

Taxation of Social Security

A 50 State Survey and Fiscal Impacts

Prepared for the Revenue and Taxation Interim Committee

June 18, 2014

Overview



50 State Survey

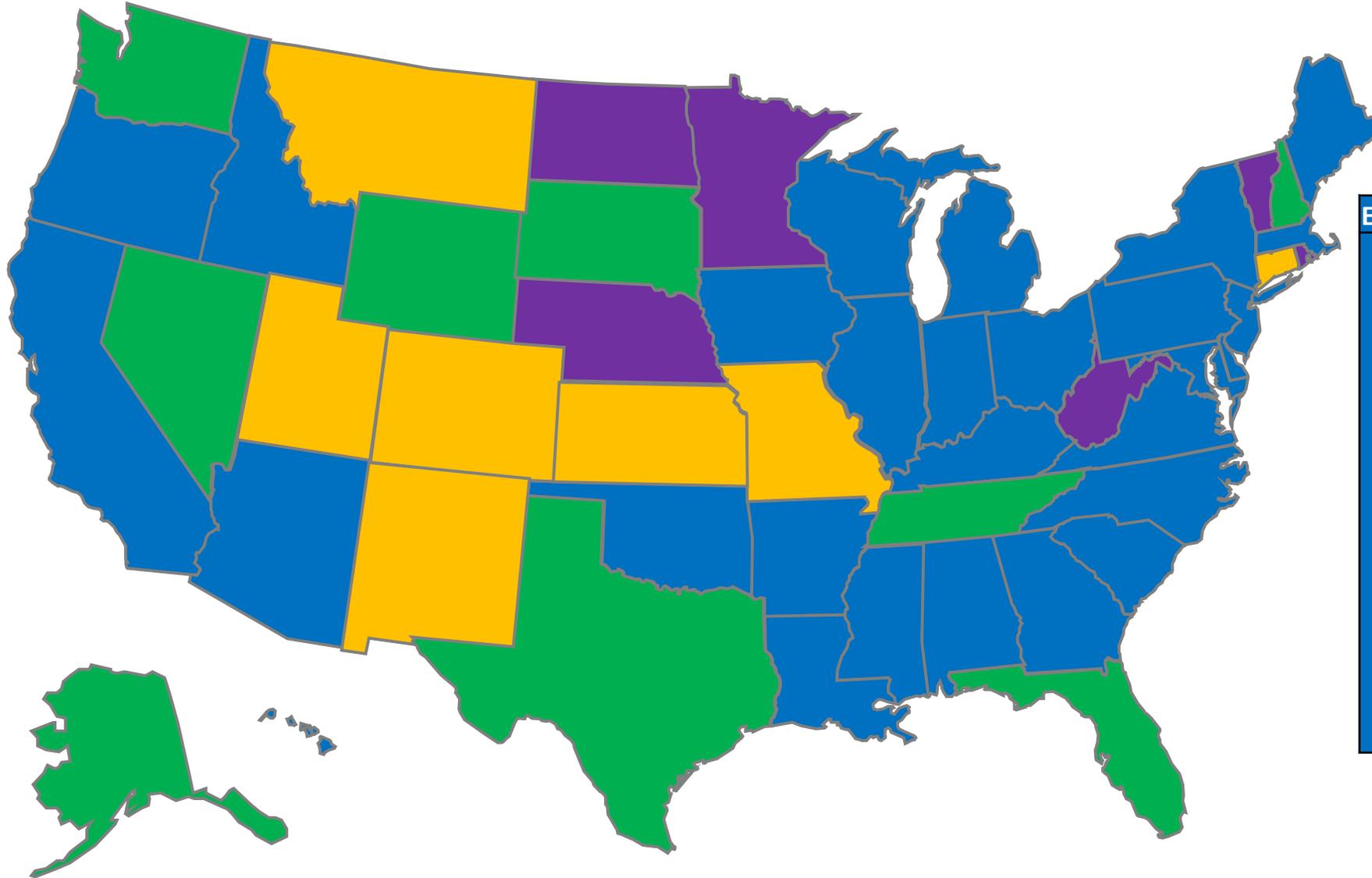


Fiscal Impact

50 State Survey

State Income Tax and Social Security Income

Taxation of Social Security (SS) Income by State

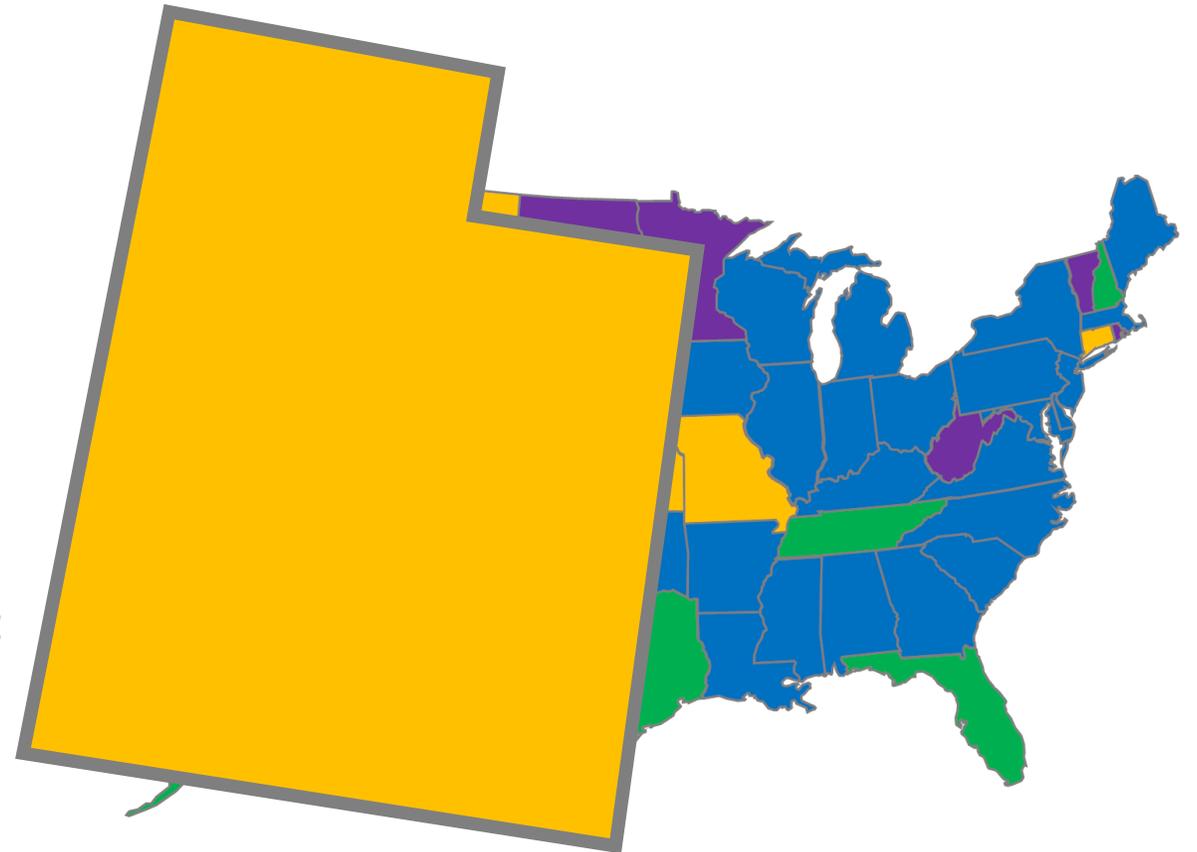


Exempt from state income tax (28)			
AL	MD	No state income tax (9)	
AZ	MA	AK	Taxed based on
AR	MI	FL	various factors (7)
CA	MS	NV	CO
DE	NJ	NH	CT
GA	NY	SD	KS
HI	NC	TN	MO
ID	OH	TX	MT
IL	OK	WA	NM
IN	OR	WY	UT
IA	PA		
KY	SC		
LA	VA		
ME	WI		

Utah Taxation of Social Security Benefits

Nonrefundable retirement tax credit for taxpayers **born before 1953**:

- 65 and older
 - Up to \$450 (\$900 if spouse qualifies)
 - Subject to income phase out
- Under 65
 - Must have “retirement income”
 - Lesser of:
 - \$288
 - 6% of retirement income
 - Subject to income phase out
- Phases out is 2.5 cents for each \$1 above:
 - \$32,000 (joint and head of household)
 - \$25,000 (single)



Utah Taxation of Social Security Benefits

- If born before 1953, a person may be eligible for the retirement credit
- What about someone born in 1953 (or after)?

The Born before 1953 provision essentially phases out the credit.

Someone Born in 1953

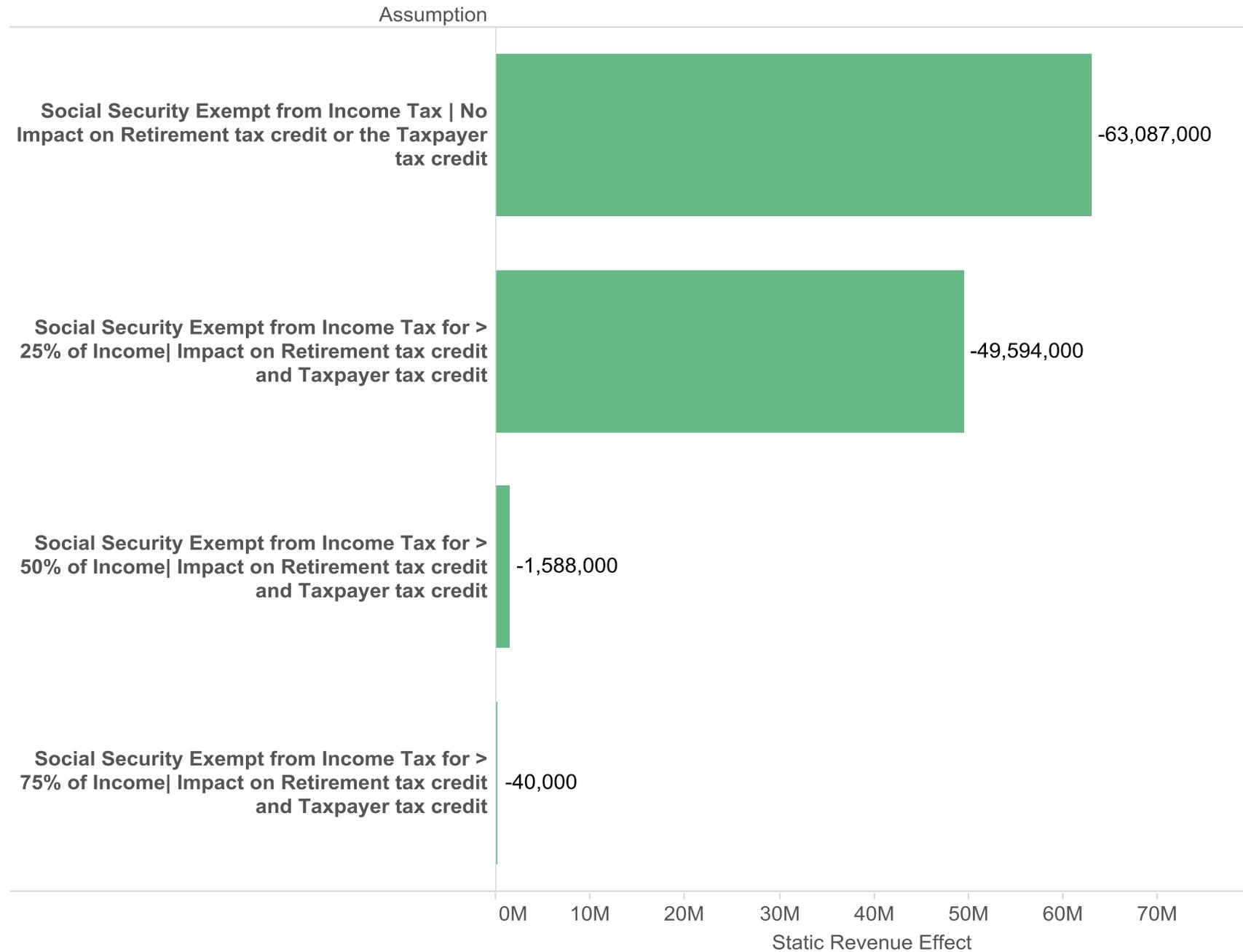
Year	Age	Eligible for Credit
2014	61	No
2015	62	No
2016	63	No
2017	64	No
2018	65	No
2019	66	No
2020	67	No
2021	68	No
2022	69	No
2023	70	No

Fiscal Impacts

Taxation of Social Security Income

Static Revenue Effect of 4 Options

Social Security Exempt from Income Tax: Four Options



Over 65 and Social Security Tax

