

AMENDMENTS TO LB919

Introduced by Cavanaugh, J., 9.

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

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

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

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

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

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

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

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

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

12           77-2715.03 (1) For taxable years beginning or deemed to begin on or  
13 after January 1, 2013, and before January 1, 2014, the following brackets  
14 and rates are hereby established for the Nebraska individual income tax:

15                           Individual Income Tax Brackets and Rates

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

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

29                           Individual Income Tax Brackets and Rates

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

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

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

1 The Tax Commissioner shall prescribe new tax rate schedules that apply in  
2 lieu of the schedules set forth in subsection (2) of this section.

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

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

15 Individual Income Tax Brackets and Rates

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

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

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

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

14 (6) (4) Whenever the tax brackets or tax rates are changed by the  
15 Legislature, the Tax Commissioner shall update the tax rate schedules to  
16 reflect the new tax brackets or tax rates and shall publish such updated  
17 schedules.

18 (7) (5) The Tax Commissioner shall prepare, from the rate schedules,  
19 tax tables which can be used by a majority of the taxpayers to determine  
20 their Nebraska tax liability. The design of the tax tables shall be  
21 determined by the Tax Commissioner. The size of the tax table brackets  
22 may change as the level of income changes. The difference in tax between  
23 two tax table brackets shall not exceed fifteen dollars. The Tax  
24 Commissioner may build the personal exemption credit and standard  
25 deduction amounts into the tax tables.

26 (8) (6) For taxable years beginning or deemed to begin on or after  
27 January 1, 2013, the tax rate applied to other federal taxes included in  
28 the computation of the Nebraska individual income tax shall be 29.6  
29 percent.

30 (9) (7) The Tax Commissioner may require by rule and regulation that  
31 all taxpayers shall use the tax tables if their income is less than the

1 maximum income included in the tax tables.

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

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

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

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

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

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

29 (d) There shall be added that portion of the total dividends and  
30 other income received from a regulated investment company which is  
31 attributable to obligations described in subdivision (c) of this

1 subsection and excluded for federal income tax purposes as reported to  
2 the recipient by the regulated investment company; and

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

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

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

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

31 (4) Federal adjusted gross income, or, for a fiduciary, federal

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

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

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

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

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

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

30 (7) Federal adjusted gross income shall be modified to exclude any  
31 amount repaid by the taxpayer for which a reduction in federal tax is



1 allowed under section 1341(a)(5) of the Internal Revenue Code.

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

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

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

1 thousand dollars for any other return.

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

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

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

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

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

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

1 section 77-2734.05.

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

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

30 (11)(a) For taxable years beginning or deemed to begin before  
31 January 1, 2018, under the Internal Revenue Code of 1986, as amended,

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

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

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

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

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

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

29 (b) For taxable years beginning or deemed to begin on or after  
30 January 1, 2020, under the Internal Revenue Code of 1986, as amended, the  
31 Tax Commissioner shall adjust the dollar amounts provided in subdivisions

1 (13)(a)(i) and (ii) of this section by the same percentage used to adjust  
2 individual income tax brackets under ~~subsection (3)~~ of section  
3 77-2715.03.

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

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

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

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

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

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

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

30 (b) It is the intent of the Legislature to enact legislation within  
31 five years after August 28, 2021, to increase the percentage of social

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

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

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

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

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

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

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

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

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

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

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

30 Sec. 5. Original section 77-2715.03, Reissue Revised Statutes of  
31 Nebraska, and section 77-2716, Revised Statutes Supplement, 2021, are

1 repealed.