



Appendix A: State Taxes

Which state's taxes are best if you are retired?

Laws covering the taxability of your IMRF Pension vary from state to state. The following list is only to be used as a guide. It is not tax advice. Tax laws are amended constantly and changes should be expected. Several states treat pensions from public employment different than other retirement income. Therefore you should consult with that state's office or a tax professional for definite information on the tax laws in a particular state. Information that follows has been updated from state websites as of May, 2011.

<p>Alabama Department of Revenue PO Box 327460 Montgomery AL 36162-7460 (334) 242-1099 http://www.revenue.alabama.gov/</p>	<p>Benefits received under a "Defined Benefit Plan" (such as IMRF) as defined under IRC 414(j) are exempt.</p>
<p>Alaska Department of Revenue - Retirement and Benefits PO Box 110203 Juneau AK 99811-0203 (907) 465-4460 www.tax.state.ak.us</p>	<p>No state income tax.</p>
<p>Arizona Taxpayer Info. and Assistance PO Box 29086 Phoenix AZ 85038-9086 (602) 255-3381 OR (800) 352-4090 (from area codes 520 and 928 only) http://www.azdor.gov/</p>	<p>Included in gross income in the same way as under current federal laws.</p>
<p>Arkansas Dept. of Finance & Admin PO Box 3628 Little Rock AR 72203 (501) 682-1110 (800) 882-9275 (in Arkansas only) www.arkansas.gov/dfa/income_tax</p>	<p>First \$6,000 of retirement income is exempt. The remainder of pension is included in gross income in the same way as under federal tax laws.</p>
<p>California Franchise Tax Board PO Box 942840 Sacramento CA 94240-0040 (800) 852-5711 http://www.ftb.ca.gov/</p>	<p>Pension amounts are included for income for the state tax.</p>



<p>Colorado Department of Revenue 1375 Sherman Denver CO 80261 (303) 238-3278 http://www.colorado.gov/revenue</p>	<p>For retirees ages 55 to 64 on the last day of the year, the first \$20,000 in taxable pension income is exempt from state tax. Retirees age 65 or greater on the last day of the year may exclude \$24,000. Amounts over the \$20,000/\$24,000 are included in taxable income in the same way as under current tax laws.</p>
<p>Connecticut Dept of Revenue Services 25 Sigourney Street Hartford CT 06106-5032 (860) 297-5962 (800) 382-9563 (in Connecticut only) http://www.ct.gov/drs</p>	<p>Pension payments are includable as income for the state tax.</p>
<p>Delaware Division of Revenue Carvel State Office Building 820 N French St Wilmington DE 19801 (302) 577-8200 http://revenue.delaware.gov/</p>	<p>A taxpayer may deduct from federal adjusted gross income (computed under current federal tax laws) up to \$2,000 in pension income if under age 60. If 60 or older—up to \$12,500 pension exclusion.</p>
<p>District of Columbia Dept of Finance and Revenue 941 N Capital St NE, 1st FL Washington DC 20002 (202) 727-4TAX http://cfo.dc.gov</p>	<p>Pensions are taxed. There is an exclusion (DC or federal pensions only) for up to \$3,000 available to taxpayer age 62 or greater.</p>
<p>Florida Department of Revenue 5050 W Tennessee St Tallahassee FL 32999-0100 (850) 488-9719 (800) 352-3671 (in Florida only) http://dor.myflorida.com/dor/</p>	<p>No state income tax.</p>
<p>Georgia Department of Revenue 1800 Century Center Blvd, NE Atlanta GA 30345-3205 (404) 417-2309 (877) 602-8477 (inside GA, but outside Atlanta) http://www.etax.dor.ga.gov/</p>	<p>Georgia taxes all pensions of all residents. However, Georgia law provides a retirement income exclusion of up to \$35,000 (for year 2010) provided the taxpayer is a) 62 years of age or older or b) permanently and totally disabled. Exclusion will change in future years to: 2012 - \$65,000; 2013 - \$100,000; 2014 - \$150,000; 2015 - \$200,000.</p>



<p>Hawaii Dept of Taxation PO Box 259 Honolulu HI 96809 (808) 587-4242 or (800) 222-3229 http://www.hawaii.gov/tax</p>	<p>Hawaii does not tax qualifying distributions from an employer-funded pension plan. If you received qualifying distributions from an employer-funded profit sharing, defined contribution, or defined benefit plan, or from a government retirement system (i.e., federal civil service, military pension, state or county retirement system) (instr for Form N-11)</p>
<p>Idaho Idaho State Tax Commission PO Box 36 Boise, ID 83722 (800) 972-7660 http://www.tax.idaho.gov/</p>	<p>Your IMRF retirement is included as income for the state income tax.</p>
<p>Illinois Illinois Department of Revenue Taxpayer Correspondence, 3-252 101 W. Jefferson St Springfield IL 62794-9001 (217) 782-3336 (800) 732-8866 http://www.tax.illinois.gov/</p>	<p>Retirement income is not taxed.</p>
<p>Indiana Indiana Dept of Revenue 100 N Senate Ave MS 112 B Indianapolis IN 46204 (317) 232-2240 http://www.in.gov/dor/</p>	<p>Retirement income is included for tax purposes. An additional exemption of \$1,000 (\$1,500 if your income is under \$40,000 and you are 65 or older.) An elderly credit is available if you are 65 or older and have a federal adjusted gross income of less than \$10,000.</p>
<p>Iowa Taxpayer Services Iowa Dept of Revenue PO Box 10457 Des Moines IA 50306-0470 (515) 281-3114 or (800) 367-3388 (from Rock Island or Moline area) http://www.iowa.gov/tax/</p>	<p>In general, pensions are taxable. However, Iowa excludes up to \$6,000 of pension income for qualifying taxpayers (age 55 or greater at the end of the tax year). Married taxpayers who file status 2, 3, or 4 may exclude up to \$12,000.</p>
<p>Kansas Topeka Assistance Center Docking State Office Building 915 SW Harrison St, Rm 150 Topeka, KS 66612 (785) 368-8222 or (877) 526-7738 http://www.ksrevenue.org</p>	<p>Pension payments are included in income for the state tax.</p>



<p>Kentucky Taxpayer Assistance 200 Fair Oaks PO Box 181, Station 56 Frankfort KY 40602 (502) 564-4581 http://revenue.ky.gov/</p>	<p>Municipal retirement pensions from other states are considered private pensions. The private pension income exemption is \$41,110 for 2010.</p>
<p>Louisiana Louisiana Department of Revenue & Taxation 617 North Third Street Baton Rouge LA 70802-5428 (225) 219-0102 www.rev.state.la.us</p>	<p>\$6,000 of annual retirement income that is received by persons 65 or over is exempt from state taxation.</p>
<p>Maine Maine Revenue Services Income/Estate Tax Division 24 Statehouse Station Augusta ME 04333-0024 (207) 626-8475 http://www.maine.gov/revenue/</p>	<p>For tax years on or after Jan 1, 2000, up to \$6,000 of pension income may be deducted. The \$6,000 cap must be reduced by all taxable and nontaxable social security or railroad retirement benefits received.</p> <p>Tax laws change for 2010.</p>
<p>Maryland Comptroller of Maryland ATTN: Taxpayer Service PO Box 1819 Annapolis MD 21404-1829 (410) 260-7980 (800) MDT-AXES http://www.marylandtaxes.com</p>	<p>Pension amounts are included for the state tax. However, a pension exclusion is available if you are age 65 or over. The exclusion amount is \$26,100 (for 2010) but is reduced by the amount of social security that you receive.</p>
<p>Massachusetts Massachusetts Dept of Revenue 100 Cambridge St Boston MA 02204 (617) 887-MDOR (800) 392-6089 (within Massachusetts) www.mass.gov</p>	<p>Pensions are included for the state income tax. Pensions from other states or their political subdivisions that do not tax such income from Massachusetts or its political subdivisions may be eligible to be deducted from Massachusetts taxable income.</p>
<p>Michigan Michigan Dept of Treasury Richard H. Austin Building 430 W Allegan St Lansing MI 48922 (800) 827-4000 http://www.michigan.gov/treasury</p>	<p>Michigan will treat the IMRF pension as totally exempt. Private pension subtractions are limited to \$45,120 on a single return and \$90,240 on joint returns for 2010.</p>



<p>Minnesota Minnesota Department of Revenue Mail Station 5510 St Paul MN 55146-5510 (651) 296-3781 (800) 652-9094 (inside Minnesota) http://www.taxes.state.mn.us</p>	<p>Your IMRF benefit is included in taxable income for the state tax. Taxpayers who are age 65 or older may qualify for a subtraction of up to \$12,000 for married filing jointly or \$9,600 for single taxpayers. Qualification is based on your adjusted gross income and the non-taxable amount of the social security benefit. (see schedule M-1R)</p>
<p>Mississippi Department of Revenue 1577 Springridge Road Raymond, MS 39154 (601) 923-7000 http://www.dor.ms.gov/</p>	<p>Retirement income is exempt.</p>
<p>Missouri Missouri Department of Revenue P.O. Box 2200 Jefferson City, MO 65105-2200 (573) 751-3505 http://dor.mo.gov/tax/</p>	<p>Pension payments are includable for the state tax. A public pension deduction (65% in 2010 up to \$33,703) is allowed for individuals with Missouri adjusted gross income of \$100,000 or less (married filing a combined return) or \$85,000 or less filing a single return. The pension deduction is phased out one dollar for every dollar in which the taxpayer's income exceeds the ceiling for the filing status claimed. The deduction is also reduced by the amount claimed as a social security deduction</p>
<p>Montana Department of Revenue PO Box 5805 Helena MT 59604-5805 (406) 444-6900 http://mt.gov/revenue/</p>	<p>There is a \$3,640 pension exclusion if your federal adjusted gross income is less than \$30,020. The rest of the pension is included in gross income.</p>
<p>Nebraska Nebraska Department of Revenue 301 Centennial Mall South PO Box 94818 Lincoln NE 68509-4818 (402) 471-5729 (800) 742-7474 (Nebraska and Iowa) http://www.revenue.state.ne.us/</p>	<p>Pension payments are included in income for the state tax.</p>



<p>Nevada Nevada Department of Taxation 1550 E College Parkway, Suite 115 Carson City NV 89706 (775) 684-2000 http://www.tax.state.nv.us/</p>	<p>No state income tax.</p>
<p>New Hampshire N.H. Department of Revenue 109 Pleasant Street Concord NH 03301 (603) 271-2191 or (603) 271-3400 http://www.revenue.nh.gov/ OR http://www.revenue.nh.gov/revenue</p>	<p>No state income tax on W-2 reported income wages, but there is income tax on Interest & Dividend income exceeding \$2,400 annually.</p>
<p>New Jersey State of New Jersey, Div of Taxation Information and Publications Branch PO Box 281 Trenton NJ 08646-0281 (609) 292-6400 http://www.state.nj.us/treasury/taxation/</p>	<p>For 2010, persons with a total income of \$100,000 or less that are age 62 or older or totally disabled get a \$20,000 (joint return), \$10,000 (married filing separate) or \$15,000 (single taxpayer) pension exclusion.</p>
<p>New Mexico New Mexico Taxation & Revenue Dept. P.O. Box 5374 Santa Fe, NM 87502-5374 (505) 827-0827 http://www.tax.newmexico.gov</p>	<p>Included in gross income in the same way as under current federal law. (New Mexico uses the federal adjusted gross income as the starting point for the state tax return.)</p>
<p>New York Dept of Taxation & Finance Taxpayer Assistance Bureau W.A. Harriman Campus Albany NY 12227 (800) 225-5829 http://www.tax.state.ny.us/</p>	<p>Taxpayers aged 59-1/2 or over may exclude from New York adjusted gross income pensions and annuities, to the extent included in federal adjusted gross income, but not in excess of \$20,000 (\$20,000 each for two married pensioners or annuitants filing jointly).</p>



<p>North Carolina North Carolina Department of Revenue PO Box 25000 Raleigh NC 27640-0640 (877) 252-3052 http://www.dor.state.nc.us/taxes/</p>	<p>Included in gross income for calculation of state income tax. If you receive a pension from a federal, state, or local unit of government, you may deduct the amount included in federal taxable income or \$4,000, whichever is less. If the pension is from a private retirement plan, you may deduct the amount included in federal taxable income or \$2,000, whichever is less. The total retirement benefits deduction may not exceed \$4,000 per taxpayer. For married couples filing a joint return where both spouses received retirement benefits, the deduction applies separately to each, so that the maximum deduction on a joint return is \$8,000.</p>
<p>North Dakota Office of State Tax Commissioner Individual Income Tax Section 600 E Boulevard Ave, Dept 127 Bismarck ND 58505-0599 (701) 328-1247 http://www.nd.gov/tax</p>	<p>Pension payments are included for the state income tax.</p>
<p>Ohio Ohio Department of Taxation 30 E Broad St, 22nd FL Columbus OH 43215 (800) 282-1780 http://www.tax.ohio.gov/</p>	<p>Tax credits of \$25 to \$200 are allowed for pensions in excess of \$500. There is also a \$50 tax credit for person over age 65. Pension is included in gross income in the same way as under federal law.</p>
<p>Oklahoma Oklahoma Tax Commission 2501 North Lincoln Blvd Oklahoma City, OK 73194 (405) 521-3160 http://www.tax.ok.gov/</p>	<p>For 2010, taxpayers may exclude up to \$10,000, but not to exceed the amount included in the Federal Adjusted Gross Income.</p>
<p>Oregon Oregon Department of Revenue 955 Center Street NE Salem OR 97301-2555 (503) 378-4988 (800) 356-4222 (within Oregon only) http://www.oregon.gov/dor/</p>	<p>Included in adjusted gross income. Federal pensions may not be taxable depending on the retirement date. A tax credit is available for persons over age 61, with household income less than \$22,500 (\$45,000 joint) and Social Security benefits less than \$7,500 (\$15,000 joint).</p>



<p>Pennsylvania PA Department of Revenue PO Box 280500 Harrisburg PA 17128-0500 (717) 787-8201 http://www.revenue.state.pa.us</p>	<p>Commonly recognized pension, old age, or retirement benefits paid after becoming eligible to retire, and retiring, are not included in gross income for calculation of state income tax.</p>
<p>Rhode Island RI Division of Taxation One Capitol Hill Providence RI 02908-5800 (401) 574-8829 http://www.tax.state.ri.us/</p>	<p>Pension amounts are included for the state tax.</p>
<p>South Carolina Individual Income Taxes South Carolina Dept of Revenue PO Box 125 Columbia SC 29214 (803) 898-5709 http://www.sctax.org/</p>	<p>Beginning with the first year retirement income is received, retirees are allowed a deduction of up to \$3,000 per year. Upon reaching age 65, the deduction increases to \$10,000 per year. Additionally, taxpayers 65 and older are allowed a deduction of up to \$15,000 from any income source. The \$15,000 deduction is offset by the retirement deduction so that no taxpayer claims more than \$15,000. Federal taxable income is the starting point in determining state tax liability.</p>
<p>South Dakota South Dakota Dept of Revenue 445 E Capitol Ave Pierre SD 57501 (605) 773-3311 http://www.state.sd.us/drr/revenue.html</p>	<p>No state personal income tax.</p>
<p>Tennessee Tennessee Department of Revenue ATTN: Taxpayer Services Div Andrew Jackson State Office Building Nashville TN 37242 (615) 253-0600 (Nashville and out of state) (800) 342-1003 (inside Tennessee) http://www.tennessee.gov/revenue/</p>	<p>No state personal income tax. (Tennessee has a 6% levy, commonly referred to as the "Hall income tax," on certain items of interest and dividend income.)</p>
<p>Texas Comptroller of Public Accounts PO Box 13528, Capitol Station Austin TX 78711-3528 (800) 252-5555 http://www.window.state.tx.us/taxes/</p>	<p>No state income tax.</p>



<p>Utah Utah State Tax Commission 201 N 1950 W Salt Lake City UT 84134 (801) 297-2200 or (800) 662-4335 http://incometax.utah.gov/</p>	<p>There is a retirement credit of \$450 per person age 65 or greater. Below age 65 the credit is 6% of the pension amount with a limit of \$288. If the adjusted gross income is over \$32,000 married/\$25,000 single, the credit is reduced by 2.5% of the amount above those amounts.</p>
<p>Vermont Department of Taxes 109 State Street Montpelier VT 05609-1401 (802) 828-2865 or (866) 828-2865 (inside Vermont only) http://www.state.vt.us/tax</p>	<p>Pension amounts included to the extent included on the federal tax return.</p>
<p>Virginia Virginia Department of Taxation Office of Customer Service PO Box 1115 Richmond VA 23218-1115 (804) 367-8031 http://www.tax.virginia.gov</p>	<p>Pension amounts are included in taxable income.</p> <p>AGE DEDUCTION - For retirees age 65 or greater there is a \$12,000 deduction available. For retirees age 62 to 64 the deduction is reduced \$1 for each dollar the adjusted gross income exceeds \$75,000 married/\$50,000 single.</p>
<p>Washington Taxpayer Information & Education Section Department of Revenue PO Box 47478 Olympia WA 98504-7478 (800) 647-7706 http://dor.wa.gov/</p>	<p>No state personal income tax.</p>
<p>West Virginia Department of Tax and Revenue Taxpayer's Service Division PO Box 3784 Charleston WV 25337 (304) 558-3333 (800) 982-8297 http://www.wvtax.gov/</p>	<p>IMRF pensions are included in gross income for calculation of state income tax. A taxpayer who was 65 before the end of the taxable year may be eligible for the senior citizen deduction that will reduce their federal adjusted gross income for West Virginia income tax purposes up to \$8,000.</p>



Wisconsin Wisconsin Department of Revenue 2135 Rimrock Rd, Mail Stop 5-77 PO Box 8949 Madison WI 53708-8949 (608) 266-2772 www.revenue.wi.gov	Generally, pensions that are taxable for federal tax purposes are also taxable for Wisconsin. Exceptions include certain government and military pensions. Taxpayers who are 65 or older with FAGI below \$15,000 single/ \$30,000 married, may deduct up to \$5,000 of certain retirement income.
Wyoming Department of Revenue 122 W 25th St, 2 West Cheyenne WY 82002 (307) 777-7961 http://revenue.state.wy.us	No state personal income tax.

Tax & Topic Letters

IMRF publishes and continually updates articles that address tax issues and other topics related to IMRF benefits.

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