

104TH CONGRESS
1ST SESSION

H. R. 1762

To amend the Internal Revenue Code of 1986 to deny Federal tax return information to States which impose an income tax on the pension income of individuals who are neither residents nor domiciliaries of the State.

IN THE HOUSE OF REPRESENTATIVES

JUNE 7, 1995

Mr. ENSIGN (for himself, Mrs. VUCANOVICH, Mr. CALVERT, Mr. FOX of Pennsylvania, Mr. McDERMOTT, Mr. DOOLITTLE, Mr. CHRISTENSEN, Mr. HASTINGS of Washington, Mr. SCHIFF, and Mr. BROWDER) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to deny Federal tax return information to States which impose an income tax on the pension income of individuals who are neither residents nor domiciliaries of the State.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. DENIAL OF TAX INFORMATION TO STATES TAX-**
2 **ING PENSION INCOME OF INDIVIDUALS WHO**
3 **ARE NEITHER RESIDENTS NOR DOMICIL-**
4 **IARIES OF THE STATE.**

5 (a) IN GENERAL.—Subsection (d) of section 6103 of
6 the Internal Revenue Code of 1986 (relating to disclosure
7 to State tax officials and State and local law enforcement
8 agencies) is amended by adding at the end the following
9 new paragraph:

10 “(5) DENIAL OF INFORMATION TO STATES
11 WHICH IMPOSE PENSION SOURCE TAX.—

12 “(A) IN GENERAL.—No returns or return
13 information may be disclosed under paragraph
14 (1) to any agency, body, or commission of a
15 State (or any legal representative thereof) dur-
16 ing any period that such State imposes a pen-
17 sion source tax.

18 “(B) PENSION SOURCE TAX.—For pur-
19 poses of subparagraph (A), the term ‘pension
20 source tax’ means any tax on the retirement in-
21 come of any individual who is neither a resident
22 nor a domiciliary of such State.

23 “(C) RETIREMENT INCOME.—The term
24 ‘retirement income’ means any income from—

25 “(i) a qualified retirement plan (as
26 defined in section 4974(c)),

1 “(ii) a simplified employee pension (as
2 defined in section 408(k) of such Code);

3 “(iii) an eligible deferred compensa-
4 tion plan (as defined in section 457 of such
5 Code);

6 “(iv) a governmental plan (as defined
7 in section 414(d) of such Code);

8 “(v) a trust described in section
9 501(c)(18) of such Code; or

10 “(vi) a nonqualified deferred com-
11 pensation plan (as defined in section
12 3121(v)(2)(C) of such Code).

13 Such term includes any retired or retainer pay
14 of a member or former member of a uniform
15 service computed under chapter 71 of title 10,
16 United States Code.”

17 (b) TECHNICAL AMENDMENT.—Subparagraph (B) of
18 section 6103(b)(5) of such Code is amended by striking
19 “(d)(1)” and inserting “(d)”.

20 (c) EFFECTIVE DATE.—

21 (1) IN GENERAL.—The amendments made by
22 this section shall take effect on the day after the
23 close of the 1-year period beginning on the date of
24 the enactment of this Act.

1 (2) COORDINATION WITH STATE LEGISLA-
2 TURES.—In no event shall the 1-year period referred
3 to in paragraph (1) end with respect to any State
4 before the earlier of—

5 (A) the close of the first session of the
6 State legislature which begins after the date of
7 the enactment of this Act, or

8 (B) the close of a session of the State leg-
9 islature which begins before such date and re-
10 mains in session for at least 25 calendar days
11 after such date.

12 (3) SPECIAL RULES.—For purposes of para-
13 graph (2)—

14 (A) In the case of a State which has a 2-
15 year legislative session, each year of such ses-
16 sion shall be treated as a separate regular ses-
17 sion of the State legislature.

18 (B) The term “State” has the meaning
19 given to such term by section 6103(b)(5) of the
20 Internal Revenue Code of 1986.

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