

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 832

Introduced by Cavanaugh, M., 6.

Read first time January 06, 2022

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend section
- 2 77-2715.03, Reissue Revised Statutes of Nebraska, and section
- 3 77-2716, Revised Statutes Supplement, 2021; to change individual
- 4 income tax brackets and rates as prescribed; to harmonize
- 5 provisions; and to repeal the original sections.
- 6 Be it enacted by the people of the State of Nebraska,

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

3 77-2715.03 (1) For taxable years beginning or deemed to begin on or
4 after January 1, 2013, and before January 1, 2014, the following brackets
5 and rates are hereby established for the Nebraska individual income tax:

6 Individual Income Tax Brackets and Rates

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

17 (2) For taxable years beginning or deemed to begin on or after
18 January 1, 2014, and before January 1, 2023, the following brackets and
19 rates are hereby established for the Nebraska individual income tax:

20 Individual Income Tax Brackets and Rates

21 Bracket	Single	Married,	Head of	Married,	Estates	Tax
22 Number	Individuals	Filing	Household	Filing	and	Rate
		Jointly		Separate	Trusts	
24 1	\$0-2,999	\$0-5,999	\$0-5,599	\$0-2,999	\$0-499	2.46%
25 2	\$3,000-	\$6,000-	\$5,600-	\$3,000-	\$500-	
26	17,999	35,999	28,799	17,999	4,699	3.51%
27 3	\$18,000-	\$36,000-	\$28,800-	\$18,000-	\$4,700-	
28	28,999	57,999	42,999	28,999	15,149	5.01%
29 4	\$29,000	\$58,000	\$43,000	\$29,000	\$15,150	
30	and Over	and Over	and Over	and Over	and Over	6.84%

1 (3)(a) For taxable years beginning or deemed to begin on or after
2 January 1, 2015, and before January 1, 2023, the minimum and maximum
3 dollar amounts for each income tax bracket provided in subsection (2) of
4 this section shall be adjusted for inflation by the percentage determined
5 under subdivision (3)(b) of this section. The rate applicable to any such
6 income tax bracket shall not be changed as part of any adjustment under
7 this subsection. The minimum and maximum dollar amounts for each income
8 tax bracket as adjusted shall be rounded to the nearest ten-dollar
9 amount. If the adjusted amount for any income tax bracket ends in a five,
10 it shall be rounded up to the nearest ten-dollar amount.

11 (b)(i) For taxable years beginning or deemed to begin on or after
12 January 1, 2015, and before January 1, 2018, the Tax Commissioner shall
13 adjust the income tax brackets in subsection (2) of this section by the
14 percentage determined pursuant to the provisions of section 1(f) of the
15 Internal Revenue Code of 1986, as it existed prior to December 22, 2017,
16 except that in section 1(f)(3)(B) of the code the year 2013 shall be
17 substituted for the year 1992. For 2015, the Tax Commissioner shall then
18 determine the percent change from the twelve months ending on August 31,
19 2013, to the twelve months ending on August 31, 2014, and in each
20 subsequent year, from the twelve months ending on August 31, 2013, to the
21 twelve months ending on August 31 of the year preceding the taxable year.
22 The Tax Commissioner shall prescribe new tax rate schedules that apply in
23 lieu of the schedules set forth in subsection (2) of this section.

24 (ii) For taxable years beginning or deemed to begin on or after
25 January 1, 2018, and before January 1, 2023, the Tax Commissioner shall
26 adjust the income tax brackets in subsection (2) of this section based on
27 the percentage change in the Consumer Price Index for All Urban Consumers
28 published by the federal Bureau of Labor Statistics from the twelve
29 months ending on August 31, 2016, to the twelve months ending on August
30 31 of the year preceding the taxable year. The Tax Commissioner shall
31 prescribe new tax rate schedules that apply in lieu of the schedules set

1 forth in subsection (2) of this section.

2 (4) For taxable years beginning or deemed to begin on or after
3 January 1, 2023, the following brackets and rates are hereby established
4 for the Nebraska individual income tax:

5 Individual Income Tax Brackets and Rates

6 <u>Bracket</u>	<u>Single</u>	<u>Married,</u>	<u>Head of</u>	<u>Married,</u>	<u>Estates</u>	<u>Tax</u>
7 <u>Number</u>	<u>Individuals</u>	<u>Filing</u>	<u>Household</u>	<u>Filing</u>	<u>and</u>	<u>Rate</u>
8		<u>Jointly</u>		<u>Separate</u>	<u>Trusts</u>	
9 <u>1</u>	<u>\$0-3,339</u>	<u>\$0-6,659</u>	<u>\$0-6,219</u>	<u>\$0-3,339</u>	<u>\$0-499</u>	<u>0.00%</u>
10 <u>2</u>	<u>\$3,340-</u>	<u>\$6,660-</u>	<u>\$6,220-</u>	<u>\$3,340-</u>	<u>\$500-</u>	
11	<u>32,209</u>	<u>64,429</u>	<u>47,759</u>	<u>32,209</u>	<u>15,149</u>	<u>3.51%</u>
12 <u>3</u>	<u>\$32,210-</u>	<u>\$64,430-</u>	<u>\$47,760-</u>	<u>\$32,210-</u>	<u>\$15,150-</u>	
13	<u>99,999</u>	<u>199,999</u>	<u>149,999</u>	<u>99,999</u>	<u>49,999</u>	<u>6.84%</u>
14 <u>4</u>	<u>\$100,000-</u>	<u>\$200,000-</u>	<u>\$150,000-</u>	<u>\$100,000-</u>	<u>\$50,000-</u>	
15	<u>999,999</u>	<u>1,999,999</u>	<u>1,499,999</u>	<u>999,999</u>	<u>499,999</u>	<u>7.75%</u>
16 <u>5</u>	<u>\$1,000,000</u>	<u>\$2,000,000</u>	<u>\$1,500,000</u>	<u>\$1,000,000</u>	<u>\$500,000</u>	
17	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>8.25%</u>

18 (5)(a) For taxable years beginning or deemed to begin on or after
19 January 1, 2024, the minimum and maximum dollar amounts for each income
20 tax bracket provided in subsection (4) of this section shall be adjusted
21 for inflation by the percentage determined under subdivision (5)(b) of
22 this section. The rate applicable to any such income tax bracket shall
23 not be changed as part of any adjustment under this subsection. The
24 minimum and maximum dollar amounts for each income tax bracket as
25 adjusted shall be rounded to the nearest ten-dollar amount. If the
26 adjusted amount for any income tax bracket ends in a five, it shall be
27 rounded up to the nearest ten-dollar amount.

28 (b) The Tax Commissioner shall adjust the income tax brackets in
29 subsection (4) of this section based on the percentage change in the
30 Consumer Price Index for All Urban Consumers published by the federal
31 Bureau of Labor Statistics from the twelve months ending on August 31,

1 2022, to the twelve months ending on August 31 of the year preceding the
2 taxable year. The Tax Commissioner shall prescribe new tax rate schedules
3 that apply in lieu of the schedules set forth in subsection (4) of this
4 section.

5 ~~(6) (4)~~ Whenever the tax brackets or tax rates are changed by the
6 Legislature, the Tax Commissioner shall update the tax rate schedules to
7 reflect the new tax brackets or tax rates and shall publish such updated
8 schedules.

9 ~~(7) (5)~~ The Tax Commissioner shall prepare, from the rate schedules,
10 tax tables which can be used by a majority of the taxpayers to determine
11 their Nebraska tax liability. The design of the tax tables shall be
12 determined by the Tax Commissioner. The size of the tax table brackets
13 may change as the level of income changes. The difference in tax between
14 two tax table brackets shall not exceed fifteen dollars. The Tax
15 Commissioner may build the personal exemption credit and standard
16 deduction amounts into the tax tables.

17 ~~(8) (6)~~ For taxable years beginning or deemed to begin on or after
18 January 1, 2013, the tax rate applied to other federal taxes included in
19 the computation of the Nebraska individual income tax shall be 29.6
20 percent.

21 ~~(9) (7)~~ The Tax Commissioner may require by rule and regulation that
22 all taxpayers shall use the tax tables if their income is less than the
23 maximum income included in the tax tables.

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

26 77-2716 (1) The following adjustments to federal adjusted gross
27 income or, for corporations and fiduciaries, federal taxable income shall
28 be made for interest or dividends received:

29 (a)(i) There shall be subtracted interest or dividends received by
30 the owner of obligations of the United States and its territories and
31 possessions or of any authority, commission, or instrumentality of the

1 United States to the extent includable in gross income for federal income
2 tax purposes but exempt from state income taxes under the laws of the
3 United States; and

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

8 (b) There shall be subtracted that portion of the total dividends
9 and other income received from a regulated investment company which is
10 attributable to obligations described in subdivision (a) of this
11 subsection as reported to the recipient by the regulated investment
12 company;

13 (c) There shall be added interest or dividends received by the owner
14 of obligations of the District of Columbia, other states of the United
15 States, or their political subdivisions, authorities, commissions, or
16 instrumentalities to the extent excluded in the computation of gross
17 income for federal income tax purposes except that such interest or
18 dividends shall not be added if received by a corporation which is a
19 regulated investment company;

20 (d) There shall be added that portion of the total dividends and
21 other income received from a regulated investment company which is
22 attributable to obligations described in subdivision (c) of this
23 subsection and excluded for federal income tax purposes as reported to
24 the recipient by the regulated investment company; and

25 (e)(i) Any amount subtracted under this subsection shall be reduced
26 by any interest on indebtedness incurred to carry the obligations or
27 securities described in this subsection or the investment in the
28 regulated investment company and by any expenses incurred in the
29 production of interest or dividend income described in this subsection to
30 the extent that such expenses, including amortizable bond premiums, are
31 deductible in determining federal taxable income.

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

4 (2) There shall be allowed a net operating loss derived from or
5 connected with Nebraska sources computed under rules and regulations
6 adopted and promulgated by the Tax Commissioner consistent, to the extent
7 possible under the Nebraska Revenue Act of 1967, with the laws of the
8 United States. For a resident individual, estate, or trust, the net
9 operating loss computed on the federal income tax return shall be
10 adjusted by the modifications contained in this section. For a
11 nonresident individual, estate, or trust or for a partial-year resident
12 individual, the net operating loss computed on the federal return shall
13 be adjusted by the modifications contained in this section and any
14 carryovers or carrybacks shall be limited to the portion of the loss
15 derived from or connected with Nebraska sources.

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

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

29 (5) There shall be subtracted from federal adjusted gross income or,
30 for corporations and fiduciaries, federal taxable income dividends
31 received or deemed to be received from corporations which are not subject

1 to the Internal Revenue Code.

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

9 (a) The amount of federal taxable income from operations within a
10 foreign taxing jurisdiction shall be reduced by the amount of taxes
11 actually paid to the foreign jurisdiction that are not deductible solely
12 because the foreign tax credit was elected on the federal income tax
13 return;

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

16 (c) The result of the calculation in subdivision (b) of this
17 subsection shall be subtracted from the amount of federal taxable income
18 used in subdivision (a) of this subsection. The result of such
19 calculation, if greater than zero, shall be subtracted from federal
20 taxable income.

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

24 (8)(a) Federal adjusted gross income or, for corporations and
25 fiduciaries, federal taxable income shall be reduced, to the extent
26 included, by income from interest, earnings, and state contributions
27 received from the Nebraska educational savings plan trust created in
28 sections 85-1801 to 85-1817 and any account established under the
29 achieving a better life experience program as provided in sections
30 77-1401 to 77-1409.

31 (b) Federal adjusted gross income or, for corporations and

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

16 (c) For taxable years beginning or deemed to begin on or after
17 January 1, 2021, under the Internal Revenue Code of 1986, as amended,
18 federal adjusted gross income shall be reduced, to the extent included in
19 the adjusted gross income of an individual, by the amount of any
20 contribution made by the individual's employer into an account under the
21 Nebraska educational savings plan trust owned by the individual, not to
22 exceed five thousand dollars per married filing separate return or ten
23 thousand dollars for any other return.

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

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

30 (ii) The amount of any withdrawals by the owner of an account
31 established under the achieving a better life experience program as

1 provided in sections 77-1401 to 77-1409 for nonqualified expenses to the
2 extent previously deducted under subdivision (8)(b) of this section.

3 (9)(a) For income tax returns filed after September 10, 2001, for
4 taxable years beginning or deemed to begin before January 1, 2006, under
5 the Internal Revenue Code of 1986, as amended, federal adjusted gross
6 income or, for corporations and fiduciaries, federal taxable income shall
7 be increased by eighty-five percent of any amount of any federal bonus
8 depreciation received under the federal Job Creation and Worker
9 Assistance Act of 2002 or the federal Jobs and Growth Tax Act of 2003,
10 under section 168(k) or section 1400L of the Internal Revenue Code of
11 1986, as amended, for assets placed in service after September 10, 2001,
12 and before December 31, 2005.

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

20 (c) For a corporation with a unitary business having activity both
21 inside and outside the state, the increase shall be apportioned to
22 Nebraska in the same manner as income is apportioned to the state by
23 section 77-2734.05.

24 (d) The amount of bonus depreciation added to federal adjusted gross
25 income or, for corporations and fiduciaries, federal taxable income by
26 this subsection shall be subtracted in a later taxable year. Twenty
27 percent of the total amount of bonus depreciation added back by this
28 subsection for tax years beginning or deemed to begin before January 1,
29 2003, under the Internal Revenue Code of 1986, as amended, may be
30 subtracted in the first taxable year beginning or deemed to begin on or
31 after January 1, 2005, under the Internal Revenue Code of 1986, as

1 amended, and twenty percent in each of the next four following taxable
2 years. Twenty percent of the total amount of bonus depreciation added
3 back by this subsection for tax years beginning or deemed to begin on or
4 after January 1, 2003, may be subtracted in the first taxable year
5 beginning or deemed to begin on or after January 1, 2006, under the
6 Internal Revenue Code of 1986, as amended, and twenty percent in each of
7 the next four following taxable years.

8 (10) For taxable years beginning or deemed to begin on or after
9 January 1, 2003, and before January 1, 2006, under the Internal Revenue
10 Code of 1986, as amended, federal adjusted gross income or, for
11 corporations and fiduciaries, federal taxable income shall be increased
12 by the amount of any capital investment that is expensed under section
13 179 of the Internal Revenue Code of 1986, as amended, that is in excess
14 of twenty-five thousand dollars that is allowed under the federal Jobs
15 and Growth Tax Act of 2003. Twenty percent of the total amount of
16 expensing added back by this subsection for tax years beginning or deemed
17 to begin on or after January 1, 2003, may be subtracted in the first
18 taxable year beginning or deemed to begin on or after January 1, 2006,
19 under the Internal Revenue Code of 1986, as amended, and twenty percent
20 in each of the next four following tax years.

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

29 (b) For taxable years beginning or deemed to begin before January 1,
30 2018, under the Internal Revenue Code of 1986, as amended, federal
31 adjusted gross income shall be increased by the withdrawals made as a

1 participant in the Nebraska long-term care savings plan under the act by
2 a person who is not a qualified individual or for any reason other than
3 transfer of funds to a spouse, long-term care expenses, long-term care
4 insurance premiums, or death of the participant, including withdrawals
5 made by reason of cancellation of the participation agreement, to the
6 extent previously deducted as a contribution or as investment earnings.

7 (12) There shall be added to federal adjusted gross income for
8 individuals, estates, and trusts any amount taken as a credit for
9 franchise tax paid by a financial institution under sections 77-3801 to
10 77-3807 as allowed by subsection (5) of section 77-2715.07.

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

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

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

20 (b) For taxable years beginning or deemed to begin on or after
21 January 1, 2020, under the Internal Revenue Code of 1986, as amended, the
22 Tax Commissioner shall adjust the dollar amounts provided in subdivisions
23 (13)(a)(i) and (ii) of this section by the same percentage used to adjust
24 individual income tax brackets under ~~subsection (3)~~ of section
25 77-2715.03.

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, a
28 taxpayer may claim the reduction to federal adjusted gross income allowed
29 under this subsection or the reduction to federal adjusted gross income
30 allowed under subsection (14) of this section, whichever provides the
31 greater reduction.

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

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

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

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

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

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

21 (b) It is the intent of the Legislature to enact legislation within
22 five years after August 28, 2021, to increase the percentage of social
23 security benefits that are excluded under this subsection to (i) sixty
24 percent for taxable years beginning or deemed to begin on or after
25 January 1, 2026, and before January 1, 2027, under the Internal Revenue
26 Code of 1986, as amended, (ii) seventy percent for taxable years
27 beginning or deemed to begin on or after January 1, 2027, and before
28 January 1, 2028, under the Internal Revenue Code of 1986, as amended,
29 (iii) eighty percent for taxable years beginning or deemed to begin on or
30 after January 1, 2028, and before January 1, 2029, under the Internal
31 Revenue Code of 1986, as amended, (iv) ninety percent for taxable years

1 beginning or deemed to begin on or after January 1, 2029, and before
2 January 1, 2030, under the Internal Revenue Code of 1986, as amended, and
3 (v) one hundred percent for taxable years beginning or deemed to begin on
4 or after January 1, 2030, under the Internal Revenue Code of 1986, as
5 amended.

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

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

14 (15)(a) For taxable years beginning or deemed to begin on or after
15 January 1, 2015, and before January 1, 2022, under the Internal Revenue
16 Code of 1986, as amended, an individual may make a one-time election
17 within two calendar years after the date of his or her retirement from
18 the military to exclude income received as a military retirement benefit
19 by the individual to the extent included in federal adjusted gross income
20 and as provided in this subdivision. The individual may elect to exclude
21 forty percent of his or her military retirement benefit income for seven
22 consecutive taxable years beginning with the year in which the election
23 is made or may elect to exclude fifteen percent of his or her military
24 retirement benefit income for all taxable years beginning with the year
25 in which he or she turns sixty-seven years of age.

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

31 (c) For purposes of this subsection, military retirement benefit

1 means retirement benefits that are periodic payments attributable to
2 service in the uniformed services of the United States for personal
3 services performed by an individual prior to his or her retirement. The
4 term includes retirement benefits described in this subdivision that are
5 reported to the individual on either:

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

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

10 (16) 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 the amount received as
13 a Segal AmeriCorps Education Award, to the extent such amount is included
14 in federal adjusted gross income.

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

21 Sec. 3. Original section 77-2715.03, Reissue Revised Statutes of
22 Nebraska, and section 77-2716, Revised Statutes Supplement, 2021, are
23 repealed.