

**ONE HUNDRED SEVENTH LEGISLATURE - SECOND SESSION - 2022**  
**COMMITTEE STATEMENT (CORRECTED)**  
**LB825**

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**Hearing Date:** Wednesday January 19, 2022  
**Committee On:** Revenue  
**Introducer:** Lindstrom  
**One Liner:** Change provisions relating to the taxation of benefits received under the federal Social Security Act

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File

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**Vote Results:**

<b>Aye:</b>	7	Senators Albrecht, Bostar, Briese, Flood, Lindstrom, Pahls, Linehan
<b>Nay:</b>		
<b>Absent:</b>		
<b>Present Not Voting:</b>	1	Senator Friesen

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**Oral Testimony:**

**Proponents:**

Senator Brett Lindstrom  
Deloris Tonack  
David Holmquist

**Representing:**

Introducer  
NSEA-Retired  
AARP-NE

**Opponents:**

Tiffany Friesen Milone

**Representing:**

OpenSky Policy Institute

**Neutral:**

**Representing:**

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**Summary of purpose and/or changes:**

LB64 was advanced by the Revenue Committee last session to General File. Senator Kolterman designated LB64 as his personal priority bill. The bill would have phased out the tax on Social Security income by tax year 2025.

During floor debate, AM1360 was adopted. The language in the amendment provided that:

"(b) It is the intent of the Legislature to enact legislation within five years after the effective date of this act to increase the percentage of social security benefits that are excluded under this subsection to (i) sixty percent for taxable years beginning or deemed to begin on or after January 1, 2026, and before January 1, 2027, under the Internal Revenue Code of 1986, as amended, (ii) seventy percent for taxable years beginning or deemed to begin on or after January 1, 2027, and before January 1, 2028, under the Internal Revenue Code of 1986, as amended, (iii) eighty percent for taxable years beginning or deemed to begin on or after January 1, 2028, and before January 1, 2029, under the Internal Revenue Code of 1986, as amended, (iv) ninety percent for taxable years beginning or deemed to begin on or after January 1, 2029, and before January 1, 2030, under the Internal Revenue Code of 1986, as amended, and (v) one hundred percent for taxable years beginning or deemed to begin on or after January 1, 2030, under the Internal Revenue Code of 1986, as amended.â€•

LB825 carries out the intent provisions of the amendment and also increases the exemption amount. For tax year 2021, the exempt amount is 5%. Beginning with tax year 2022, the exempt amount would be 40% of such income, to the extent it was included in federal adjusted gross income. The rate of exemption would continue as follows:

Tax Year 2023 60%

Tax Year 2024 80%

Tax Year 2025 100%

The intent language is stricken.

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Lou Ann Linehan, Chairperson