

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1158

Introduced by Bostar, 29.

Read first time January 11, 2024

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend section
- 2 77-2716, Revised Statutes Supplement, 2023; to adopt the Medical
- 3 Debt Relief Act; to provide certain income tax consequences; and to
- 4 repeal the original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 7 of this act shall be known and may be
2 cited as the Medical Debt Relief Act.

3 Sec. 2. For purposes of the Medical Debt Relief Act:

4 (1) Bad debt expense means the cost of care for which a health care
5 provider expected payment from the patient or a third-party payor, but
6 which the health care provider subsequently determines to be
7 uncollectible;

8 (2) Eligible resident means an individual eligible for relief who:

9 (a) Is a resident of the State of Nebraska; and

10 (b) Has a household income at or below four hundred percent of the
11 federal poverty guidelines or has medical debt equal to five percent or
12 more of the individual's household income;

13 (3) Health care provider means:

14 (a) A facility licensed under the Health Care Facility Licensure
15 Act; and

16 (b) A health care professional licensed under the Uniform
17 Credentialing Act;

18 (4) Medical debt means an obligation to pay money arising from the
19 receipt of health care services;

20 (5) Medical debt relief means the discharge of a patient's medical
21 debt;

22 (6) Medical debt relief coordinator means a person, company,
23 partnership, or other entity that is able to discharge medical debt of an
24 eligible resident in a manner that does not result in taxable income for
25 the eligible resident; and

26 (7) Program means the Medical Debt Relief Program established in
27 section 3 of this act.

28 Sec. 3. (1) The Medical Debt Relief Program is established for the
29 purpose of discharging medical debt of eligible residents by contracting
30 with a medical debt relief coordinator as described in subsection (3) of
31 this section. The State Treasurer shall administer the program.

1 (2) Money appropriated to the State Treasurer or otherwise
2 contributed for the program shall be used exclusively for the program,
3 including contracting with a medical debt relief coordinator and
4 providing money to be used by the medical debt relief coordinator to
5 discharge medical debt of eligible residents. Money used in contracting
6 with a medical debt relief coordinator may also be used for the payment
7 of services provided by the medical debt relief coordinator to discharge
8 medical debt of eligible residents based on a budget approved by the
9 State Treasurer.

10 (3)(a) The State Treasurer shall enter into a contract with a
11 medical debt relief coordinator to purchase and discharge medical debt
12 owed by eligible residents with money allocated for the program.

13 (b) The State Treasurer shall implement a competitive bidding
14 process to determine which medical debt relief coordinator to use, unless
15 the State Treasurer determines that only a single medical debt relief
16 coordinator has the capacity and willingness to carry out the duties
17 specified in the Medical Debt Relief Act.

18 (c) In contracting with the State Treasurer, a medical debt relief
19 coordinator shall adhere to the following:

20 (i) The medical debt relief coordinator shall review the medical
21 debt accounts of each health care provider willing to donate or sell
22 medical debt accounts in this state;

23 (ii) The medical debt relief coordinator may negotiate for and elect
24 to buy the dischargeable medical debt from a health care provider that
25 identifies the accounts described in subdivision (3)(c)(i) of this
26 section as a bad debt expense and agrees to sell the debt for less than
27 the original value;

28 (iii) After the purchase and discharge of medical debt from a health
29 care provider, the medical debt relief coordinator shall notify all
30 eligible residents whose medical debt has been discharged under the
31 program, in a manner approved by the State Treasurer, that they no longer

1 have specified medical debt owed to the relevant health care provider;

2 (iv) A medical debt relief coordinator shall make its best efforts
3 to ensure parity and equity in the purchasing and discharging of medical
4 debt to ensure that all eligible residents have an equal opportunity of
5 receiving medical debt relief regardless of their geographical location
6 or their race, color, religion, sex, disability, age, or national origin;

7 (v) A medical debt relief coordinator shall report to the State
8 Treasurer summary statistics regarding eligible residents whose medical
9 debt has been discharged; and

10 (vi) A medical debt relief coordinator may not attempt to seek
11 payment from an eligible resident for medical debt purchased by the
12 medical debt relief coordinator.

13 (d) A medical debt relief coordinator shall continue to fulfill its
14 contractual obligations to the State Treasurer until all money contracted
15 to the medical debt relief coordinator is exhausted, regardless of
16 whether money allocated to the program has been exhausted.

17 (e) If a medical debt relief coordinator attempts to seek payment
18 from an eligible resident for medical debt purchased by the medical debt
19 relief coordinator or fails to carry out the responsibilities described
20 in its contract with the State Treasurer, the medical debt relief
21 coordinator shall be considered in breach of contract and the contract
22 provisions that apply in the case of a breach of contract shall apply.

23 (f) Health care providers that are willing to sell medical debt to
24 the medical debt relief coordinator shall provide necessary information
25 to, and otherwise coordinate with, the medical debt relief coordinator as
26 needed to carry out the purposes of the Medical Debt Relief Act.

27 Sec. 4. (1) On or before October 1, 2025, and on or before October
28 1 of each year thereafter for as long as medical debt relief coordinators
29 are fulfilling their contractual obligations under the Medical Debt
30 Relief Act, the State Treasurer shall submit an annual report regarding
31 the program in accordance with this section.

1 (2) Each report under this section shall contain the following
2 information for the most recently completed fiscal year:

3 (a) The amount of medical debt purchased and discharged under the
4 program;

5 (b) The number of eligible residents who received medical debt
6 relief under the program;

7 (c) The characteristics of such eligible residents as described in
8 subdivision (3)(c)(iv) of section 3 of this act;

9 (d) The number of such eligible residents whose income was
10 calculated at one hundred percent, one hundred fifty percent, and two
11 hundred percent of the federal poverty guidelines;

12 (e) The number and characteristics of the health care providers from
13 whom medical debt was purchased and discharged;

14 (f) The number and characteristics of the medical debt relief
15 coordinators contracted with for the purposes of purchasing and
16 discharging medical debt; and

17 (g) The number of private individuals and private entities that made
18 a contribution to the Medical Debt Relief Fund and the total amount of
19 such contributions.

20 (3) Each report under this section shall be submitted electronically
21 to the Governor and the Clerk of the Legislature.

22 Sec. 5. (1) The amount of interest and principal balance of medical
23 debt discharged under the program shall not be considered income for
24 income tax purposes as provided in section 77-2716.

25 (2) Contributions to the Medical Debt Relief Fund made by any
26 private individual or private entity shall be tax deductible for income
27 tax purposes as provided in section 77-2716.

28 Sec. 6. The Medical Debt Relief Fund is created. The fund shall be
29 administered by the State Treasurer and shall be used to carry out the
30 Medical Debt Relief Act. The fund shall consist of money transferred to
31 the fund by the Legislature and money donated as gifts, bequests, or

1 other contributions from public or private entities. Any money in the
2 fund available for investment shall be invested by the state investment
3 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
4 State Funds Investment Act.

5 Sec. 7. The State Treasurer may adopt and promulgate rules and
6 regulations to carry out the Medical Debt Relief Act.

7 Sec. 8. Section 77-2716, Revised Statutes Supplement, 2023, is
8 amended to read:

9 77-2716 (1) The following adjustments to federal adjusted gross
10 income or, for corporations and fiduciaries, federal taxable income shall
11 be made for interest or dividends received:

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

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

22 (b) There shall be subtracted that portion of the total dividends
23 and other income received from a regulated investment company which is
24 attributable to obligations described in subdivision (a) of this
25 subsection as reported to the recipient by the regulated investment
26 company;

27 (c) There shall be added interest or dividends received by the owner
28 of obligations of the District of Columbia, other states of the United
29 States, or their political subdivisions, authorities, commissions, or
30 instrumentalities to the extent excluded in the computation of gross
31 income for federal income tax purposes except that such interest or

1 dividends shall not be added if received by a corporation which is a
2 regulated investment company;

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

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

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

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

30 (3) There shall be subtracted from federal adjusted gross income for
31 all taxable years beginning on or after January 1, 1987, the amount of

1 any state income tax refund to the extent such refund was deducted under
2 the Internal Revenue Code, was not allowed in the computation of the tax
3 due under the Nebraska Revenue Act of 1967, and is included in federal
4 adjusted gross income.

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

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

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

23 (a) The amount of federal taxable income from operations within a
24 foreign taxing jurisdiction shall be reduced by the amount of taxes
25 actually paid to the foreign jurisdiction that are not deductible solely
26 because the foreign tax credit was elected on the federal income tax
27 return;

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

30 (c) The result of the calculation in subdivision (b) of this
31 subsection shall be subtracted from the amount of federal taxable income

1 used in subdivision (a) of this subsection. The result of such
2 calculation, if greater than zero, shall be subtracted from federal
3 taxable income.

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

7 (8)(a) Federal adjusted gross income or, for corporations and
8 fiduciaries, federal taxable income shall be reduced, to the extent
9 included, by income from interest, earnings, and state contributions
10 received from the Nebraska educational savings plan trust created in
11 sections 85-1801 to 85-1817 and any account established under the
12 achieving a better life experience program as provided in sections
13 77-1401 to 77-1409.

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

30 (c) For taxable years beginning or deemed to begin on or after
31 January 1, 2021, under the Internal Revenue Code of 1986, as amended,

1 federal adjusted gross income shall be reduced, to the extent included in
2 the adjusted gross income of an individual, by the amount of any
3 contribution made by the individual's employer into an account under the
4 Nebraska educational savings plan trust owned by the individual, not to
5 exceed five thousand dollars per married filing separate return or ten
6 thousand dollars for any other return.

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

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

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

17 (9)(a) For income tax returns filed after September 10, 2001, for
18 taxable years beginning or deemed to begin before January 1, 2006, under
19 the Internal Revenue Code of 1986, as amended, federal adjusted gross
20 income or, for corporations and fiduciaries, federal taxable income shall
21 be increased by eighty-five percent of any amount of any federal bonus
22 depreciation received under the federal Job Creation and Worker
23 Assistance Act of 2002 or the federal Jobs and Growth Tax Act of 2003,
24 under section 168(k) or section 1400L of the Internal Revenue Code of
25 1986, as amended, for assets placed in service after September 10, 2001,
26 and before December 31, 2005.

27 (b) For a partnership, limited liability company, cooperative,
28 including any cooperative exempt from income taxes under section 521 of
29 the Internal Revenue Code of 1986, as amended, limited cooperative
30 association, subchapter S corporation, or joint venture, the increase
31 shall be distributed to the partners, members, shareholders, patrons, or

1 beneficiaries in the same manner as income is distributed for use against
2 their income tax liabilities.

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

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

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

1 taxable year beginning or deemed to begin on or after January 1, 2006,
2 under the Internal Revenue Code of 1986, as amended, and twenty percent
3 in each of the next four following tax years.

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

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

21 (12) There shall be added to federal adjusted gross income for
22 individuals, estates, and trusts any amount taken as a credit for
23 franchise tax paid by a financial institution under sections 77-3801 to
24 77-3807 as allowed by subsection (5) of section 77-2715.07.

25 (13)(a) For taxable years beginning or deemed to begin on or after
26 January 1, 2015, and before January 1, 2024, under the Internal Revenue
27 Code of 1986, as amended, federal adjusted gross income shall be reduced
28 by the amount received as benefits under the federal Social Security Act
29 which are included in the federal adjusted gross income if:

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

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

3 (b) For taxable years beginning or deemed to begin on or after
4 January 1, 2020, and before January 1, 2024, under the Internal Revenue
5 Code of 1986, as amended, the Tax Commissioner shall adjust the dollar
6 amounts provided in subdivisions (13)(a)(i) and (ii) of this section by
7 the same percentage used to adjust individual income tax brackets under
8 subsection (3) of section 77-2715.03.

9 (c) For taxable years beginning or deemed to begin on or after
10 January 1, 2021, and before January 1, 2024, under the Internal Revenue
11 Code of 1986, as amended, a taxpayer may claim the reduction to federal
12 adjusted gross income allowed under this subsection or the reduction to
13 federal adjusted gross income allowed under subsection (14) of this
14 section, whichever provides the greater reduction.

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

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

23 (ii) Forty percent for taxable years beginning or deemed to begin on
24 or after January 1, 2022, and before January 1, 2023, under the Internal
25 Revenue Code of 1986, as amended;

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

29 (iv) One hundred percent for taxable years beginning or deemed to
30 begin on or after January 1, 2024, under the Internal Revenue Code of
31 1986, as amended.

1 (b) For purposes of this subsection, social security benefits means
2 benefits received under the federal Social Security Act.

3 (c) For taxable years beginning or deemed to begin on or after
4 January 1, 2021, and before January 1, 2024, under the Internal Revenue
5 Code of 1986, as amended, a taxpayer may claim the reduction to federal
6 adjusted gross income allowed under this subsection or the reduction to
7 federal adjusted gross income allowed under subsection (13) of this
8 section, whichever provides the greater reduction.

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

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

26 (c) For purposes of this subsection, military retirement benefit
27 means retirement benefits that are periodic payments attributable to
28 service in the uniformed services of the United States for personal
29 services performed by an individual prior to his or her retirement. The
30 term includes retirement benefits described in this subdivision that are
31 reported to the individual on either:

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

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

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

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

16 (18) There shall be subtracted from the federal adjusted gross
17 income of individuals any amount received by the individual as student
18 loan repayment assistance under the Teach in Nebraska Today Act, to the
19 extent such amount is included in federal adjusted gross income.

20 (19) For taxable years beginning or deemed to begin on or after
21 January 1, 2023, under the Internal Revenue Code of 1986, as amended, a
22 retired individual who was employed full time as a firefighter or
23 certified law enforcement officer for at least twenty years and who is at
24 least sixty years of age as of the end of the taxable year may reduce his
25 or her federal adjusted gross income by the amount of health insurance
26 premiums paid by such individual during the taxable year, to the extent
27 such premiums were not already deducted in determining the individual's
28 federal adjusted gross income.

29 (20) For taxable years beginning or deemed to begin on or after
30 January 1, 2024, under the Internal Revenue Code of 1986, as amended, an
31 individual may reduce his or her federal adjusted gross income by the

1 amounts received as annuities under the Federal Employees Retirement
2 System or the Civil Service Retirement System which were earned for being
3 employed by the federal government, to the extent such amounts are
4 included in federal adjusted gross income.

5 (21)(a) For taxable years beginning or deemed to begin on or after
6 January 1, 2024, under the Internal Revenue Code of 1986, as amended, an
7 individual may reduce his or her federal adjusted gross income by the
8 amount of interest and principal balance of medical debt discharged under
9 the Medical Debt Relief Act, to the extent included in such individual's
10 federal adjusted gross income.

11 (b) For taxable years beginning or deemed to begin on or after
12 January 1, 2024, under the Internal Revenue Code of 1986, as amended,
13 federal adjusted gross income or, for corporations and fiduciaries,
14 federal taxable income shall be reduced by the amount of contributions
15 made to the Medical Debt Relief Fund, to the extent not deducted for
16 federal income tax purposes.

17 Sec. 9. Original section 77-2716, Revised Statutes Supplement,
18 2023, is repealed.