim 9% credit based on income and filing status	100%	None	
Military Pension	No specified military pension exclusion, but may claim 9% credit based on income and filing status	100%	None	
Social Security	100%	100%	Incorporates federal Social Security exemptions in state AGI	100%
Private Pension	Taxpayers 62 and over may claim 9% credit based on income and filing status and subtract taxes paid on specified retirement plans	100%	None	No specific exemptions for private pensions, but all taxpayers qualify for: <ul style="list-style-type: none"> <li>• Retirement deduction: <ul style="list-style-type: none"> <li>○ under 65 qualify for \$3,000 retirement deduction and</li> <li>○ over 65 qualify for a \$10,000 deduction.</li> </ul> </li> <li>• Age 65 or older deduction: <ul style="list-style-type: none"> <li>○ \$15,000 single for single filers</li> <li>○ \$30,000 for married filing jointly</li> </ul> </li> </ul>
Other Exemptions	None	None	None	None

**Attachment 1: State Income Tax Exemptions for Retirement Income  
(2013 Tax Year, Unless Otherwise Noted), continued**

<b>Retirement Income Exemptions</b>	<b>States</b>		
	<b>South Dakota</b>	<b>Tennessee</b>	<b>Texas</b>
State and Local Pensions	Not applicable, no personal income tax	Income tax limited to dividend and interest income  Taxpayers 65 and over are exempted from tax if they are single filers with income under \$33,000 or joint filers with incomes under \$59,000	Not applicable, no personal income tax
Federal Civil Service Pension	Not applicable, no personal income tax	Income tax limited to dividend and interest income  Taxpayers 65 and over are exempted from tax if they are single filers with income under \$33,000 or joint filers with incomes under \$59,000	Not applicable, no personal income tax
Military Pension	Not applicable, no personal income tax	Income tax limited to dividend and interest income  Taxpayers 65 and over are exempted from tax if they are single filers with income under \$33,000 or joint filers with incomes under \$59,000	Not applicable, no personal income tax
Social Security	Not applicable, no personal income tax	Income tax limited to dividend and interest income  Taxpayers 65 and over are exempted from tax if they are single filers with income under \$33,000 or joint filers with incomes under \$59,000	Not applicable, no personal income tax
Private Pension	Not applicable, no personal income tax	Income tax limited to dividend and interest income  Taxpayers 65 and over are exempted from tax if they are single filers with income under \$33,000 or joint filers with incomes under \$59,000	Not applicable, no personal income tax
Other Exemptions	Not applicable, no personal income tax	None	Not applicable, no personal income tax

**Attachment 1: State Income Tax Exemptions for Retirement Income  
(2013 Tax Year, Unless Otherwise Noted), continued**

<b>Retirement Income Exemptions</b>	<b>States</b>		
	<b>Utah</b>	<b>Vermont</b>	<b>Virginia</b>
State and Local Pensions	None	None	<ul style="list-style-type: none"> <li>• Age 65 and over: \$12,000</li> <li>• Age 62-64: \$6,000, with a dollar for dollar reduction for if AGI, excluding Social Security exceeds:               <ul style="list-style-type: none"> <li>• \$50,000 for single filers</li> <li>• \$75,000 for joint filers</li> </ul> </li> </ul>
Federal Civil Service Pension	None	None	<ul style="list-style-type: none"> <li>• Age 65 and over: \$12,000</li> <li>• Age 62-64: \$6,000, with a dollar for dollar reduction for if AGI, excluding Social Security exceeds:               <ul style="list-style-type: none"> <li>• \$50,000 for single filers</li> <li>• \$75,000 for joint filers</li> </ul> </li> </ul>
Military Pension	None	None	<ul style="list-style-type: none"> <li>• Age 65 and over: \$12,000</li> <li>• Age 62-64: \$6,000, with a dollar for dollar reduction for if AGI, excluding Social Security exceeds:               <ul style="list-style-type: none"> <li>• \$50,000 for single filers</li> <li>• \$75,000 for joint filers</li> </ul> </li> </ul>
Social Security	None	Incorporates federal Social Security exemptions in state AGI	100%
Private Pension	None	None	<ul style="list-style-type: none"> <li>• Age 65 and over: \$12,000</li> <li>• Age 62-64: \$6,000, with a dollar for dollar reduction for if AGI, excluding Social Security exceeds:               <ul style="list-style-type: none"> <li>• \$50,000 for single filers</li> <li>• \$75,000 for joint filers</li> </ul> </li> </ul>
Other Exemptions	Nonrefundable retirement credit that is reduced and phased out as income increases: <ul style="list-style-type: none"> <li>• Up to \$450 for people 65 and over</li> <li>• Lesser of \$288 or 6% of retirement income for people under 65</li> </ul> Credits reduced by 25 cents for each dollar of income over \$32,000 for joint filers, \$16,000 for people filing separately, and \$25,000 for single filers	None	None

**Attachment 1: State Income Tax Exemptions for Retirement Income  
(2013 Tax Year, Unless Otherwise Noted), continued**

<b>Retirement Income Exemptions</b>	<b>States</b>			
	<b>Washington</b>	<b>West Virginia</b>	<b>Wisconsin</b>	<b>Wyoming</b>
State and Local Pensions	Not applicable, no personal income tax	<ul style="list-style-type: none"> <li>• 100% for all public safety pensions</li> <li>• \$2,000 for all other state and local pensions</li> </ul>	\$5,000 for taxpayers age 65 and over with AGIs under : <ul style="list-style-type: none"> <li>• \$15,000 for single filers</li> <li>• \$30,000 for joint filers</li> </ul>	Not applicable, no personal income tax
Federal Civil Service Pension	Not applicable, no personal income tax	\$2,000	\$5,000 for taxpayers age 65 and over with AGIs under : <ul style="list-style-type: none"> <li>• \$15,000 for single filers</li> <li>• \$30,000 for joint filers</li> </ul>	Not applicable, no personal income tax
Military Pension	Not applicable, no personal income tax	\$22,000	100%	Not applicable, no personal income tax
Social Security	Not applicable, no personal income tax	Incorporates federal Social Security exemptions in state AGI	100%	Not applicable, no personal income tax
Private Pension	Not applicable, no personal income tax	None	\$5,000 for taxpayers age 65 and over with AGIs under : <ul style="list-style-type: none"> <li>• \$15,000 for single filers</li> <li>• \$30,000 for joint filers</li> </ul>	Not applicable, no personal income tax
Other Exemptions	Not applicable, no personal income tax	Age 65 and over qualify for maximum \$8,000 deduction in addition to retirement income deductions	None	Not applicable, no personal income tax

*Source:* National Conference of State Legislatures, "State Personal Income Taxes on Pensions and Retirement Income: Tax Year 2010," February 2011, updated November 2014 based on individual state income tax forms and instructions.

**Notes:**

- Arkansas: Exemption excludes Social Security (SS) and railroad retirement (RR) income
- Colorado: Federally exempt SS and RR income is not added back to state AGI
- Delaware: Exemptions exclude SS and RR income
- Georgia: Exemption excludes SS and RR income plus up to \$4,000 of earned income
- Iowa: Exemption excludes SS income