

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 1309

Short Title: Pension Tax Withholding.

(Public)

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Sponsors: Senators Kerr and Hoyle.

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Referred to: Finance.

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May 18, 2000

1 A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR WITHHOLDING OF  
2 NORTH CAROLINA INCOME TAXES FROM CERTAIN PENSIONS.

3 The General Assembly of North Carolina enacts:

4 Section 1. G.S. 105-163.1(11b) reads as rewritten:

5 "(11b) (**Effective January 1, 2001**) Pension payment. – A periodic payment or  
6 a nonperiodic distribution ~~that is not an eligible rollover distribution,~~ as  
7 those terms are defined in section 3405 of the Code."

8 Section 2. G.S. 105-163.2A(d) reads as rewritten:

9 "(d) Election of No Withholding. – The recipient may not elect not to have taxes  
10 withheld under this section from an eligible rollover distribution. The recipient may elect  
11 not to have taxes withheld under this ~~section.~~ section from a pension payment that is not  
12 an eligible rollover distribution. The election must be in the form required by the  
13 Secretary. In the case of periodic payments, the election remains in effect until revoked  
14 by the recipient. In the case of a nonperiodic distribution, the election applies on a  
15 distribution-by-distribution basis unless it meets conditions prescribed by the Secretary  
16 for it to apply to subsequent nonperiodic distributions by the pension payer.

17 A pension payer must notify each recipient of the right to elect not to have taxes  
18 withheld under this section. The notice must comply with the requirements of section  
19 3405 of the Code and any additional requirements prescribed by the Secretary.

1       A recipient's election not to have taxes withheld under this section is void if the  
2 recipient fails to furnish the recipient's tax identification number to the pension payer, or  
3 the Secretary has notified the pension payer that the tax identification number furnished  
4 by the recipient is incorrect."

5               Section 3. This act becomes effective January 1, 2001.