

AMENDMENTS TO LB939
(Amendments to AM1821)

Introduced by Cavanaugh, J., 9.

1 1. Strike amendment 1 and insert the following new amendment:

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

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

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

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

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

25 (3) The department shall design the prepaid debit card so that it
26 (a) may only be used at a business located in Nebraska, (b) is activated

1 by telephone, and (c) must be used within twelve months after the date
2 the card is activated.

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

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

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

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

17 Individual Income Tax Brackets and Rates

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

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

1 Individual Income Tax Brackets and Rates

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

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

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

1 subsequent year, from the twelve months ending on August 31, 2013, to the
2 twelve months ending on August 31 of the year preceding the taxable year.
3 The Tax Commissioner shall prescribe new tax rate schedules that apply in
4 lieu of the schedules set forth in subsection (2) of this section.

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

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

17 Individual Income Tax Brackets and Rates

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

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

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

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

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

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

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

1 (9) ~~(7)~~ The Tax Commissioner may require by rule and regulation that
2 all taxpayers shall use the tax tables if their income is less than the
3 maximum income included in the tax tables.

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

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

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

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

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

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

31 (d) There shall be added that portion of the total dividends and

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

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

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

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

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

1 adjusted gross income.

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

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

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

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

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

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

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

4 (8)(a) Federal adjusted gross income or, for corporations and
5 fiduciaries, federal taxable income shall be reduced, to the extent
6 included, by income from interest, earnings, and state contributions
7 received from the Nebraska educational savings plan trust created in
8 sections 85-1801 to 85-1817 and any account established under the
9 achieving a better life experience program as provided in sections
10 77-1401 to 77-1409.

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

27 (c) For taxable years beginning or deemed to begin on or after
28 January 1, 2021, under the Internal Revenue Code of 1986, as amended,
29 federal adjusted gross income shall be reduced, to the extent included in
30 the adjusted gross income of an individual, by the amount of any
31 contribution made by the individual's employer into an account under the

1 Nebraska educational savings plan trust owned by the individual, not to
2 exceed five thousand dollars per married filing separate return or ten
3 thousand dollars for any other return.

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

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

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

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

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

31 (c) For a corporation with a unitary business having activity both

1 inside and outside the state, the increase shall be apportioned to
2 Nebraska in the same manner as income is apportioned to the state by
3 section 77-2734.05.

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

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

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

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

18 (12) There shall be added to federal adjusted gross income for
19 individuals, estates, and trusts any amount taken as a credit for
20 franchise tax paid by a financial institution under sections 77-3801 to
21 77-3807 as allowed by subsection (5) of section 77-2715.07.

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

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

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

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

1 January 1, 2020, under the Internal Revenue Code of 1986, as amended, the
2 Tax Commissioner shall adjust the dollar amounts provided in subdivisions
3 (13)(a)(i) and (ii) of this section by the same percentage used to adjust
4 individual income tax brackets under ~~subsection (3)~~ of section
5 77-2715.03.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Sec. 5. Original section 77-2715.03, Reissue Revised Statutes of
2 Nebraska, and section 77-2716, Revised Statutes Supplement, 2021, are
3 repealed.