

November 16, 2007

Dawson,

Apparently Engler was successful. Private pensions may be subtracted with limits: up to \$40,920 if you are a single filer, \$81,840 if you are married and filing jointly. Also distributions from a 401(k) or 403(b) plan attributable to employer contributions or attributable to employee contributions to the extent they result in matching contributions by the employer; IRA distributions received after age 59½; and - if you are over 65 - interest, dividends and capital gains, limited to \$9,128 on a single return or \$18,255 on a joint return.

Steve

--- "Bell, Dawson" <dbell99@freepress.com> wrote:

> Steve-  
> Fascinating. And, as always with your analysis, both  
> thorough and  
> concise.  
> I recall the Legislature and Engler making a push  
> for pension equity in  
> the early 90s by extending what was an existing  
> exemption on public  
> pension income to private pensions as well. And I  
> think there was some  
> discussion about whether it was time to revisit the  
> issue of pension  
> taxation during the crisis talks this year.  
> But I've forgotten the details.  
> Let me have a few days to talk to my editors and to  
> the folks at  
> Treasury, and I'll let you know what we're going to  
> do.  
> Thanks for thinking of me.  
> Dawson  
>  
> -----Original Message-----  
> From: Steve Harry [mailto:steve\_harry@yahoo.com]  
> Sent: Thursday, November 15, 2007 5:06 PM  
> To: Bell, Dawson  
> Subject: Pensions go untaxed  
>  
> Dawson,  
>  
> I've attached a Word document in which I discuss a  
> huge hole in Michigan's Individual Income Tax.  
> Patching it would solve the state's budget problems.  
> I'd like you to do a story on it.

>  
> Steve Harry  
> Lansing  
> 323-3897  
>  
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