

One Hundred Third Legislature - Second Session - 2014

Introducer's Statement of Intent

LB902

Chairperson: Senator Galen Hadley

Committee: Revenue

Date of Hearing: February 13, 2014

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 902 provides a tax credit for military retirees who earn non-retirement income in the state of Nebraska. Non-retirement income excludes investment income.

Specifically, one dollar of retirement income is excluded from state income tax for every one dollar of non-retirement income earned. A military retiree filing a joint return could exempt up to \$60,000 of military retirement income while a military retiree filing any other type of return could exempt up to \$30,000 of retirement income.

Under LB 902, this tax credit decreases by one dollar for every dollar that the taxpayer's federal adjusted gross income exceeds \$120,000 for retirees filing a joint return and \$60,000 for taxpayers filing any other type of return.

Principal Introducer: _____

Senator Sue Crawford