

AMENDMENTS TO LB919

(Amendments to Standing Committee amendments, AM2513)

Introduced by Hansen, M., 26.

1 1. Strike sections 1 and 2 and insert the following new sections:

2 Section 1. Section 77-2715.03, Reissue Revised Statutes of Nebraska,  
3 is amended to read:

4 77-2715.03 (1) For taxable years beginning or deemed to begin on or  
5 after January 1, 2013, and before January 1, 2014, the following brackets  
6 and rates are hereby established for the Nebraska individual income tax:

7 Individual Income Tax Brackets and Rates

8 Bracket	Single	Married,	Head of	Married,	Estates	Tax
9 Number	Individuals	Filing	Household	Filing	and	Rate
10		Jointly		Separate	Trusts	
11 1	\$0-2,399	\$0-4,799	\$0-4,499	\$0-2,399	\$0-499	2.46%
12 2	\$2,400-	\$4,800-	\$4,500-	\$2,400-	\$500-	
13	17,499	34,999	27,999	17,499	4,699	3.51%
14 3	\$17,500-	\$35,000-	\$28,000-	\$17,500-	\$4,700-	
15	26,999	53,999	39,999	26,999	15,149	5.01%
16 4	\$27,000	\$54,000	\$40,000	\$27,000	\$15,150	
17	and Over	and Over	and Over	and Over	and Over	6.84%

18 (2) For taxable years beginning or deemed to begin on or after  
19 January 1, 2014, the following brackets and rates are hereby established  
20 for the Nebraska individual income tax:

21 Individual Income Tax Brackets and Rates

22 Bracket	Single	Married,	Head of	Married,	Estates	Tax
23 Number	Individuals	Filing	Household	Filing	and	Rate
24		Jointly		Separate	Trusts	
25 1	\$0-2,999	\$0-5,999	\$0-5,599	\$0-2,999	\$0-499	2.46%

1	2	\$3,000-	\$6,000-	\$5,600-	\$3,000-	\$500-	
2		17,999	35,999	28,799	17,999	4,699	3.51%
3	3	<u>\$18,000-</u>	<u>\$36,000-</u>	<u>\$28,800-</u>	<u>\$18,000-</u>	<u>\$4,700-</u>	
4		<u>28,999</u>	<u>57,999</u>	<u>42,999</u>	<u>28,999</u>	<u>15,149</u>	<u>Rate 1</u>
5	4	<u>\$29,000</u>	<u>\$58,000</u>	<u>\$43,000</u>	<u>\$29,000</u>	<u>\$15,150</u>	
6		<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>Rate 2</u>
7	3	<del>\$18,000-</del>	<del>\$36,000-</del>	<del>\$28,800-</del>	<del>\$18,000-</del>	<del>\$4,700-</del>	
8		<del>28,999</del>	<del>57,999</del>	<del>42,999</del>	<del>28,999</del>	<del>15,149</del>	<del>5.01%</del>
9	4	<del>\$29,000</del>	<del>\$58,000</del>	<del>\$43,000</del>	<del>\$29,000</del>	<del>\$15,150</del>	
10		<del>and Over</del>	<del>and Over</del>	<del>and Over</del>	<del>and Over</del>	<del>and Over</del>	<del>6.84%</del>

11 For purposes of this subsection:

12 (a) Rate 1 shall be:

13 (i) 5.01% for taxable years beginning or deemed to begin on or after  
14 January 1, 2014, and before January 1, 2023; and

15 (ii) 4.01% for taxable years beginning or deemed to begin on or  
16 after January 1, 2023; and

17 (b) Rate 2 shall be 6.84% for taxable years beginning or deemed to  
18 begin on or after January 1, 2014, and before January 1, 2023. For  
19 taxable years beginning or deemed to begin on or after January 1, 2023,  
20 rate 2 shall be determined on an annual basis as follows:

21 (i) On or before July 15, 2022, and on or before July 15 of each  
22 year thereafter, the Tax Commissioner shall determine actual General Fund  
23 net receipts for the most recently completed fiscal year minus actual  
24 General Fund net receipts for the prior fiscal year;

25 (ii) If the amount determined under subdivision (2)(b)(i) of this  
26 section is a positive number, the Tax Commissioner shall reduce the rate  
27 in effect on the date of such determination in accordance with the  
28 schedule provided in subdivision (2)(b)(iii) of this section. Such  
29 reduced rate shall apply to taxable years beginning or deemed to begin on  
30 or after the immediately following January 1. If the amount determined

1 under subdivision (2)(b)(i) of this section is a negative number, no  
2 reduction to rate 2 shall occur, and the rate in effect on the date of  
3 such determination shall remain in effect. In no case shall rate 2 be  
4 reduced to less than 5.84%; and

5 (iii) The reductions to rate 2 described in subdivision (2)(b)(ii)  
6 of this section shall occur according to the following schedule:

7 (A) For the first time that the reduction occurs, rate 2 shall be  
8 reduced from 6.84% to 6.64%;

9 (B) For the second time that the reduction occurs, rate 2 shall be  
10 reduced from 6.64% to 6.44%;

11 (C) For the third time that the reduction occurs, rate 2 shall be  
12 reduced from 6.44% to 6.24%; and

13 (D) For the fourth time that the reduction occurs, rate 2 shall be  
14 reduced from 6.24% to 5.99%.

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

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

1 the twelve months ending on August 31, 2013, to the twelve months ending  
2 on August 31, 2014, and in each subsequent year, from the twelve months  
3 ending on August 31, 2013, to the twelve months ending on August 31 of  
4 the year preceding the taxable year. The Tax Commissioner shall prescribe  
5 new tax rate schedules that apply in lieu of the schedules set forth in  
6 subsection (2) of this section.

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

15 (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 (5) The Tax Commissioner shall prepare, from the rate schedules, tax  
20 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 (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 (7) The Tax Commissioner may require by rule and regulation that all

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

3 Sec. 2. 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, and before January 1, 2025, under the Internal Revenue  
23 Code of 1986, as amended, federal adjusted gross income shall be reduced  
24 by the amount received as benefits under the federal Social Security Act  
25 which are included in the 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, and before January 1, 2025, under the Internal Revenue

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

5 (c) For taxable years beginning or deemed to begin on or after  
6 January 1, 2021, and before January 1, 2025, under the Internal Revenue  
7 Code of 1986, as amended, a taxpayer may claim the reduction to federal  
8 adjusted gross income allowed under this subsection or the reduction to  
9 federal adjusted gross income allowed under subsection (14) of this  
10 section, whichever provides the 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) Forty ~~Twenty~~ percent for taxable years beginning or deemed to  
20 begin on or after January 1, 2022, and before January 1, 2023, under the  
21 Internal Revenue Code of 1986, as amended;

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

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

28 (v) One hundred ~~Fifty~~ percent for taxable years beginning or deemed  
29 to begin on or after January 1, 2025, under the Internal Revenue Code of  
30 1986, as 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 (b) ~~(e)~~ For purposes of this subsection, social security benefits  
17 means benefits received under the federal Social Security Act.

18 (c) ~~(d)~~ For taxable years beginning or deemed to begin on or after  
19 January 1, 2021, and before January 1, 2025, under the Internal Revenue  
20 Code of 1986, as amended, a taxpayer may claim the reduction to federal  
21 adjusted gross income allowed under this subsection or the reduction to  
22 federal adjusted gross income allowed under subsection (13) of this  
23 section, whichever provides the 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. 8. Since an emergency exists, this act takes effect when

- 1 passed and approved according to law.
- 2           2. Correct the repealer accordingly.