



Daniel DeWald <ddewald85@gmail.com>

Railroad Retirement annuities not taxable by state

1 message

John Risch, SMART TD NLD <jrisch@smart-union.org>

Tue, Mar 1, 2016 at 3:04 PM

Reply-To: nld@smart-union.org

To: ddewald85@gmail.com

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Dear Daniel:

Please see the following message from the Railroad Retirement Board regarding state taxes and your retirement annuities:

Railroad Retirement annuities not taxable by state

February 11, 2016



According to Section 14 (45 U.S.C. Section 231m) of the Railroad Retirement Act retirement annuities are not taxable for individual state income tax purposes.

Bruce Rodman, of the Public Affairs/Office of Administration of the U.S. Railroad Retirement Board says, "Both of our primary enabling statutes – the Railroad Retirement Act and the Railroad Unemployment Insurance Act – **specifically exempt the benefits paid under them from state income taxes**. However, if a person doesn't know this – and sometimes this might stem from people using free tax-prep software or obtaining volunteer assistance in filing their returns – and declares it as taxable income, the state tax collection agencies probably won't know any better."

The Railroad Retirement Board (RRB) also states on the [FAQ section](#) (see #18) of their website that railroad retirement, unemployment and sickness benefits paid by the RRB are not subject to state income tax. However, these benefits are taxable on the federal level.

Many tax preparers and even states are not aware of these statutes and may attempt to tax your annuities. It is up to us to make sure that our annuities are not taxed by the states in which we live.

In Solidarity,

A handwritten signature in black ink, appearing to read "John Risch". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

John Risch
National Legislative Director
SMART Transportation Division

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