

Tax Breaks for Elderly Taxpayers in the States in 2022

State	Treatment of Social Security	Treatment of Pension Income	Other Income Tax Breaks	Property Tax Breaks	2010-2020 % Change of Pop. 55+	2010-2020 % Change of Pop. Under 55
AL	Exempt	Payments from defined benefit private plans are exempt; most public systems are exempt; military and US Civil service are exempt	N/A	Special Homestead Exemption for 65+	23.7%	-3.1%
AK	No personal income tax			Homestead Exemption for 65+	40.4%	-1.4%
AZ	Exempt	Private Pensions not exempt; for public, military and US Civil Service, \$2,500 per taxpayer is excluded	Extra Personal Exemption	Income Based Property Tax Credit for Homeowners and Renters 65+	40.6%	6.9%
AR	Exempt	First \$6,000 of all pension income exempt	Extra Personal Exemption Credit	Homestead Exemption	20.6%	-0.6%
CA	Exempt	No Exemptions	Extra Personal Exemption Credit	Seniors 55+ can transfer the taxable value of their prior home to a new residence up to 3 times	32.4%	0.6%

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CO	If aged 55-64, up to \$20,000/person of federally taxable benefits excluded; up to \$24,000/person if 65 or older. Maximum amounts are combined limits for pension income and federally taxed Social Security	\$20,000 per person excluded for ages 55-64; \$24,000 per person excluded for 65 and older. Maximum amounts are combined limits for pension income and federally taxed Social Security	Extra Standard Deduction	Income Based Property Tax Credit for Homeowners and Renters 65+; Homestead Exemption for 65+	42.2%	9.0%
CT	Exempt if income is below \$75,000 (\$100,000 MJ/HH); partially (25%) taxable if higher income	If income is below \$75,000 (\$100,000 MFJ), pension and annuity income is 56% exempt in 2022, rising to 100% exempt in 2025 and beyond. Military pensions are fully exempt and teachers have a partial tax exemption, 25% in 2016 and 50% in 2017 and beyond	If income is below \$75,000 (\$100,000 MFJ), traditional IRA income is 25% exempt in 2023, rising to 100% exempt in 2026 and beyond	Income Based Property Tax Credit for Homeowners and Renters 65+; Homestead Exemption for 65+	23.6%	-7.1%
DE	Exempt	\$2,000 excluded per person for those under 60; \$12,500 excluded for 61 and older	Extra Personal Exemption Credit	Homestead Exemption	39.5%	-0.5%
DC	Exempt	Private Pensions not exempt; for public, military and US Civil Service, \$3,000 per taxpayer 62 and older is excluded	Extra Personal Exemption	Property Tax Circuit Breaker Credit for Homeowners and Renters 65+; Homestead Exemption	21.0%	19.6%
FL		No personal income tax		Homestead Exemption	34.3%	6.6%

State	Treatment of Social Security	Treatment of Pension Income	Other Income Tax Breaks	Property Tax Breaks	2010-2020 % Change of Pop. 55+	2010-2020 % Change of Pop. Under 55
GA	Exempt	\$35,000 per person excluded (age 62 and older + disabled)	N/A	Homestead Exemption	38.7%	3.8%
HI	Exempt	Private pensions exempt if employer funded; public, military and US Civil Service are fully exempt	Extra Personal Exemption	Homestead Exemption	25.1%	-0.5%
ID	Exempt	Private pensions not exempt; Certain police and firemen, US Civil Service, and Military--exclude \$31,956 single; \$47,934 married (65 and older) (2015 amounts)	Extra Standard Deduction	Income Based Property Tax Credit for Homeowners 65+; Homestead Exemption	40.3%	7.3%
IL	Exempt	Private exempt if from a qualified employee benefit plan; public, US Civil Service, and Military are fully exempt	All Retirement Income is exempt; IL also offers an extra personal exemption	Homestead Exemption	23.3%	-7.4%
IN	Exempt	Private and Public are not exempt; US Civil Service and Military can exempt up to \$16,000 (\$8,000 in 2015) less the amount of Social Security payments	Extra Personal Exemption	Homestead Exemption	24.9%	-2.1%
IA	Exempt	Fully Exempt	Extra Personal Exemption Credit	Income Based Property Tax Credit for Homeowners and Renters 65+; Homestead Exemption	19.4%	-1.2%

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KS	Exempt for taxpayers with federal AGI less than or equal to \$75,000. Otherwise, same as federal	Kansas Public Employee Retirement System and certain other Kansas public systems exempt; Private, US Civil Service, and Military are not exempt	N/A	Income Based Property Tax Credit for Homeowners 65+; Homestead Exemption 65+	22.2%	-2.7%
KY	Exempt	Private pensions can exclude up to \$31,100 (lowered in 2018); Public, US Civil Service and Military are fully exempt if retired before 1998 and partially exempted afterwards	Extra Personal Exemption Credit	Homestead Exemption 65+	24.1%	-2.5%
LA	Exempt	\$6,000 per person excluded from private pensions; certain benefits from LA retirement system are fully exempt, other benefits are treated the same as private pensions; US Civil Service and Military pensions are fully exempt	Extra Personal Exemption	Homestead Exemption	28.2%	-1.4%
ME	Exempt	Up to \$10,000 is exempt, less Social Security and railroad retirement benefits; all military pension income is exempted	N/A	Property Tax Circuit Breaker Credit for Homeowners and Renters 65+; Homestead Exemption	27.0%	-9.5%

State	Treatment of Social Security	Treatment of Pension Income	Other Income Tax Breaks	Property Tax Breaks	2010-2020 % Change of Pop. 55+	2010-2020 % Change of Pop. Under 55
MD	Exempt	Up to \$30,600/person excluded (65 and over or disabled)(2018 amount); \$10,000 Military pension exemption	Extra Personal Exemption	Property Tax Circuit Breaker Credit for Homeowners and Renters 65+; Homestead Exemption	31.2%	-1.6%
MA	Exempt	Private pensions are not exempt; Public, US Civil Service, and Military are exempt	Extra Personal Exemption	Property Tax Circuit Breaker Credit for Homeowners and Renters 65+; Homestead Exemption	26.9%	-0.8%
MI	Exempt, but optional for some taxpayers starting in 2019	For taxpayers born before 1946, public, US civil service, and military pensions are fully exempt; private pensions can also be exempted up to \$50,509 in combined exemptions if single (\$101,019 MFJ) (2017 amount). Taxpayers born between 1946 and 1951 receive \$20,000 per qualifying person. Taxapayers born after 1952 cannot exclude retirement and pension income with a few exceptions.	Taxpayers born 1946-1948 receive \$20,000 single (\$40,000 MFJ) exemption against all types of income; Taxpayers born 1949-1952 receive \$20,000 single (\$40,000 MFJ) exemption against retirement income; Taxpayers born 1953 with retirement income not subject to Social Security withholdings receive \$15,000 single (\$30,000 MFJ) exemption against retirement income; Taxpayers born before 1946 may also deduct dividend/interest/capital gains up to \$11,104 for single (\$22,207 MFJ) less any deduction for retirement benefits	Property Tax Circuit Breaker Credit for Homeowners and Renters 65+; Homestead Exemption	25.0%	-8.1%

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MN	Taxed- Same as Federal, but state offers a flat subtraction of \$4,500 (MFJ) or \$3,500 for federal social security taxes paid. The subtraction phases out for higher-income taxpayers.	No Exemptions	Extra Standard Deduction	Property Tax Circuit Breaker Credit for Homeowners and Renters 65+;Homestead Exemption	31.4%	-1.0%
MS	Exempt	Fully Exempt	All Retirement Income is exempt; MS also offers an extra personal exemption	Homestead Exemption	23.0%	-5.4%
MO	Fully exempt for married taxpayers with federal AGI of \$100,000 or less (\$85,000 or less for single taxpayers); Otherwise, same as federal	Private pensions exclude \$6,000 with some exceptions; Public and US Civil Service exclude the greater of 20% of the pension income or \$6,000. AGI must be less than \$25,000 single (\$32,000 MFJ) (excludes Social Security benefits) and the benefit is phased out for high income. 75% of Military pension income is exempt	N/A	Property Tax Circuit Breaker Credit for Homeowners and Renters 65+;Homestead Exemption 65 +	23.6%	-3.9%
MT	Separate state calculation of taxable amount	Up to \$4,070 retiree exemption, phased out for every \$1 of FAGI for income over \$33,910 (inflation adjusted annually)	Extra Personal Exemption	Property Tax Circuit Breaker Credit for Homeowners and Renters 65+;Homestead Exemption	29.7%	1.2%

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NE	Fully exempt for married taxpayers with federal AGI of \$58,000 or less (\$43,000 or less for single taxpayers); Otherwise, 40% exempt in 2022, rising to 100% exempt for all in 2025 and beyond	No Exemptions	Extra Standard Deduction	N/A	22.9%	1.7%
NV	No personal income tax			N/A	41.5%	7.2%
NH	Exempt	Exempt	Extra Personal Exemption	Income Based Property Tax Credit for Homeowners 65+; Homestead Exemption 65+	35.2%	-8.0%
NJ	Exempt	Private, Public and US Civil Service exclude \$30,000 Single (\$40,000 MFJ) (2017 amounts; exclusion increasing over 4 years); Military fully exempt. Gross income cannot exceed \$150,000	Extra Personal Exemption	Property Tax Circuit Breaker Credit for Homeowners 65+	23.7%	-5.1%
NM	Taxed- Same as Federal, but removes Social Security taxes from those with AGI under \$100,000 single and \$150,000 married filing jointly	Military are temporarily exempt (2022-2026)	Extra Standard Deduction	Property Tax Circuit Breaker Credit for Homeowners and Renters 65+	28.8%	-3.7%

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NY	Exempt	Up to \$20,000 excluded for private pensions per filer if 59.5 and older; Public, US Civil Service, and Military are fully exempt	N/A	Small Property Tax Circuit Breaker Credit for Homeowners and Renters 65+; Homestead Exemption	22.7%	-5.2%
NC	Exempt	No private exclusion. Some state retirement plans are fully exempt (Bailey Settlement)	N/A	N/A	35.6%	4.8%
ND	Exempt	Private plans are not exempt; up to \$5,000 less Social Security benefits excluded from Public, US Civil Service and Private plans	Extra Standard Deduction	Income Based Property Tax Credit for Homeowners and Renters 65+; Homestead Exemption 65+	22.3%	12.4%
OH	Exempt	Offers credit up to \$200 if income is below \$100,000	N/A	N/A	22.0%	-5.5%
OK	Exempt	Up to \$10,000 per person exempt for private pension plans for persons 65 and older with a low AGI; up to \$10,000 is exempt for public and US Civil Service plans; the greater of 75% or \$10,000 per person exempt for Military plans	Extra Personal Exemption	Property Tax Circuit Breaker Credit for Homeowners 65+; Homestead Exemption	21.9%	2.4%
OR	Exempt	Up to 9% credit if low-income and 62 or over and income is below \$22,500 (\$45,000 MFJ)	Extra Standard Deduction	Property Tax Circuit Breaker Credit for Renters 65+; Homestead Exemption	29.6%	4.4%

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PA	Exempt	Fully Exempt	All Retirement Income is Exempt	Income Based Property Tax Credit for Homeowners and Renters 65+ (smaller benefit for renters)	19.8%	-5.6%
RI	Fully exempt for married taxpayers with federal AGI of \$100,000 or less (\$80,000 or less for single taxpayers); Otherwise, same as federal	No Exemptions	N/A	Income Based Property Tax Credit for Homeowners and Renters 65+	21.1%	-7.4%
SC	Exempt	3,000/person exclusion (under 65); \$10,000/person (65+)	Extra Standard Deduction	Homestead Exemption 65+	38.4%	4.3%
SD	No personal income tax			Income Based Property Tax Credit for Homeowners 65+	28.8%	3.5%
TN	No personal income tax			Homestead Exemption 65+	28.4%	2.0%
TX	No personal income tax			Homestead Exemption	39.3%	12.4%

State	Treatment of Social Security	Treatment of Pension Income	Other Income Tax Breaks	Property Tax Breaks	2010-2020 % Change of Pop. 55+	2010-2020 % Change of Pop. Under 55
UT	Taxed- higher thresholds than federal (federal AGI of \$62,000 or less, \$37,000 or less for single taxpayers)	Credit of \$450 per spouse for taxpayers over age 65. Credit of \$288 per spouse against retirement income only for taxpayers under age 65. No credit available to taxpayers born after 1952. Begins phasing out at incomes of \$25,000 (single) or \$32,000 (MFJ).	N/A	Income Based Property Tax Credit for Homeowners and Renters 65+; Homestead Exemption	41.7%	13.8%
VT	Taxed- Same as Federal	No Exemptions	Extra Standard Deduction	Property Tax Circuit Breaker Credit for Homeowners and Renters 65+	26.1%	-10.0%
VA	Exempt	No exemptions except for Military retiree with a Congressional Medal of Honor.	Taxpayers over age 65 receive a \$12,000 deduction against all types of income. This benefit is limited to taxpayers with AGI under \$50,000 (single) or \$75,000 (MFJ). Virginia also offers an extra personal exemption.	Homestead Exemption 65+	32.3%	1.4%
WA	No personal income tax			N/A	36.1%	7.9%

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WV	Exempted (3-year phase-in of full exemption starting in 2020).	Private pension plans not exempt; Public plans are exempt if from certain West Virginia law enforcement and firemen; US Civil Service plans can exclude up to \$2,000; Military can exclude up to \$22,000 retirement systems. Others generally exclude up to \$2,000.	Taxpayers over the age of 65 or disabled are allowed to exclude \$8,000 from AGI.	Property Tax Circuit Breaker Credit for Homeowners 65+; Homestead Exemption 65+	14.3%	-8.5%
WI	Exempt	Public and US Civil Service are exempt if members of certain systems before 1964; Military is fully exempt; Targeted private pension exemption of \$5,000 per taxpayer 65 or older limited to those with incomes below \$30,000 (MFJ) or \$15,000 (single)	Extra Personal Exemption	Property Tax Circuit Breaker Credit for Homeowners and Renters 65+	27.8%	-5.4%
WY		No personal income tax		Income Based Property Tax Credit for Homeowners 65+	30.1%	-1.0%

Sources:

ITEP analysis of 2010 and 2020 US Census demographic data
Individual state Department of Revenue websites

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