

One Hundred Third Legislature - First Session - 2013

Introducer's Statement of Intent

LB238

Chairperson: Senator Galen Hadley

Committee: Revenue

Date of Hearing: January 30, 2013

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

LB 238 provides that for a retiree filing a single return could exempt from state income tax up to \$30,000 of the federal adjusted gross income that comes from retirement benefits or \$60,000 for a married couple filing jointly.

Eligible retirees must earn other income in the state of Nebraska to receive this exemption. Specifically, one dollar of retirement income would be excluded for every one dollar of non-retirement income earned. Non-retirement income excludes investment income. Retirement income includes Social Security benefits, public pension benefits, military retirement benefits and other qualified retirement income under the Internal Revenue Code.

Under LB 238, this benefit will decrease by one dollar for every one dollar that the taxpayer's federal adjusted gross income exceeds \$60,000 for taxpayers filing a single return. For married taxpayers filing a joint return, this benefit will decrease by one dollar for every one dollar that the taxpayer's income exceeds \$120,000.

Principal Introducer: _____

Senator Sue Crawford