

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 447

Introduced by Bostar, 29.

Read first time January 13, 2023

Committee: Revenue

1 A BILL FOR AN ACT relating to first responders; to amend sections
2 77-2716, 85-2601, 85-2602, 85-2603, and 85-2604, Revised Statutes
3 Cumulative Supplement, 2022; to provide an income tax deduction to
4 retired firefighters for health insurance premiums; to rename the
5 Law Enforcement Education Act; to change provisions of the act to
6 include tuition waivers for professional firefighters and dependents
7 of law enforcement officers and professional firefighters as
8 prescribed; to provide powers and duties to the Department of
9 Revenue; to harmonize provisions; and to repeal the original
10 sections.

11 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2716, Revised Statutes Cumulative Supplement,
2 2022, is amended to read:

3 77-2716 (1) The following adjustments to federal adjusted gross
4 income or, for corporations and fiduciaries, federal taxable income shall
5 be made for interest or dividends received:

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

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

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

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

28 (d) There shall be added that portion of the total dividends and
29 other income received from a regulated investment company which is
30 attributable to obligations described in subdivision (c) of this
31 subsection and excluded for federal income tax purposes as reported to

1 the recipient by the regulated investment company; and

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

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

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

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

30 (4) Federal adjusted gross income, or, for a fiduciary, federal
31 taxable income shall be modified to exclude the portion of the income or

1 loss received from a small business corporation with an election in
2 effect under subchapter S of the Internal Revenue Code or from a limited
3 liability company organized pursuant to the Nebraska Uniform Limited
4 Liability Company Act that is not derived from or connected with Nebraska
5 sources as determined in section 77-2734.01.

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

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

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

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

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

29 (7) Federal adjusted gross income shall be modified to exclude any
30 amount repaid by the taxpayer for which a reduction in federal tax is
31 allowed under section 1341(a)(5) of the Internal Revenue Code.

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

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

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

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

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

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

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

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

28 (c) For a corporation with a unitary business having activity both
29 inside and outside the state, the increase shall be apportioned to
30 Nebraska in the same manner as income is apportioned to the state by
31 section 77-2734.05.

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

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

29 (11)(a) For taxable years beginning or deemed to begin before
30 January 1, 2018, under the Internal Revenue Code of 1986, as amended,
31 federal adjusted gross income shall be reduced by contributions, up to

1 two thousand dollars per married filing jointly return or one thousand
2 dollars for any other return, and any investment earnings made as a
3 participant in the Nebraska long-term care savings plan under the Long-
4 Term Care Savings Plan Act, to the extent not deducted for federal income
5 tax purposes.

6 (b) For taxable years beginning or deemed to begin before January 1,
7 2018, under the Internal Revenue Code of 1986, as amended, federal
8 adjusted gross income shall be increased by the withdrawals made as a
9 participant in the Nebraska long-term care savings plan under the act by
10 a person who is not a qualified individual or for any reason other than
11 transfer of funds to a spouse, long-term care expenses, long-term care
12 insurance premiums, or death of the participant, including withdrawals
13 made by reason of cancellation of the participation agreement, to the
14 extent previously deducted as a contribution or as investment earnings.

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

19 (13)(a) For taxable years beginning or deemed to begin on or after
20 January 1, 2015, and before January 1, 2025, under the Internal Revenue
21 Code of 1986, as amended, federal adjusted gross income shall be reduced
22 by the amount received as benefits under the federal Social Security Act
23 which are included in the federal adjusted gross income if:

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

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

28 (b) For taxable years beginning or deemed to begin on or after
29 January 1, 2020, and before January 1, 2025, under the Internal Revenue
30 Code of 1986, as amended, the Tax Commissioner shall adjust the dollar
31 amounts provided in subdivisions (13)(a)(i) and (ii) of this section by

1 the same percentage used to adjust individual income tax brackets under
2 subsection (3) of section 77-2715.03.

3 (c) For taxable years beginning or deemed to begin on or after
4 January 1, 2021, and before January 1, 2025, under the Internal Revenue
5 Code of 1986, as amended, a taxpayer may claim the reduction to federal
6 adjusted gross income allowed under this subsection or the reduction to
7 federal adjusted gross income allowed under subsection (14) of this
8 section, whichever provides the greater reduction.

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

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

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

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

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

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

29 (b) For purposes of this subsection, social security benefits means
30 benefits received under the federal Social Security Act.

31 (c) For taxable years beginning or deemed to begin on or after

1 January 1, 2021, and before January 1, 2025, under the Internal Revenue
2 Code of 1986, as amended, a taxpayer may claim the reduction to federal
3 adjusted gross income allowed under this subsection or the reduction to
4 federal adjusted gross income allowed under subsection (13) of this
5 section, whichever provides the greater reduction.

6 (15)(a) For taxable years beginning or deemed to begin on or after
7 January 1, 2015, and before January 1, 2022, under the Internal Revenue
8 Code of 1986, as amended, an individual may make a one-time election
9 within two calendar years after the date of his or her retirement from
10 the military to exclude income received as a military retirement benefit
11 by the individual to the extent included in federal adjusted gross income
12 and as provided in this subdivision. The individual may elect to exclude
13 forty percent of his or her military retirement benefit income for seven
14 consecutive taxable years beginning with the year in which the election
15 is made or may elect to exclude fifteen percent of his or her military
16 retirement benefit income for all taxable years beginning with the year
17 in which he or she turns sixty-seven years of age.

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

23 (c) For purposes of this subsection, military retirement benefit
24 means retirement benefits that are periodic payments attributable to
25 service in the uniformed services of the United States for personal
26 services performed by an individual prior to his or her retirement. The
27 term includes retirement benefits described in this subdivision that are
28 reported to the individual on either:

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

31 (ii) An Internal Revenue Service Form 1099-R received from the

1 United States Office of Personnel Management.

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

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

13 (18) There shall be subtracted from the federal adjusted gross
14 income of individuals any amount received by the individual as student
15 loan repayment assistance under the Teach in Nebraska Today Act, to the
16 extent such amount is included in federal adjusted gross income.

17 (19) For taxable years beginning or deemed to begin on or after
18 January 1, 2023, under the Internal Revenue Code of 1986, as amended, a
19 retired individual who was employed full time as a firefighter or
20 certified law enforcement officer for at least twenty years and who is at
21 least sixty years of age as of the end of the taxable year may reduce his
22 or her federal adjusted gross income by the amount of health insurance
23 premiums paid by such individual during the taxable year, to the extent
24 such premiums were not already deducted in determining the individual's
25 federal adjusted gross income.

26 Sec. 2. Section 85-2601, Revised Statutes Cumulative Supplement,
27 2022, is amended to read:

28 85-2601 Sections 85-2601 to 85-2604 and sections 5, 7, and 8 of this
29 act shall be known and may be cited as the First Responder Recruitment
30 and Retention Law Enforcement Education Act.

31 Sec. 3. Section 85-2602, Revised Statutes Cumulative Supplement,

1 2022, is amended to read:

2 85-2602 For purposes of the First Responder Recruitment and
3 Retention Law Enforcement Education Act:

4 (1) Associate degree program means a degree program at a community
5 college, state college, or state university which typically requires
6 completion of an organized program of study of at least sixty semester
7 credit hours or an equivalent that can be shown to accomplish the same
8 goal. Associate degree program does not include a baccalaureate degree
9 program;

10 (2) Baccalaureate degree program means a degree program at a
11 community college, state college, or state university which typically
12 requires completion of an organized program of study of at least one
13 hundred twenty semester credit hours or an equivalent that can be shown
14 to accomplish the same goal;

15 (3) Community college means a public postsecondary educational
16 institution which is part of the community college system and includes
17 all branches and campuses of such institution located within the State of
18 Nebraska;

19 (4) Law enforcement officer means any person who is responsible for
20 the prevention or detection of crime or the enforcement of the penal,
21 traffic, or highway laws of the State of Nebraska or any political
22 subdivision of the state for more than one hundred hours per year and who
23 is authorized by law to make arrests;

24 (5) Law enforcement agency means a police department in a
25 municipality, a sheriff's office, and the Nebraska State Patrol;

26 (6) Professional firefighter means a firefighter or firefighter-
27 paramedic who is a member of a paid fire department of a municipality or
28 a rural or suburban fire protection district in this state, including a
29 municipality having a home rule charter or a municipal authority created
30 pursuant to a home rule charter that has its own paid fire department,
31 and for whom firefighting is a full-time career;

1 (7) ~~(6)~~ State college means a public postsecondary educational
2 institution which is part of the Nebraska state college system and
3 includes all branches and campuses of such institution located within the
4 State of Nebraska;

5 (8) ~~(7)~~ State university means a public postsecondary educational
6 institution which is part of the University of Nebraska and includes all
7 branches and campuses of such institution located within the State of
8 Nebraska; and

9 (9) ~~(8)~~ Tuition means the charges and cost of tuition as set by the
10 governing body of a state university, state college, or community
11 college.

12 Sec. 4. Section 85-2603, Revised Statutes Cumulative Supplement,
13 2022, is amended to read:

14 85-2603 (1) A law enforcement officer shall be entitled to a waiver
15 of one hundred percent of the resident tuition charges of any state
16 university, state college, or community college if the officer:

17 (a) Maintains satisfactory performance with his or her law
18 enforcement agency;

19 (b) Meets all admission requirements of the state university, state
20 college, or community college; ~~and~~

21 (c) Pursues studies leading to a degree that relates to a career in
22 law enforcement from an associate degree program or a baccalaureate
23 degree program; and -

24 (d) For an officer applying for a waiver after the effective date of
25 this act, files with the Department of Revenue documentation showing
26 proof of employment as a law enforcement officer and proof of residence
27 in Nebraska each year such officer or such officer's legal dependent
28 applies for and receives the tuition waiver.

29 The officer may receive the tuition waiver for up to five years if
30 he or she otherwise continues to be eligible for participation.

31 (2) Any legal dependent of a law enforcement officer who maintains

1 satisfactory performance with such law enforcement officer's law
2 enforcement agency shall be entitled to a tuition waiver of one hundred
3 percent of the resident tuition charges of any state university, state
4 college, or community college for an associate or baccalaureate degree
5 program if the legal dependent executes an agreement with the state in
6 accordance with section 7 of this act. The legal dependent may receive
7 the tuition waiver for up to five years if the law enforcement officer
8 and the legal dependent continue to be eligible for participation. The
9 five years of tuition waiver eligibility starts once the legal dependent
10 applies for and receives the tuition waiver for the first time and is
11 available to such legal dependent for the next consecutive five years.

12 (3) ~~(2)~~ The state university, state college, or community college
13 shall waive one hundred percent of the officer's or the legal dependent's
14 tuition remaining due after subtracting awarded federal financial aid
15 grants and state scholarships and grants for an eligible law enforcement
16 officer or legal dependent during the time the officer or legal dependent
17 is enrolled. To remain eligible, the officer or legal dependent must
18 comply with all requirements of the institution for continued attendance
19 and award of an associate degree or a baccalaureate degree.

20 (4) ~~(3)~~ An application for the tuition waiver shall include a
21 verification of the law enforcement officer's satisfactory performance as
22 a law enforcement officer. It shall be the responsibility of the officer
23 to obtain a certificate of verification from his or her superior officer
24 in such officer's law enforcement agency attesting to such officer's
25 satisfactory performance. The officer shall include the certificate of
26 verification when the officer or the officer's legal dependent is
27 applying to the state university, state college, or community college in
28 order to obtain tuition waiver upon initial enrollment.

29 (5) ~~(4)~~ Within forty-five days after receipt of a completed
30 application, the state university, state college, or community college
31 shall send written notice of the law enforcement officer's or legal

1 dependent's eligibility or ineligibility for the tuition waiver. If the
2 officer or legal dependent is determined not to be eligible for the
3 tuition waiver, the notice shall include the reason or reasons for such
4 determination and an indication that an appeal of the determination may
5 be made pursuant to the Administrative Procedure Act.

6 Sec. 5. (1)(a) A professional firefighter shall be entitled to a
7 waiver of one hundred percent of the resident tuition charges of any
8 state university, state college, or community college if the professional
9 firefighter:

10 (i) Maintains satisfactory performance with such firefighter's fire
11 department;

12 (ii) Meets all admission requirements of the state university, state
13 college, or community college;

14 (iii) Pursues studies leading to a degree in science or medicine
15 that relates to a career in professional firefighting from an associate
16 degree program or a baccalaureate degree program; and

17 (iv) Files with the Department of Revenue documentation showing
18 proof of employment as a professional firefighter and proof of residence
19 in Nebraska each year such professional firefighter or such professional
20 firefighter's legal dependent applies for and receives the tuition
21 waiver.

22 (b) The professional firefighter may receive the tuition waiver for
23 up to five years if such professional firefighter otherwise continues to
24 be eligible for participation.

25 (2) Any legal dependent of a professional firefighter who maintains
26 satisfactory performance with such professional firefighter's fire
27 department shall be entitled to a tuition waiver of one hundred percent
28 of the resident tuition charges of any state university, state college,
29 or community college for an associate or baccalaureate degree program if
30 the legal dependent executes an agreement with the state in accordance
31 with section 7 of this act. The legal dependent may receive the tuition

1 waiver for up to five years if the professional firefighter and the legal
2 dependent continue to be eligible for participation. The five years of
3 tuition waiver eligibility starts once the legal dependent applies for
4 and receives the tuition waiver for the first time and is available to
5 such legal dependent for the next consecutive five years.

6 (3) The state university, state college, or community college shall
7 waive one hundred percent of the professional firefighter's or the legal
8 dependent's tuition remaining due after subtracting awarded federal
9 financial aid grants and state scholarships and grants for an eligible
10 professional firefighter or legal dependent during the time the
11 professional firefighter or legal dependent is enrolled. To remain
12 eligible, the professional firefighter or legal dependent must comply
13 with all requirements of the institution for continued attendance and
14 award of an associate degree or baccalaureate degree.

15 (4) An application for the tuition waiver shall include a
16 verification of the professional firefighter's satisfactory performance
17 as a professional firefighter. It shall be the responsibility of the
18 professional firefighter to obtain a certificate of verification from the
19 fire chief of such professional firefighter's fire department attesting
20 to such professional firefighter's satisfactory performance. The
21 professional firefighter shall include the certificate or verification
22 when the professional firefighter or the professional firefighter's legal
23 dependent is applying to the state university, state college, or
24 community college in order to obtain tuition waiver upon initial
25 enrollment.

26 (5) Within forty-five days after receipt of a completed application,
27 the state university, state college, or community college shall send
28 written notice of the professional firefighter's or legal dependent's
29 eligibility or ineligibility for the tuition waiver. If the professional
30 firefighter or legal dependent is determined not to be eligible for the
31 tuition waiver, the notice shall include the reason or reasons for such

1 determination and an indication that an appeal of the determination may
2 be made pursuant to the Administrative Procedure Act.

3 Sec. 6. Section 85-2604, Revised Statutes Cumulative Supplement,
4 2022, is amended to read:

5 85-2604 Each state university, state college, or community college
6 shall adopt and promulgate the procedures, rules, and regulations
7 necessary to carry out the First Responder Recruitment and Retention Law
8 Enforcement Education Act.

9 Sec. 7. (1) Each legal dependent who is a tuition waiver recipient
10 under the First Responder Recruitment and Retention Act shall execute an
11 agreement with the state. Such agreement shall be exempt from the
12 requirements of sections 73-501 to 73-510 and shall include the following
13 terms, as appropriate:

14 (a) The tuition waiver recipient agrees to reside within the State
15 of Nebraska for a period of five years following the use of the tuition
16 waiver;

17 (b) Each year during the five-year period following use of the
18 tuition waiver the tuition waiver recipient agrees to file a tax return
19 with the Department of Revenue to document that such recipient still
20 resides in the State of Nebraska;

21 (c) If the tuition waiver recipient fails to annually file a tax
22 return to prove residency in the State of Nebraska for the five-year
23 period following the use of the tuition waiver or fails to remain a
24 resident of Nebraska for the five-year period following the use of the
25 tuition waiver, the tuition waiver recipient agrees to repay the
26 community college, state college, or state university that such tuition
27 waiver recipient attended the amount of tuition that was waived for such
28 individual if the community college, state college, or state university
29 requests such payment on the dates and in the amounts requested; and

30 (d) Any residency, filing, or payment obligation incurred by the
31 tuition waiver recipient under the First Responder Recruitment and

1 Retention Act is canceled in the event of the tuition recipient's total
2 and permanent disability or death.

3 (2) The five-year residency requirement begins to run after use of
4 the first tuition waiver and:

5 (a) Completion of the five-year tuition waiver eligibility;

6 (b) Completion of an undergraduate degree at a state college or
7 state university;

8 (c) Completion of a two-year degree at a community college and
9 notification by the tuition waiver recipient to the Department of Revenue
10 that such recipient does not intend to pursue an undergraduate degree or
11 additional two-year degree using tuition waivers pursuant to the First
12 Responder Recruitment and Retention Act; or

13 (d) Notification by the tuition waiver recipient to the Department
14 of Revenue that such recipient does not plan to use additional tuition
15 waivers pursuant to the First Responder Recruitment and Retention Act.

16 Sec. 8. The Department of Revenue shall administer and enforce the
17 First Responder Recruitment and Retention Act and may adopt and
18 promulgate rules and regulations to carry out the First Responder
19 Recruitment and Retention Act.

20 Sec. 9. Original sections 77-2716, 85-2601, 85-2602, 85-2603, and
21 85-2604, Revised Statutes Cumulative Supplement, 2022, are repealed.