

HOUSE No. 1691

By Mr. Poirier of North Attleborough, petition of Kevin Poirier and Leon J. Lombardi that lump sum pension settlements invested in certain individual retirement accounts be exempted from the income tax law. Taxation.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy-Nine.

AN ACT RELATIVE TO INCOME EXEMPTIONS FOR CERTAIN LUMP SUM PENSION SETTLEMENTS INVESTED IN CERTAIN INDIVIDUAL RETIREMENT ACCOUNTS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Chapter 62 of the General Laws is hereby amended by inserting
2 after section 6C the following section: —

3 *Section 6D.* Any person who receives a lump sum pension or
4 profit-sharing settlement may invest such money derived there-
5 from in an individual retirement account, so-called, or a Keough
6 Plan, so-called, and such sums so invested shall be exempt from
7 taxation under the provisions of this chapter until such time as
8 such funds are withdrawn. A person shall be liable to pay taxes on
9 that portion of money withdrawn during any taxable year. In the
10 event of the death of a person seeking exemption under this sec-
11 tion, any funds remaining in such retirement account shall be
12 subject to taxation in the taxable year of such death.

