

FIRST REGULAR SESSION

# SENATE BILL NO. 629

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOSKINS.

2670S.01H

ADRIANE D. CROUSE, Secretary

## AN ACT

To repeal sections 143.121 and 143.124, RSMo, and to enact in lieu thereof two new sections relating to a tax deduction for certain military retirement benefits.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 143.121 and 143.124, RSMo, are  
2 repealed and two new sections enacted in lieu thereof, to be  
3 known as sections 143.121 and 143.124, to read as follows:

143.121. 1. The Missouri adjusted gross income of a  
2 resident individual shall be the taxpayer's federal adjusted  
3 gross income subject to the modifications in this section.

4 2. There shall be added to the taxpayer's federal  
5 adjusted gross income:

6 (1) The amount of any federal income tax refund  
7 received for a prior year which resulted in a Missouri  
8 income tax benefit. The amount added pursuant to this  
9 subdivision shall not include any amount of a federal income  
10 tax refund attributable to a tax credit reducing a  
11 taxpayer's federal tax liability pursuant to Public Law 116-  
12 136, enacted by the 116th United States Congress, for the  
13 tax year beginning on or after January 1, 2020, and ending  
14 on or before December 31, 2020, and deducted from Missouri  
15 adjusted gross income pursuant to section 143.171;

16 (2) Interest on certain governmental obligations  
17 excluded from federal gross income by 26 U.S.C. Section 103  
18 of the Internal Revenue Code, as amended. The previous

**EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

19 sentence shall not apply to interest on obligations of the  
20 state of Missouri or any of its political subdivisions or  
21 authorities and shall not apply to the interest described in  
22 subdivision (1) of subsection 3 of this section. The amount  
23 added pursuant to this subdivision shall be reduced by the  
24 amounts applicable to such interest that would have been  
25 deductible in computing the taxable income of the taxpayer  
26 except only for the application of 26 U.S.C. Section 265 of  
27 the Internal Revenue Code, as amended. The reduction shall  
28 only be made if it is at least five hundred dollars;

29 (3) The amount of any deduction that is included in  
30 the computation of federal taxable income pursuant to 26  
31 U.S.C. Section 168 of the Internal Revenue Code as amended  
32 by the Job Creation and Worker Assistance Act of 2002 to the  
33 extent the amount deducted relates to property purchased on  
34 or after July 1, 2002, but before July 1, 2003, and to the  
35 extent the amount deducted exceeds the amount that would  
36 have been deductible pursuant to 26 U.S.C. Section 168 of  
37 the Internal Revenue Code of 1986 as in effect on January 1,  
38 2002;

39 (4) The amount of any deduction that is included in  
40 the computation of federal taxable income for net operating  
41 loss allowed by 26 U.S.C. Section 172 of the Internal  
42 Revenue Code of 1986, as amended, other than the deduction  
43 allowed by 26 U.S.C. Section 172(b)(1)(G) and 26 U.S.C.  
44 Section 172(i) of the Internal Revenue Code of 1986, as  
45 amended, for a net operating loss the taxpayer claims in the  
46 tax year in which the net operating loss occurred or carries  
47 forward for a period of more than twenty years and carries  
48 backward for more than two years. Any amount of net  
49 operating loss taken against federal taxable income but  
50 disallowed for Missouri income tax purposes pursuant to this

subdivision after June 18, 2002, may be carried forward and taken against any income on the Missouri income tax return for a period of not more than twenty years from the year of the initial loss; and

(5) For nonresident individuals in all taxable years ending on or after December 31, 2006, the amount of any property taxes paid to another state or a political subdivision of another state for which a deduction was allowed on such nonresident's federal return in the taxable year unless such state, political subdivision of a state, or the District of Columbia allows a subtraction from income for property taxes paid to this state for purposes of calculating income for the income tax for such state, political subdivision of a state, or the District of Columbia;

(6) For all tax years beginning on or after January 1, 2018, any interest expense paid or accrued in a previous taxable year, but allowed as a deduction under 26 U.S.C. Section 163, as amended, in the current taxable year by reason of the carryforward of disallowed business interest provisions of 26 U.S.C. Section 163(j), as amended. For the purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under 26 U.S.C. Section 163, as amended, if the limitation under 26 U.S.C. Section 163(j), as amended, did not exist.

3. There shall be subtracted from the taxpayer's federal adjusted gross income the following amounts to the extent included in federal adjusted gross income:

(1) Interest received on deposits held at a federal reserve bank or interest or dividends on obligations of the United States and its territories and possessions or of any

83 authority, commission or instrumentality of the United  
84 States to the extent exempt from Missouri income taxes  
85 pursuant to the laws of the United States. The amount  
86 subtracted pursuant to this subdivision shall be reduced by  
87 any interest on indebtedness incurred to carry the described  
88 obligations or securities and by any expenses incurred in  
89 the production of interest or dividend income described in  
90 this subdivision. The reduction in the previous sentence  
91 shall only apply to the extent that such expenses including  
92 amortizable bond premiums are deducted in determining the  
93 taxpayer's federal adjusted gross income or included in the  
94 taxpayer's Missouri itemized deduction. The reduction shall  
95 only be made if the expenses total at least five hundred  
96 dollars;

97 (2) The portion of any gain, from the sale or other  
98 disposition of property having a higher adjusted basis to  
99 the taxpayer for Missouri income tax purposes than for  
100 federal income tax purposes on December 31, 1972, that does  
101 not exceed such difference in basis. If a gain is  
102 considered a long-term capital gain for federal income tax  
103 purposes, the modification shall be limited to one-half of  
104 such portion of the gain;

105 (3) The amount necessary to prevent the taxation  
106 pursuant to this chapter of any annuity or other amount of  
107 income or gain which was properly included in income or gain  
108 and was taxed pursuant to the laws of Missouri for a taxable  
109 year prior to January 1, 1973, to the taxpayer, or to a  
110 decedent by reason of whose death the taxpayer acquired the  
111 right to receive the income or gain, or to a trust or estate  
112 from which the taxpayer received the income or gain;

113           (4) Accumulation distributions received by a taxpayer  
114 as a beneficiary of a trust to the extent that the same are  
115 included in federal adjusted gross income;

116           (5) The amount of any state income tax refund for a  
117 prior year which was included in the federal adjusted gross  
118 income;

119           (6) The portion of capital gain specified in section  
120 135.357 that would otherwise be included in federal adjusted  
121 gross income;

122           (7) The amount that would have been deducted in the  
123 computation of federal taxable income pursuant to 26 U.S.C.  
124 Section 168 of the Internal Revenue Code as in effect on  
125 January 1, 2002, to the extent that amount relates to  
126 property purchased on or after July 1, 2002, but before July  
127 1, 2003, and to the extent that amount exceeds the amount  
128 actually deducted pursuant to 26 U.S.C. Section 168 of the  
129 Internal Revenue Code as amended by the Job Creation and  
130 Worker Assistance Act of 2002;

131           (8) For all tax years beginning on or after January 1,  
132 2005, the amount of any income received for military service  
133 while the taxpayer serves in a combat zone which is included  
134 in federal adjusted gross income and not otherwise excluded  
135 therefrom. As used in this section, "combat zone" means any  
136 area which the President of the United States by Executive  
137 Order designates as an area in which Armed Forces of the  
138 United States are or have engaged in combat. Service is  
139 performed in a combat zone only if performed on or after the  
140 date designated by the President by Executive Order as the  
141 date of the commencing of combat activities in such zone,  
142 and on or before the date designated by the President by  
143 Executive Order as the date of the termination of combatant  
144 activities in such zone;

(9) For all tax years ending on or after July 1, 2002, with respect to qualified property that is sold or otherwise disposed of during a taxable year by a taxpayer and for which an additional modification was made under subdivision (3) of subsection 2 of this section, the amount by which additional modification made under subdivision (3) of subsection 2 of this section on qualified property has not been recovered through the additional subtractions provided in subdivision (7) of this subsection;

(10) For all tax years beginning on or after January 1, 2014, the amount of any income received as payment from any program which provides compensation to agricultural producers who have suffered a loss as the result of a disaster or emergency, including the:

- (a) Livestock Forage Disaster Program;
- (b) Livestock Indemnity Program;
- (c) Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish;
- (d) Emergency Conservation Program;
- (e) Noninsured Crop Disaster Assistance Program;
- (f) Pasture, Rangeland, Forage Pilot Insurance Program;
- (g) Annual Forage Pilot Program;
- (h) Livestock Risk Protection Insurance Plan; [and]
- (i) Livestock Gross Margin Insurance Plan; [and]

(11) For all tax years beginning on or after January 1, 2018, any interest expense paid or accrued in the current taxable year, but not deducted as a result of the limitation imposed under 26 U.S.C. Section 163(j), as amended. For the purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under 26 U.S.C.

176 Section 163, as amended, if the limitation under 26 U.S.C.  
177 Section 163(j), as amended, did not exist; **and**

178       **(12) One hundred percent of any retirement benefits**  
179 **received by any taxpayer as a result of the taxpayer's**  
180 **service in the Armed Forces of the United States, including**  
181 **reserve components and the National Guard of this state, as**  
182 **defined in 32 U.S.C. Sections 101(3) and 109, and any other**  
183 **military force organized under the laws of this state.**

184       4. There shall be added to or subtracted from the  
185 taxpayer's federal adjusted gross income the taxpayer's  
186 share of the Missouri fiduciary adjustment provided in  
187 section 143.351.

188       5. There shall be added to or subtracted from the  
189 taxpayer's federal adjusted gross income the modifications  
190 provided in section 143.411.

191       6. In addition to the modifications to a taxpayer's  
192 federal adjusted gross income in this section, to calculate  
193 Missouri adjusted gross income there shall be subtracted  
194 from the taxpayer's federal adjusted gross income any gain  
195 recognized pursuant to 26 U.S.C. Section 1033 of the  
196 Internal Revenue Code of 1986, as amended, arising from  
197 compulsory or involuntary conversion of property as a result  
198 of condemnation or the imminence thereof.

199       7. (1) As used in this subsection, "qualified health  
200 insurance premium" means the amount paid during the tax year  
201 by such taxpayer for any insurance policy primarily  
202 providing health care coverage for the taxpayer, the  
203 taxpayer's spouse, or the taxpayer's dependents.

204       (2) In addition to the subtractions in subsection 3 of  
205 this section, one hundred percent of the amount of qualified  
206 health insurance premiums shall be subtracted from the  
207 taxpayer's federal adjusted gross income to the extent the

amount paid for such premiums is included in federal taxable income. The taxpayer shall provide the department of revenue with proof of the amount of qualified health insurance premiums paid.

8. (1) Beginning January 1, 2014, in addition to the subtractions provided in this section, one hundred percent of the cost incurred by a taxpayer for a home energy audit conducted by an entity certified by the department of natural resources under section 640.153 or the implementation of any energy efficiency recommendations made in such an audit shall be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for any such activity is included in federal taxable income. The taxpayer shall provide the department of revenue with a summary of any recommendations made in a qualified home energy audit, the name and certification number of the qualified home energy auditor who conducted the audit, and proof of the amount paid for any activities under this subsection for which a deduction is claimed. The taxpayer shall also provide a copy of the summary of any recommendations made in a qualified home energy audit to the department of natural resources.

(2) At no time shall a deduction claimed under this subsection by an individual taxpayer or taxpayers filing combined returns exceed one thousand dollars per year for individual taxpayers or cumulatively exceed two thousand dollars per year for taxpayers filing combined returns.

(3) Any deduction claimed under this subsection shall be claimed for the tax year in which the qualified home energy audit was conducted or in which the implementation of the energy efficiency recommendations occurred. If implementation of the energy efficiency recommendations



240 occurred during more than one year, the deduction may be  
241 claimed in more than one year, subject to the limitations  
242 provided under subdivision (2) of this subsection.

243 (4) A deduction shall not be claimed for any otherwise  
244 eligible activity under this subsection if such activity  
245 qualified for and received any rebate or other incentive  
246 through a state-sponsored energy program or through an  
247 electric corporation, gas corporation, electric cooperative,  
248 or municipally owned utility.

249 9. The provisions of subsection 8 of this section  
250 shall expire on December 31, 2020.

143.124. 1. Other provisions of law to the contrary  
2 notwithstanding, for tax years ending on or before December  
3 31, 2006, the total amount of all annuities, pensions, or  
4 retirement allowances above the amount of six thousand  
5 dollars annually provided by any law of this state, the  
6 United States, or any other state to any person except as  
7 provided in subsection 4 of this section, shall be subject  
8 to tax pursuant to the provisions of this chapter, in the  
9 same manner, to the same extent and under the same  
10 conditions as any other taxable income received by the  
11 person receiving it. For purposes of this section,  
12 "annuity, pension, retirement benefit, or retirement  
13 allowance" shall be defined as an annuity, pension or  
14 retirement allowance provided by the United States, this  
15 state, any other state or any political subdivision or  
16 agency or institution of this or any other state. For all  
17 tax years beginning on or after January 1, 1998, for  
18 purposes of this section, annuity, pension or retirement  
19 allowance shall be defined to include 401(k) plans, deferred  
20 compensation plans, self-employed retirement plans, also  
21 known as Keogh plans, annuities from a defined pension plan

22 and individual retirement arrangements, also known as IRAs,  
23 as described in the Internal Revenue Code, but not including  
24 Roth IRAs, as well as an annuity, pension or retirement  
25 allowance provided by the United States, this state, any  
26 other state or any political subdivision or agency or  
27 institution of this or any other state. An individual  
28 taxpayer shall only be allowed a maximum deduction equal to  
29 the amounts provided under this section for each taxpayer on  
30 the combined return.

31 2. For the period beginning July 1, 1989, and ending  
32 December 31, 1989, there shall be subtracted from Missouri  
33 adjusted gross income for that period, determined pursuant  
34 to section 143.121, the first three thousand dollars of  
35 retirement benefits received by each taxpayer:

36 (1) If the taxpayer's filing status is single, head of  
37 household or qualifying widow(er) and the taxpayer's  
38 Missouri adjusted gross income is less than twelve thousand  
39 five hundred dollars; or

40 (2) If the taxpayer's filing status is married filing  
41 combined and their combined Missouri adjusted gross income  
42 is less than sixteen thousand dollars; or

43 (3) If the taxpayer's filing status is married filing  
44 separately and the taxpayer's Missouri adjusted gross income  
45 is less than eight thousand dollars.

46 3. For the tax years beginning on or after January 1,  
47 1990, but ending on or before December 31, 2006, there shall  
48 be subtracted from Missouri adjusted gross income,  
49 determined pursuant to section 143.121, a maximum of the  
50 first six thousand dollars of retirement benefits received  
51 by each taxpayer from sources other than privately funded  
52 sources, and for tax years beginning on or after January 1,  
53 1998, there shall be subtracted from Missouri adjusted gross

54 income, determined pursuant to section 143.121, a maximum of  
55 the first one thousand dollars of any retirement allowance  
56 received from any privately funded source for tax years  
57 beginning on or after January 1, 1998, but before January 1,  
58 1999, and a maximum of the first three thousand dollars of  
59 any retirement allowance received from any privately funded  
60 source for tax years beginning on or after January 1, 1999,  
61 but before January 1, 2000, and a maximum of the first four  
62 thousand dollars of any retirement allowance received from  
63 any privately funded source for tax years beginning on or  
64 after January 1, 2000, but before January 1, 2001, and a  
65 maximum of the first five thousand dollars of any retirement  
66 allowance received from any privately funded source for tax  
67 years beginning on or after January 1, 2001, but before  
68 January 1, 2002, and a maximum of the first six thousand  
69 dollars of any retirement allowance received from any  
70 privately funded sources for tax years beginning on or after  
71 January 1, 2002. A taxpayer shall be entitled to the  
72 maximum exemption provided by this subsection:

73 (1) If the taxpayer's filing status is single, head of  
74 household or qualifying widow(er) and the taxpayer's  
75 Missouri adjusted gross income is less than twenty-five  
76 thousand dollars; or

77 (2) If the taxpayer's filing status is married filing  
78 combined and their combined Missouri adjusted gross income  
79 is less than thirty-two thousand dollars; or

80 (3) If the taxpayer's filing status is married filing  
81 separately and the taxpayer's Missouri adjusted gross income  
82 is less than sixteen thousand dollars.

83 4. If a taxpayer's adjusted gross income exceeds the  
84 adjusted gross income ceiling for such taxpayer's filing  
85 status, as provided in subdivisions (1), (2) and (3) of

subsection 3 of this section, such taxpayer shall be entitled to an exemption equal to the greater of zero or the maximum exemption provided in subsection 3 of this section reduced by one dollar for every dollar such taxpayer's income exceeds the ceiling for his or her filing status.

5. For purposes of this subsection, the term "maximum Social Security benefit available" shall mean thirty-two thousand five hundred dollars for the tax year beginning on or after January 1, 2007, and for each subsequent tax year such amount shall be increased by the percentage increase in the Consumer Price Index for All Urban Consumers, or its successor index, as such index is defined and officially reported by the United States Department of Labor, or its successor agency. For the tax year beginning on or after January 1, 2007, but ending on or before December 31, 2007, there shall be subtracted from Missouri adjusted gross income, determined pursuant to section 143.121, a maximum of an amount equal to the greater of: six thousand dollars in retirement benefits received from sources other than privately funded sources, to the extent such benefits are included in the taxpayer's federal adjusted gross income; or twenty percent of the retirement benefits received from sources other than privately funded sources in the tax year, but not to exceed the maximum Social Security benefit available for such tax year. For the tax year beginning on or after January 1, 2008, but ending on or before December 31, 2008, there shall be subtracted from Missouri adjusted gross income, determined pursuant to section 143.121, a maximum of an amount equal to the greater of: six thousand dollars in retirement benefits received from sources other than privately funded sources, to the extent such benefits are included in the taxpayer's federal adjusted gross

118 income; or thirty-five percent of the retirement benefits  
119 received from sources other than privately funded sources in  
120 the tax year, but not to exceed the maximum Social Security  
121 benefit available for such tax year. For the tax year  
122 beginning on or after January 1, 2009, but ending on or  
123 before December 31, 2009, there shall be subtracted from  
124 Missouri adjusted gross income, determined pursuant to  
125 section 143.121, a maximum of an amount equal to the greater  
126 of: six thousand dollars in retirement benefits received  
127 from sources other than privately funded sources, to the  
128 extent such benefits are included in the taxpayer's federal  
129 adjusted gross income; or fifty percent of the retirement  
130 benefits received from sources other than privately funded  
131 sources in the tax year, but not to exceed the maximum  
132 Social Security benefit available for such tax year. For  
133 the tax year beginning on or after January 1, 2010, but  
134 ending on or before December 31, 2010, there shall be  
135 subtracted from Missouri adjusted gross income, determined  
136 pursuant to section 143.121, a maximum of an amount equal to  
137 the greater of: six thousand dollars in retirement benefits  
138 received from sources other than privately funded sources,  
139 to the extent such benefits are included in the taxpayer's  
140 federal adjusted gross income; or sixty-five percent of the  
141 retirement benefits received from sources other than  
142 privately funded sources in the tax year, but not to exceed  
143 the maximum Social Security benefit available for such tax  
144 year. For the tax year beginning on or after January 1,  
145 2011, but ending on or before December 31, 2011, there shall  
146 be subtracted from Missouri adjusted gross income,  
147 determined pursuant to section 143.121, a maximum of an  
148 amount equal to the greater of: six thousand dollars in  
149 retirement benefits received from sources other than

privately funded sources, to the extent such benefits are included in the taxpayer's federal adjusted gross income; or eighty percent of the retirement benefits received from sources other than privately funded sources in the tax year, but not to exceed the maximum Social Security benefit available for such tax year. For all tax years beginning on or after January 1, 2012, there shall be subtracted from Missouri adjusted gross income, determined pursuant to section 143.121, a maximum of an amount equal to one hundred percent of the retirement benefits received from sources other than privately funded sources in the tax year, but not to exceed the maximum Social Security benefit available for such tax year. A taxpayer shall be entitled to the maximum exemption provided by this subsection:

(1) If the taxpayer's filing status is married filing combined, and their combined Missouri adjusted gross income is equal to or less than one hundred thousand dollars; or

(2) If the taxpayer's filing status is single, head of household, qualifying widow(er), or married filing separately, and the taxpayer's Missouri adjusted gross income is equal to or less than eighty-five thousand dollars.

6. If a taxpayer's adjusted gross income exceeds the adjusted gross income ceiling for such taxpayer's filing status, as provided in subdivisions (1) and (2) of subsection 5 of this section, such taxpayer shall be entitled to an exemption, less any applicable reduction provided under subsection 7 of this section, equal to the greater of zero or the maximum exemption provided in subsection 5 of this section reduced by one dollar for every dollar such taxpayer's income exceeds the ceiling for his or her filing status.

181           7. For purposes of calculating the subtraction  
182 provided in subsection 5 of this section, such subtraction  
183 shall be decreased by an amount equal to any Social Security  
184 benefit exemption provided under section 143.125.

185           8. For purposes of this section, any Social Security  
186 benefits otherwise included in Missouri adjusted gross  
187 income shall be subtracted; but Social Security benefits  
188 shall not be subtracted for purposes of other computations  
189 pursuant to this chapter, and are not to be considered as  
190 retirement benefits for purposes of this section.

191           9. The provisions of subdivisions (1) and (2) of  
192 subsection 3 of this section shall apply during all tax  
193 years in which the federal Internal Revenue Code provides  
194 exemption levels for calculation of the taxability of Social  
195 Security benefits that are the same as the levels in  
196 subdivisions (1) and (2) of subsection 3 of this section.  
197 If the exemption levels for the calculation of the  
198 taxability of Social Security benefits are adjusted by  
199 applicable federal law or regulation, the exemption levels  
200 in subdivisions (1) and (2) of subsection 3 of this section  
201 shall be accordingly adjusted to the same exemption levels.

202           10. The portion of a taxpayer's lump sum distribution  
203 from an annuity or other retirement plan not otherwise  
204 included in Missouri adjusted gross income as calculated  
205 pursuant to this chapter but subject to taxation under  
206 Internal Revenue Code Section 402 shall be taxed in an  
207 amount equal to ten percent of the taxpayer's federal  
208 liability on such distribution for the same tax year.

209           11. For purposes of this section, retirement benefits  
210 received shall not include any withdrawals from qualified  
211 retirement plans which are subsequently rolled over into  
212 another retirement plan.

213           12. The exemptions provided for in this section shall  
214 not affect the calculation of the income to be used to  
215 determine the property tax credit provided in sections  
216 135.010 to 135.035.

217           13. The exemptions provided for in this section shall  
218 apply to any annuity, pension, or retirement allowance as  
219 defined in subsection 1 of this section to the extent that  
220 such amounts are included in the taxpayer's federal adjusted  
221 gross income and not otherwise deducted from the taxpayer's  
222 federal adjusted gross income in the calculation of Missouri  
223 taxable income. This subsection shall not apply to any  
224 individual who qualifies under federal guidelines to be one  
225 hundred percent disabled.

226           [14. In addition to all other subtractions authorized  
227 in this section, for all tax years beginning on or after  
228 January 1, 2010, there shall be subtracted from Missouri  
229 adjusted gross income, determined under section 143.121, any  
230 retirement benefits received by any taxpayer as a result of  
231 the taxpayer's service in the Armed Forces of the United  
232 States, including reserve components and the National Guard  
233 of this state, as defined in Sections 101(3) and 109 of  
234 Title 32, United States Code, and any other military force  
235 organized under the laws of this state, to the extent such  
236 benefits are included in the taxpayer's federal adjusted  
237 gross income and not otherwise deducted from the taxpayer's  
238 federal adjusted gross income in the calculation of Missouri  
239 taxable income. Such retirement benefits shall be  
240 subtracted as provided in the following schedule:

241           (1) For the tax year beginning on January 1, 2010,  
242 fifteen percent of such retirement benefits;

243           (2) For the tax year beginning on January 1, 2011,  
244 thirty percent of such retirement benefits;



245           (3) For the tax year beginning on January 1, 2012,  
246   forty-five percent of such retirement benefits;  
247           (4) For the tax year beginning on January 1, 2013,  
248   sixty percent of such retirement benefits;  
249           (5) For the tax year beginning on January 1, 2014,  
250   seventy-five percent of such retirement benefits;  
251           (6) For the tax year beginning on January 1, 2015,  
252   ninety percent of such retirement benefits;  
253           (7) For tax years beginning on or after January 1,  
254   2016, one hundred percent of such retirement benefits.]

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