

SB 213 Neutral testimony – in person
Senate Assessment and Taxation Committee
Partial taxation of Regents retirement benefits
Dave Trabert - President
March 22, 2017



Chairperson Tyson and Members of the Committee,

We appreciate this opportunity to present testimony on SB 213, which would begin taxing Regents' employees' personal contributions to their 403(b) plans when made.

Currently, Regents retirees are exempt from paying state income tax on withdrawals from their standard 403(b) retirement plans, whereas private sector retirees' pensions and 401(k) withdrawals are fully subject to state income tax. We appreciate this effort to at least partially rectify the unfair tax treatment afforded to these government retirees but we're neutral on this legislation because it would still provide preferential tax treatment to the government sector.

Instead of taxing Regents' employee contributions as made, we suggest treating them the same as private sector retirees by eliminating the statutory exemption on Regents' 403(b) withdrawals. Alternatively, you could exempt all retirement income from state income tax as is done in some states.

Thank you for your consideration.