

AMENDMENTS TO LB919

(Amendments to Standing Committee amendments, AM2513)

Introduced by Cavanaugh, J., 9.

1 1. Strike the original sections and all amendments thereto and
2 insert the following new sections:

3 Section 1. It is the intent of the Legislature to appropriate four
4 hundred million dollars from the General Fund for fiscal year 2022-23 to
5 the Department of Revenue for distribution as provided in section 2 of
6 this act.

7 Sec. 2. (1) The Department of Revenue shall distribute the funds
8 appropriated pursuant to section 1 of this act directly to residents of
9 Nebraska as provided in this section. The distribution shall be in the
10 form of a prepaid debit card in an amount which equals four hundred
11 million dollars, less the cost of the prepaid debit cards, program costs,
12 and administrative costs, divided by the number of residents of Nebraska
13 on July 1, 2022.

14 (2)(a) The department shall mail the prepaid debit card to the
15 address of each resident who has an address on record with the department
16 as of July 1, 2022, and shall provide a method of application for each
17 resident as of July 1, 2022, who does not have an address on record with
18 the department or does not receive a card. The department may require
19 evidence of residency in Nebraska as of July 1, 2022, as needed to carry
20 out this section.

21 (b) For dependents as determined by the department, the prepaid
22 debit card shall be sent to the head of household for use by the head of
23 household.

24 (3) The department shall design the prepaid debit card so that it
25 (a) may only be used at a business located in Nebraska, (b) is activated
26 by telephone, and (c) must be used within twelve months after the date

1 the card is activated.

2 (4) The prepaid debit card shall not be accessible at an automated
3 teller machine, shall not be eligible for cash back at a point-of-sale
4 system, and shall not be used to make any purchase associated with
5 gambling or any lottery.

6 (5) The department shall contract with a prepaid debit card vendor
7 to facilitate the distribution of the prepaid debit cards to Nebraska
8 residents. Before awarding a contract to a prepaid debit card vendor, the
9 department shall consider at least two vendors in the State of Nebraska
10 for the procurement.

11 Sec. 3. Section 77-2715.03, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 77-2715.03 (1) For taxable years beginning or deemed to begin on or
14 after January 1, 2013, and before January 1, 2014, the following brackets
15 and rates are hereby established for the Nebraska individual income tax:

16 Individual Income Tax Brackets and Rates

17	Bracket	Single	Married,	Head of	Married,	Estates	Tax
18	Number	Individuals	Filing	Household	Filing	and	Rate
19			Jointly		Separate	Trusts	
20	1	\$0-2,399	\$0-4,799	\$0-4,499	\$0-2,399	\$0-499	2.46%
21	2	\$2,400-	\$4,800-	\$4,500-	\$2,400-	\$500-	
22		17,499	34,999	27,999	17,499	4,699	3.51%
23	3	\$17,500-	\$35,000-	\$28,000-	\$17,500-	\$4,700-	
24		26,999	53,999	39,999	26,999	15,149	5.01%
25	4	\$27,000	\$54,000	\$40,000	\$27,000	\$15,150	
26		and Over	and Over	and Over	and Over	and Over	6.84%

27 (2) For taxable years beginning or deemed to begin on or after
28 January 1, 2014, and before January 1, 2024, the following brackets and
29 rates are hereby established for the Nebraska individual income tax:

30 Individual Income Tax Brackets and Rates

1	Bracket	Single	Married,	Head of	Married,	Estates	Tax
2	Number	Individuals	Filing	Household	Filing	and	Rate
3			Jointly		Separate	Trusts	
4	1	\$0-2,999	\$0-5,999	\$0-5,599	\$0-2,999	\$0-499	2.46%
5	2	\$3,000-	\$6,000-	\$5,600-	\$3,000-	\$500-	
6		17,999	35,999	28,799	17,999	4,699	3.51%
7	3	\$18,000-	\$36,000-	\$28,800-	\$18,000-	\$4,700-	
8		28,999	57,999	42,999	28,999	15,149	5.01%
9	4	\$29,000	\$58,000	\$43,000	\$29,000	\$15,150	
10		and Over	and Over	and Over	and Over	and Over	6.84%

11 (3)(a) For taxable years beginning or deemed to begin on or after
12 January 1, 2015, and before January 1, 2024, the minimum and maximum
13 dollar amounts for each income tax bracket provided in subsection (2) of
14 this section shall be adjusted for inflation by the percentage determined
15 under subdivision (3)(b) of this section. The rate applicable to any such
16 income tax bracket shall not be changed as part of any adjustment under
17 this subsection. The minimum and maximum dollar amounts for each income
18 tax bracket as adjusted shall be rounded to the nearest ten-dollar
19 amount. If the adjusted amount for any income tax bracket ends in a five,
20 it shall be rounded up to the nearest ten-dollar amount.

21 (b)(i) For taxable years beginning or deemed to begin on or after
22 January 1, 2015, and before January 1, 2018, the Tax Commissioner shall
23 adjust the income tax brackets in subsection (2) of this section by the
24 percentage determined pursuant to the provisions of section 1(f) of the
25 Internal Revenue Code of 1986, as it existed prior to December 22, 2017,
26 except that in section 1(f)(3)(B) of the code the year 2013 shall be
27 substituted for the year 1992. For 2015, the Tax Commissioner shall then
28 determine the percent change from the twelve months ending on August 31,
29 2013, to the twelve months ending on August 31, 2014, and in each
30 subsequent year, from the twelve months ending on August 31, 2013, to the

1 twelve months ending on August 31 of the year preceding the taxable year.
2 The Tax Commissioner shall prescribe new tax rate schedules that apply in
3 lieu of the schedules set forth in subsection (2) of this section.

4 (ii) For taxable years beginning or deemed to begin on or after
5 January 1, 2018, and before January 1, 2024, the Tax Commissioner shall
6 adjust the income tax brackets in subsection (2) of this section based on
7 the percentage change in the Consumer Price Index for All Urban Consumers
8 published by the federal Bureau of Labor Statistics from the twelve
9 months ending on August 31, 2016, to the twelve months ending on August
10 31 of the year preceding the taxable year. The Tax Commissioner shall
11 prescribe new tax rate schedules that apply in lieu of the schedules set
12 forth in subsection (2) of this section.

13 (4) For taxable years beginning or deemed to begin on or after
14 January 1, 2024, the following brackets and rates are hereby established
15 for the Nebraska individual income tax:

16 Individual Income Tax Brackets and Rates

17	<u>Bracket</u>	<u>Single</u>	<u>Married,</u>	<u>Head of</u>	<u>Married,</u>	<u>Estates</u>	<u>Tax</u>
18	<u>Number</u>	<u>Individuals</u>	<u>Filing</u>	<u>Household</u>	<u>Filing</u>	<u>and</u>	<u>Rate</u>
19			<u>Jointly</u>		<u>Separate</u>	<u>Trusts</u>	
20	<u>1</u>	<u>\$0-3,439</u>	<u>\$0-6,859</u>	<u>\$0-6,409</u>	<u>\$0-3,439</u>	<u>\$0-499</u>	<u>2.46%</u>
21	<u>2</u>	<u>\$3,440-</u>	<u>\$6,860-</u>	<u>\$6,410-</u>	<u>\$3,440-</u>	<u>\$500-</u>	
22		<u>20,589</u>	<u>41,189</u>	<u>32,949</u>	<u>20,589</u>	<u>4,699</u>	<u>3.51%</u>
23	<u>3</u>	<u>\$20,590-</u>	<u>\$41,190-</u>	<u>\$32,950-</u>	<u>\$20,590-</u>	<u>\$4,700-</u>	
24		<u>33,179</u>	<u>66,359</u>	<u>49,199</u>	<u>33,179</u>	<u>15,149</u>	<u>4.01%</u>
25	<u>4</u>	<u>\$33,180</u>	<u>\$66,360</u>	<u>\$49,200</u>	<u>\$33,180</u>	<u>\$15,150</u>	
26		<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>6.84%</u>

27 (5)(a) For taxable years beginning or deemed to begin on or after
28 January 1, 2025, the minimum and maximum dollar amounts for each income
29 tax bracket provided in subsection (4) of this section shall be adjusted
30 for inflation by the percentage determined under subdivision (5)(b) of

1 this section. The rate applicable to any such income tax bracket shall
2 not be changed as part of any adjustment under this subsection. The
3 minimum and maximum dollar amounts for each income tax bracket as
4 adjusted shall be rounded to the nearest ten-dollar amount. If the
5 adjusted amount for any income tax bracket ends in a five, it shall be
6 rounded up to the nearest ten-dollar amount.

7 (b) The Tax Commissioner shall adjust the income tax brackets in
8 subsection (4) of this section based on the percentage change in the
9 Consumer Price Index for All Urban Consumers published by the federal
10 Bureau of Labor Statistics from the twelve months ending on August 31,
11 2023, to the twelve months ending on August 31 of the year preceding the
12 taxable year. The Tax Commissioner shall prescribe new tax rate schedules
13 that apply in lieu of the schedules set forth in subsection (4) of this
14 section.

15 (6) (4) Whenever the tax brackets or tax rates are changed by the
16 Legislature, the Tax Commissioner shall update the tax rate schedules to
17 reflect the new tax brackets or tax rates and shall publish such updated
18 schedules.

19 (7) (5) The Tax Commissioner shall prepare, from the rate schedules,
20 tax tables which can be used by a majority of the taxpayers to determine
21 their Nebraska tax liability. The design of the tax tables shall be
22 determined by the Tax Commissioner. The size of the tax table brackets
23 may change as the level of income changes. The difference in tax between
24 two tax table brackets shall not exceed fifteen dollars. The Tax
25 Commissioner may build the personal exemption credit and standard
26 deduction amounts into the tax tables.

27 (8) (6) For taxable years beginning or deemed to begin on or after
28 January 1, 2013, the tax rate applied to other federal taxes included in
29 the computation of the Nebraska individual income tax shall be 29.6
30 percent.

31 (9) (7) The Tax Commissioner may require by rule and regulation that

1 all taxpayers shall use the tax tables if their income is less than the
2 maximum income included in the tax tables.

3 Sec. 4. Section 77-2716, Revised Statutes Supplement, 2021, is
4 amended to read:

5 77-2716 (1) The following adjustments to federal adjusted gross
6 income or, for corporations and fiduciaries, federal taxable income shall
7 be made for interest or dividends received:

8 (a)(i) There shall be subtracted interest or dividends received by
9 the owner of obligations of the United States and its territories and
10 possessions or of any authority, commission, or instrumentality of the
11 United States to the extent includable in gross income for federal income
12 tax purposes but exempt from state income taxes under the laws of the
13 United States; and

14 (ii) There shall be subtracted interest received by the owner of
15 obligations of the State of Nebraska or its political subdivisions or
16 authorities which are Build America Bonds to the extent includable in
17 gross income for federal income tax purposes;

18 (b) There shall be subtracted that portion of the total dividends
19 and other income received from a regulated investment company which is
20 attributable to obligations described in subdivision (a) of this
21 subsection as reported to the recipient by the regulated investment
22 company;

23 (c) There shall be added interest or dividends received by the owner
24 of obligations of the District of Columbia, other states of the United
25 States, or their political subdivisions, authorities, commissions, or
26 instrumentalities to the extent excluded in the computation of gross
27 income for federal income tax purposes except that such interest or
28 dividends shall not be added if received by a corporation which is a
29 regulated investment company;

30 (d) There shall be added that portion of the total dividends and
31 other income received from a regulated investment company which is

1 attributable to obligations described in subdivision (c) of this
2 subsection and excluded for federal income tax purposes as reported to
3 the recipient by the regulated investment company; and

4 (e)(i) Any amount subtracted under this subsection shall be reduced
5 by any interest on indebtedness incurred to carry the obligations or
6 securities described in this subsection or the investment in the
7 regulated investment company and by any expenses incurred in the
8 production of interest or dividend income described in this subsection to
9 the extent that such expenses, including amortizable bond premiums, are
10 deductible in determining federal taxable income.

11 (ii) Any amount added under this subsection shall be reduced by any
12 expenses incurred in the production of such income to the extent
13 disallowed in the computation of federal taxable income.

14 (2) There shall be allowed a net operating loss derived from or
15 connected with Nebraska sources computed under rules and regulations
16 adopted and promulgated by the Tax Commissioner consistent, to the extent
17 possible under the Nebraska Revenue Act of 1967, with the laws of the
18 United States. For a resident individual, estate, or trust, the net
19 operating loss computed on the federal income tax return shall be
20 adjusted by the modifications contained in this section. For a
21 nonresident individual, estate, or trust or for a partial-year resident
22 individual, the net operating loss computed on the federal return shall
23 be adjusted by the modifications contained in this section and any
24 carryovers or carrybacks shall be limited to the portion of the loss
25 derived from or connected with Nebraska sources.

26 (3) There shall be subtracted from federal adjusted gross income for
27 all taxable years beginning on or after January 1, 1987, the amount of
28 any state income tax refund to the extent such refund was deducted under
29 the Internal Revenue Code, was not allowed in the computation of the tax
30 due under the Nebraska Revenue Act of 1967, and is included in federal
31 adjusted gross income.

1 (4) Federal adjusted gross income, or, for a fiduciary, federal
2 taxable income shall be modified to exclude the portion of the income or
3 loss received from a small business corporation with an election in
4 effect under subchapter S of the Internal Revenue Code or from a limited
5 liability company organized pursuant to the Nebraska Uniform Limited
6 Liability Company Act that is not derived from or connected with Nebraska
7 sources as determined in section 77-2734.01.

8 (5) There shall be subtracted from federal adjusted gross income or,
9 for corporations and fiduciaries, federal taxable income dividends
10 received or deemed to be received from corporations which are not subject
11 to the Internal Revenue Code.

12 (6) There shall be subtracted from federal taxable income a portion
13 of the income earned by a corporation subject to the Internal Revenue
14 Code of 1986 that is actually taxed by a foreign country or one of its
15 political subdivisions at a rate in excess of the maximum federal tax
16 rate for corporations. The taxpayer may make the computation for each
17 foreign country or for groups of foreign countries. The portion of the
18 taxes that may be deducted shall be computed in the following manner:

19 (a) The amount of federal taxable income from operations within a
20 foreign taxing jurisdiction shall be reduced by the amount of taxes
21 actually paid to the foreign jurisdiction that are not deductible solely
22 because the foreign tax credit was elected on the federal income tax
23 return;

24 (b) The amount of after-tax income shall be divided by one minus the
25 maximum tax rate for corporations in the Internal Revenue Code; and

26 (c) The result of the calculation in subdivision (b) of this
27 subsection shall be subtracted from the amount of federal taxable income
28 used in subdivision (a) of this subsection. The result of such
29 calculation, if greater than zero, shall be subtracted from federal
30 taxable income.

31 (7) Federal adjusted gross income shall be modified to exclude any

1 amount repaid by the taxpayer for which a reduction in federal tax is
2 allowed under section 1341(a)(5) of the Internal Revenue Code.

3 (8)(a) Federal adjusted gross income or, for corporations and
4 fiduciaries, federal taxable income shall be reduced, to the extent
5 included, by income from interest, earnings, and state contributions
6 received from the Nebraska educational savings plan trust created in
7 sections 85-1801 to 85-1817 and any account established under the
8 achieving a better life experience program as provided in sections
9 77-1401 to 77-1409.

10 (b) Federal adjusted gross income or, for corporations and
11 fiduciaries, federal taxable income shall be reduced by any contributions
12 as a participant in the Nebraska educational savings plan trust or
13 contributions to an account established under the achieving a better life
14 experience program made for the benefit of a beneficiary as provided in
15 sections 77-1401 to 77-1409, to the extent not deducted for federal
16 income tax purposes, but not to exceed five thousand dollars per married
17 filing separate return or ten thousand dollars for any other return. With
18 respect to a qualified rollover within the meaning of section 529 of the
19 Internal Revenue Code from another state's plan, any interest, earnings,
20 and state contributions received from the other state's educational
21 savings plan which is qualified under section 529 of the code shall
22 qualify for the reduction provided in this subdivision. For contributions
23 by a custodian of a custodial account including rollovers from another
24 custodial account, the reduction shall only apply to funds added to the
25 custodial account after January 1, 2014.

26 (c) For taxable years beginning or deemed to begin on or after
27 January 1, 2021, under the Internal Revenue Code of 1986, as amended,
28 federal adjusted gross income shall be reduced, to the extent included in
29 the adjusted gross income of an individual, by the amount of any
30 contribution made by the individual's employer into an account under the
31 Nebraska educational savings plan trust owned by the individual, not to

1 exceed five thousand dollars per married filing separate return or ten
2 thousand dollars for any other return.

3 (d) Federal adjusted gross income or, for corporations and
4 fiduciaries, federal taxable income shall be increased by:

5 (i) The amount resulting from the cancellation of a participation
6 agreement refunded to the taxpayer as a participant in the Nebraska
7 educational savings plan trust to the extent previously deducted under
8 subdivision (8)(b) of this section; and

9 (ii) The amount of any withdrawals by the owner of an account
10 established under the achieving a better life experience program as
11 provided in sections 77-1401 to 77-1409 for nonqualified expenses to the
12 extent previously deducted under subdivision (8)(b) of this section.

13 (9)(a) For income tax returns filed after September 10, 2001, for
14 taxable years beginning or deemed to begin before January 1, 2006, under
15 the Internal Revenue Code of 1986, as amended, federal adjusted gross
16 income or, for corporations and fiduciaries, federal taxable income shall
17 be increased by eighty-five percent of any amount of any federal bonus
18 depreciation received under the federal Job Creation and Worker
19 Assistance Act of 2002 or the federal Jobs and Growth Tax Act of 2003,
20 under section 168(k) or section 1400L of the Internal Revenue Code of
21 1986, as amended, for assets placed in service after September 10, 2001,
22 and before December 31, 2005.

23 (b) For a partnership, limited liability company, cooperative,
24 including any cooperative exempt from income taxes under section 521 of
25 the Internal Revenue Code of 1986, as amended, limited cooperative
26 association, subchapter S corporation, or joint venture, the increase
27 shall be distributed to the partners, members, shareholders, patrons, or
28 beneficiaries in the same manner as income is distributed for use against
29 their income tax liabilities.

30 (c) For a corporation with a unitary business having activity both
31 inside and outside the state, the increase shall be apportioned to

1 Nebraska in the same manner as income is apportioned to the state by
2 section 77-2734.05.

3 (d) The amount of bonus depreciation added to federal adjusted gross
4 income or, for corporations and fiduciaries, federal taxable income by
5 this subsection shall be subtracted in a later taxable year. Twenty
6 percent of the total amount of bonus depreciation added back by this
7 subsection for tax years beginning or deemed to begin before January 1,
8 2003, under the Internal Revenue Code of 1986, as amended, may be
9 subtracted in the first taxable year beginning or deemed to begin on or
10 after January 1, 2005, under the Internal Revenue Code of 1986, as
11 amended, and twenty percent in each of the next four following taxable
12 years. Twenty percent of the total amount of bonus depreciation added
13 back by this subsection for tax years beginning or deemed to begin on or
14 after January 1, 2003, may be subtracted in the first taxable year
15 beginning or deemed to begin on or after January 1, 2006, under the
16 Internal Revenue Code of 1986, as amended, and twenty percent in each of
17 the next four following taxable years.

18 (10) For taxable years beginning or deemed to begin on or after
19 January 1, 2003, and before January 1, 2006, under the Internal Revenue
20 Code of 1986, as amended, federal adjusted gross income or, for
21 corporations and fiduciaries, federal taxable income shall be increased
22 by the amount of any capital investment that is expensed under section
23 179 of the Internal Revenue Code of 1986, as amended, that is in excess
24 of twenty-five thousand dollars that is allowed under the federal Jobs
25 and Growth Tax Act of 2003. Twenty percent of the total amount of
26 expensing added back by this subsection for tax years beginning or deemed
27 to begin on or after January 1, 2003, may be subtracted in the first
28 taxable year beginning or deemed to begin on or after January 1, 2006,
29 under the Internal Revenue Code of 1986, as amended, and twenty percent
30 in each of the next four following tax years.

31 (11)(a) For taxable years beginning or deemed to begin before

1 January 1, 2018, under the Internal Revenue Code of 1986, as amended,
2 federal adjusted gross income shall be reduced by contributions, up to
3 two thousand dollars per married filing jointly return or one thousand
4 dollars for any other return, and any investment earnings made as a
5 participant in the Nebraska long-term care savings plan under the Long-
6 Term Care Savings Plan Act, to the extent not deducted for federal income
7 tax purposes.

8 (b) For taxable years beginning or deemed to begin before January 1,
9 2018, under the Internal Revenue Code of 1986, as amended, federal
10 adjusted gross income shall be increased by the withdrawals made as a
11 participant in the Nebraska long-term care savings plan under the act by
12 a person who is not a qualified individual or for any reason other than
13 transfer of funds to a spouse, long-term care expenses, long-term care
14 insurance premiums, or death of the participant, including withdrawals
15 made by reason of cancellation of the participation agreement, to the
16 extent previously deducted as a contribution or as investment earnings.

17 (12) There shall be added to federal adjusted gross income for
18 individuals, estates, and trusts any amount taken as a credit for
19 franchise tax paid by a financial institution under sections 77-3801 to
20 77-3807 as allowed by subsection (5) of section 77-2715.07.

21 (13)(a) For taxable years beginning or deemed to begin on or after
22 January 1, 2015, under the Internal Revenue Code of 1986, as amended,
23 federal adjusted gross income shall be reduced by the amount received as
24 benefits under the federal Social Security Act which are included in the
25 federal adjusted gross income if:

26 (i) For taxpayers filing a married filing joint return, federal
27 adjusted gross income is fifty-eight thousand dollars or less; or

28 (ii) For taxpayers filing any other return, federal adjusted gross
29 income is forty-three thousand dollars or less.

30 (b) For taxable years beginning or deemed to begin on or after
31 January 1, 2020, under the Internal Revenue Code of 1986, as amended, the

1 Tax Commissioner shall adjust the dollar amounts provided in subdivisions
2 (13)(a)(i) and (ii) of this section by the same percentage used to adjust
3 individual income tax brackets under ~~subsection (3) of~~ section
4 77-2715.03.

5 (c) For taxable years beginning or deemed to begin on or after
6 January 1, 2021, under the Internal Revenue Code of 1986, as amended, a
7 taxpayer may claim the reduction to federal adjusted gross income allowed
8 under this subsection or the reduction to federal adjusted gross income
9 allowed under subsection (14) of this section, whichever provides the
10 greater reduction.

11 (14)(a) For taxable years beginning or deemed to begin on or after
12 January 1, 2021, under the Internal Revenue Code of 1986, as amended,
13 federal adjusted gross income shall be reduced by a percentage of the
14 social security benefits that are received and included in federal
15 adjusted gross income. The pertinent percentage shall be:

16 (i) Five percent for taxable years beginning or deemed to begin on
17 or after January 1, 2021, and before January 1, 2022, under the Internal
18 Revenue Code of 1986, as amended;

19 (ii) Twenty percent for taxable years beginning or deemed to begin
20 on or after January 1, 2022, and before January 1, 2023, under the
21 Internal Revenue Code of 1986, as amended;

22 (iii) Thirty percent for taxable years beginning or deemed to begin
23 on or after January 1, 2023, and before January 1, 2024, under the
24 Internal Revenue Code of 1986, as amended;

25 (iv) Forty percent for taxable years beginning or deemed to begin on
26 or after January 1, 2024, and before January 1, 2025, under the Internal
27 Revenue Code of 1986, as amended; and

28 (v) Fifty percent for taxable years beginning or deemed to begin on
29 or after January 1, 2025, under the Internal Revenue Code of 1986, as
30 amended.

31 (b) It is the intent of the Legislature to enact legislation within

1 five years after August 28, 2021, to increase the percentage of social
2 security benefits that are excluded under this subsection to (i) sixty
3 percent for taxable years beginning or deemed to begin on or after
4 January 1, 2026, and before January 1, 2027, under the Internal Revenue
5 Code of 1986, as amended, (ii) seventy percent for taxable years
6 beginning or deemed to begin on or after January 1, 2027, and before
7 January 1, 2028, under the Internal Revenue Code of 1986, as amended,
8 (iii) eighty percent for taxable years beginning or deemed to begin on or
9 after January 1, 2028, and before January 1, 2029, under the Internal
10 Revenue Code of 1986, as amended, (iv) ninety percent for taxable years
11 beginning or deemed to begin on or after January 1, 2029, and before
12 January 1, 2030, under the Internal Revenue Code of 1986, as amended, and
13 (v) one hundred percent for taxable years beginning or deemed to begin on
14 or after January 1, 2030, under the Internal Revenue Code of 1986, as
15 amended.

16 (c) For purposes of this subsection, social security benefits means
17 benefits received under the federal Social Security Act.

18 (d) For taxable years beginning or deemed to begin on or after
19 January 1, 2021, under the Internal Revenue Code of 1986, as amended, a
20 taxpayer may claim the reduction to federal adjusted gross income allowed
21 under this subsection or the reduction to federal adjusted gross income
22 allowed under subsection (13) of this section, whichever provides the
23 greater reduction.

24 (15)(a) For taxable years beginning or deemed to begin on or after
25 January 1, 2015, and before January 1, 2022, under the Internal Revenue
26 Code of 1986, as amended, an individual may make a one-time election
27 within two calendar years after the date of his or her retirement from
28 the military to exclude income received as a military retirement benefit
29 by the individual to the extent included in federal adjusted gross income
30 and as provided in this subdivision. The individual may elect to exclude
31 forty percent of his or her military retirement benefit income for seven

1 consecutive taxable years beginning with the year in which the election
2 is made or may elect to exclude fifteen percent of his or her military
3 retirement benefit income for all taxable years beginning with the year
4 in which he or she turns sixty-seven years of age.

5 (b) For taxable years beginning or deemed to begin on or after
6 January 1, 2022, under the Internal Revenue Code of 1986, as amended, an
7 individual may exclude one hundred percent of the military retirement
8 benefit income received by such individual to the extent included in
9 federal adjusted gross income.

10 (c) For purposes of this subsection, military retirement benefit
11 means retirement benefits that are periodic payments attributable to
12 service in the uniformed services of the United States for personal
13 services performed by an individual prior to his or her retirement. The
14 term includes retirement benefits described in this subdivision that are
15 reported to the individual on either:

16 (i) An Internal Revenue Service Form 1099-R received from the United
17 States Department of Defense; or

18 (ii) An Internal Revenue Service Form 1099-R received from the
19 United States Office of Personnel Management.

20 (16) For taxable years beginning or deemed to begin on or after
21 January 1, 2021, under the Internal Revenue Code of 1986, as amended,
22 federal adjusted gross income shall be reduced by the amount received as
23 a Segal AmeriCorps Education Award, to the extent such amount is included
24 in federal adjusted gross income.

25 (17) For taxable years beginning or deemed to begin on or after
26 January 1, 2022, under the Internal Revenue Code of 1986, as amended,
27 federal adjusted gross income shall be reduced by the amount received by
28 or on behalf of a firefighter for cancer benefits under the Firefighter
29 Cancer Benefits Act to the extent included in federal adjusted gross
30 income.

31 Sec. 5. Original section 77-2715.03, Reissue Revised Statutes of

1 Nebraska, and section 77-2716, Revised Statutes Supplement, 2021, are
2 repealed.