



Ninety-Ninth Legislature - First Session - 2005
Committee Statement
LB 478

Hearing Date: February 23, 2005

Committee On: Revenue

Introducer(s): (Cornett, Aguilar, Baker, Brown, Byars, Combs, Connealy, Erdman, Flood, Foley, Friend, Janssen, Jensen, Johnson, Kopplin, Kruse, Pahls, Smith, Synowiecki, Thompson, Dw. Pedersen)

Title: Exclude military retirement benefits from income tax

Roll Call Vote – Final Committee Action:

- Advanced to General File
 - X Advanced to General File with Amendments
 - Indefinitely Postponed
-

Vote Results:

8	Yes	Senators Baker, Connealy, Cornett, Janssen, Landis, Preister, Raikes and Redfield
0	No	
0	Present, not voting	
0	Absent	

Proponents:

Senator Abbie Cornett
Anthony DeCarlo
Michelle Pridell
Jim Mueller
Dave Everhart
Rene Dreiling

Paul Cohen
Ned Holmes
John Yochum

Daryl Bohac

Bruce Bohrer
Mayor Jerry Ryan

Opponents:

None

Representing:

Introducer
Himself
Bellevue Chamber of Commerce
Lockheed Martin Corporation
McCallie Associates
Military Officers Association of America,
Heartland of America Chapter
Nebraska Military Coalition
Greater Omaha Chamber of Commerce
NE Economic Developers Association and
Sarpy County Economic Development Corp.
National Guard Association of Nebraska and
Enlisted Association of NE National Guard
Lincoln Chamber of Commerce
City of Bellevue

Representing:

Neutral:

None

Representing:

Summary of purpose and/or changes:

LB 478 would amend section 77-2716 to exclude a percentage of military retirement benefits as an adjustment to federal adjusted gross income for taxable years beginning or deemed to begin on or after January 1, 2005. The percentage of military retirement excluded for state income tax purposes would be: 50 percent for tax year 2005, 60 percent in 2006, 70 percent in 2007, 80 percent in 2008, 90 percent in 2009, and 100 percent in 2010 and thereafter.

Explanation of amendments, if any:

The Committee amendments would strike the percentage exclusions and provide that the military pension be exempt only to the extent the recipient has earned income from a security-qualified defense contractor in excess of \$40,000 annually. As amended, the bill would exempt \$1 of such pension income for every \$2 of such wage income earned that is in excess of \$40,000.

Senator David Landis, Chairperson