AMENDMENTS TO LB939

(Amendments to AM1870)

Introduced by Cavanaugh, J., 9.

1. Strike amendments 1 and 2 and insert the following new amendment:

1. Strike the original sections and all amendments thereto and insert the following new sections:

   Section 1. It is the intent of the Legislature to appropriate four hundred million dollars from the General Fund for fiscal year 2022-23 to the Department of Revenue for distribution as provided in section 2 of this act.

   Sec. 2. (1) The Department of Revenue shall distribute the funds appropriated pursuant to section 1 of this act directly to residents of Nebraska as provided in this section. The distribution shall be in the form of a prepaid debit card in an amount which equals four hundred million dollars, less the cost of the prepaid debit cards, program costs, and administrative costs, divided by the number of residents of Nebraska on July 1, 2022.

   (2)(a) The department shall mail the prepaid debit card to the address of each resident who has an address on record with the department as of July 1, 2022, and shall provide a method of application for each resident as of July 1, 2022, who does not have an address on record with the department or does not receive a card. The department may require evidence of residency in Nebraska as of July 1, 2022, as needed to carry out this section.

   (b) For dependents as determined by the department, the prepaid debit card shall be sent to the head of household for use by the head of household.

   (3) The department shall design the prepaid debit card so that it (a) may only be used at a business located in Nebraska, (b) is activated...
by telephone, and (c) must be used within twelve months after the date
the card is activated.

(4) The prepaid debit card shall not be accessible at an automated
teller machine, shall not be eligible for cash back at a point-of-sale
system, and shall not be used to make any purchase associated with
gambling or any lottery.

(5) The department shall contract with a prepaid debit card vendor
to facilitate the distribution of the prepaid debit cards to Nebraska
residents. Before awarding a contract to a prepaid debit card vendor, the
department shall consider at least two vendors in the State of Nebraska
for the procurement.

Sec. 3. Section 77-2715.03, Reissue Revised Statutes of Nebraska, is
amended to read:

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

<table>
<thead>
<tr>
<th>Bracket Number</th>
<th>Single</th>
<th>Married, Head of Household</th>
<th>Married, Separate</th>
<th>Estates</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$0-2,399</td>
<td>$0-4,799</td>
<td>$0-4,499</td>
<td>$0-2,399</td>
<td>$0-499</td>
</tr>
<tr>
<td>2</td>
<td>$2,400-</td>
<td>$4,800-</td>
<td>$4,500-</td>
<td>$2,400-</td>
<td>$500-</td>
</tr>
<tr>
<td>3</td>
<td>17,499</td>
<td>34,999</td>
<td>27,999</td>
<td>17,499</td>
<td>4,699</td>
</tr>
<tr>
<td>4</td>
<td>$17,500-</td>
<td>$35,000-</td>
<td>$28,000-</td>
<td>$17,500-</td>
<td>$4,700-</td>
</tr>
<tr>
<td>5</td>
<td>26,999</td>
<td>53,999</td>
<td>39,999</td>
<td>26,999</td>
<td>15,149</td>
</tr>
<tr>
<td>6</td>
<td>$27,000</td>
<td>$54,000</td>
<td>$40,000</td>
<td>$27,000</td>
<td>$15,150</td>
</tr>
<tr>
<td>7</td>
<td>and Over</td>
<td>and Over</td>
<td>and Over</td>
<td>and Over</td>
<td>and Over</td>
</tr>
</tbody>
</table>

(2) For taxable years beginning or deemed to begin on or after
January 1, 2014, and before January 1, 2024, the following brackets and
rates are hereby established for the Nebraska individual income tax:
<table>
<thead>
<tr>
<th>Bracket</th>
<th>Single Number</th>
<th>Married, Individuals Filing</th>
<th>Head of Household Filing</th>
<th>Married, Estates Filing and</th>
<th>Estates Trusts</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$0-2,999</td>
<td>$0-5,999</td>
<td>$0-5,599</td>
<td>$0-2,999</td>
<td>$0-499</td>
<td>2.46%</td>
</tr>
<tr>
<td>2</td>
<td>$3,000-</td>
<td>$6,000-</td>
<td>$5,600-</td>
<td>$3,000-</td>
<td>$500-</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>17,999</td>
<td>35,999</td>
<td>28,799</td>
<td>17,999</td>
<td>4,699</td>
<td>3.51%</td>
</tr>
<tr>
<td>4</td>
<td>$18,000-</td>
<td>$36,000-</td>
<td>$28,800-</td>
<td>$18,000-</td>
<td>$4,700-</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>28,999</td>
<td>57,999</td>
<td>42,999</td>
<td>28,999</td>
<td>15,149</td>
<td>5.01%</td>
</tr>
<tr>
<td>6</td>
<td>$29,000</td>
<td>$58,000</td>
<td>$43,000</td>
<td>$29,000</td>
<td>$15,150</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>4 and Over</td>
<td>and Over</td>
<td>and Over</td>
<td>and Over</td>
<td>and Over</td>
<td>6.84%</td>
</tr>
</tbody>
</table>

(3)(a) For taxable years beginning or deemed to begin on or after January 1, 2015, and before January 1, 2024, the minimum and maximum dollar amounts for each income tax bracket provided in subsection (2) of this section shall be adjusted for inflation by the percentage determined under subdivision (3)(b) of this section. The rate applicable to any such income tax bracket shall not be changed as part of any adjustment under this subsection. The minimum and maximum dollar amounts for each income tax bracket as adjusted shall be rounded to the nearest ten-dollar amount. If the adjusted amount for any income tax bracket ends in a five, it shall be rounded up to the nearest ten-dollar amount.

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

(ii) For taxable years beginning or deemed to begin on or after January 1, 2018, and before January 1, 2024, the Tax Commissioner shall adjust the income tax brackets in subsection (2) of this section based on the percentage change in the Consumer Price Index for All Urban Consumers published by the federal Bureau of Labor Statistics from the twelve months ending on August 31, 2016, to the twelve months ending on August 31 of the year preceding the taxable year. The Tax Commissioner shall prescribe new tax rate schedules that apply in lieu of the schedules set forth in subsection (2) of this section.

(4) For taxable years beginning or deemed to begin on or after January 1, 2024, the following brackets and rates are hereby established for the Nebraska individual income tax:

**Individual Income Tax Brackets and Rates**

<table>
<thead>
<tr>
<th>Bracket Number</th>
<th>Single Income Number</th>
<th>Married, Jointly Filing</th>
<th>Married, Separately Filing</th>
<th>Head of Household Filing</th>
<th>Estates Trusts</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$0-3,439</td>
<td>$0-6,859</td>
<td>$0-6,409</td>
<td>$0-3,439</td>
<td>$0-499</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.46%</td>
</tr>
<tr>
<td>2</td>
<td>$3,440-</td>
<td>$6,860-</td>
<td>$6,410-</td>
<td>$3,440-</td>
<td>$500-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.51%</td>
</tr>
<tr>
<td>3</td>
<td>$20,589-</td>
<td>41,189</td>
<td>32,949</td>
<td>20,589</td>
<td>4,699</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.01%</td>
</tr>
<tr>
<td>4</td>
<td>$33,179</td>
<td>66,359</td>
<td>49,199</td>
<td>33,179</td>
<td>15,149</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.01%</td>
</tr>
<tr>
<td>5</td>
<td>$33,180</td>
<td>66,360</td>
<td>49,200</td>
<td>33,180</td>
<td>15,150</td>
</tr>
<tr>
<td>and Over</td>
<td></td>
<td>and Over</td>
<td>and Over</td>
<td>and Over</td>
<td>6.84%</td>
</tr>
</tbody>
</table>

(5)(a) For taxable years beginning or deemed to begin on or after January 1, 2025, the minimum and maximum dollar amounts for each income tax bracket provided in subsection (4) of this section shall be adjusted
for inflation by the percentage determined under subdivision (5)(b) of this section. The rate applicable to any such income tax bracket shall not be changed as part of any adjustment under this subsection. The minimum and maximum dollar amounts for each income tax bracket as adjusted shall be rounded to the nearest ten-dollar amount. If the adjusted amount for any income tax bracket ends in a five, it shall be rounded up to the nearest ten-dollar amount.

(b) The Tax Commissioner shall adjust the income tax brackets in subsection (4) of this section based on the percentage change in the Consumer Price Index for All Urban Consumers published by the federal Bureau of Labor Statistics from the twelve months ending on August 31, 2023, to the twelve months ending on August 31 of the year preceding the taxable year. The Tax Commissioner shall prescribe new tax rate schedules that apply in lieu of the schedules set forth in subsection (4) of this section.

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

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

(8) For taxable years beginning or deemed to begin on or after January 1, 2013, the tax rate applied to other federal taxes included in the computation of the Nebraska individual income tax shall be 29.6 percent.
The Tax Commissioner may require by rule and regulation that all taxpayers shall use the tax tables if their income is less than the maximum income included in the tax tables.

Sec. 4. Section 77-2716, Revised Statutes Supplement, 2021, is amended to read:

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

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

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

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

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

(d) There shall be added that portion of the total dividends and
other income received from a regulated investment company which is
attributable to obligations described in subdivision (c) of this
subsection and excluded for federal income tax purposes as reported to
the recipient by the regulated investment company; and
(e)(i) Any amount subtracted under this subsection shall be reduced
by any interest on indebtedness incurred to carry the obligations or
securities described in this subsection or the investment in the
regulated investment company and by any expenses incurred in the
production of interest or dividend income described in this subsection to
the extent that such expenses, including amortizable bond premiums, are
deductible in determining federal taxable income.
(ii) Any amount added under this subsection shall be reduced by any
expenses incurred in the production of such income to the extent
disallowed in the computation of federal taxable income.
(2) There shall be allowed a net operating loss derived from or
connected with Nebraska sources computed under rules and regulations
adopted and promulgated by the Tax Commissioner consistent, to the extent
possible under the Nebraska Revenue Act of 1967, with the laws of the
United States. For a resident individual, estate, or trust, the net
operating loss computed on the federal income tax return shall be
adjusted by the modifications contained in this section. For a
nonresident individual, estate, or trust or for a partial-year resident
individual, the net operating loss computed on the federal return shall
be adjusted by the modifications contained in this section and any
carryovers or carrybacks shall be limited to the portion of the loss
derived from or connected with Nebraska sources.
(3) There shall be subtracted from federal adjusted gross income for
all taxable years beginning on or after January 1, 1987, the amount of
any state income tax refund to the extent such refund was deducted under
the Internal Revenue Code, was not allowed in the computation of the tax
due under the Nebraska Revenue Act of 1967, and is included in federal
adjusted gross income.

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

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

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

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

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

(c) The result of the calculation in subdivision (b) of this subsection shall be subtracted from the amount of federal taxable income used in subdivision (a) of this subsection. The result of such calculation, if greater than zero, shall be subtracted from federal taxable income.
(7) Federal adjusted gross income shall be modified to exclude any amount repaid by the taxpayer for which a reduction in federal tax is allowed under section 1341(a)(5) of the Internal Revenue Code.

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

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

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

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

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

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

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

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

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

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

(10) For taxable years beginning or deemed to begin on or after January 1, 2003, and before January 1, 2006, under the Internal Revenue Code of 1986, as amended, federal adjusted gross income or, for corporations and fiduciaries, federal taxable income shall be increased by the amount of any capital investment that is expensed under section 179 of the Internal Revenue Code of 1986, as amended, that is in excess of twenty-five thousand dollars that is allowed under the federal Jobs and Growth Tax Act of 2003. Twenty percent of the total amount of expensing added back by this subsection for tax years beginning or deemed to begin on or after January 1, 2003, may be subtracted in the first taxable year beginning or deemed to begin on or after January 1, 2006, under the Internal Revenue Code of 1986, as amended, and twenty percent in each of the next four following tax years.
(11)(a) For taxable years beginning or deemed to begin before January 1, 2018, under the Internal Revenue Code of 1986, as amended, federal adjusted gross income shall be reduced by contributions, up to two thousand dollars per married filing jointly return or one thousand dollars for any other return, and any investment earnings made as a participant in the Nebraska long-term care savings plan under the Long-Term Care Savings Plan Act, to the extent not deducted for federal income tax purposes.

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

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

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

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

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

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

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

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

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

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

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

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

(v) Fifty percent for taxable years beginning or deemed to begin on or after January 1, 2025, under the Internal Revenue Code of 1986, as amended.
(b) It is the intent of the Legislature to enact legislation within five years after August 28, 2021, to increase the percentage of social security benefits that are excluded under this subsection to (i) sixty percent for taxable years beginning or deemed to begin on or after January 1, 2026, and before January 1, 2027, under the Internal Revenue Code of 1986, as amended, (ii) seventy percent for taxable years beginning or deemed to begin on or after January 1, 2027, and before January 1, 2028, under the Internal Revenue Code of 1986, as amended, (iii) eighty percent for taxable years beginning or deemed to begin on or after January 1, 2028, and before January 1, 2029, under the Internal Revenue Code of 1986, as amended, (iv) ninety percent for taxable years beginning or deemed to begin on or after January 1, 2029, and before January 1, 2030, under the Internal Revenue Code of 1986, as amended, and (v) one hundred percent for taxable years beginning or deemed to begin on or after January 1, 2030, under the Internal Revenue Code of 1986, as amended.

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

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

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

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

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

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

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

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

(17) For taxable years beginning or deemed to begin on or after January 1, 2022, under the Internal Revenue Code of 1986, as amended, federal adjusted gross income shall be reduced by the amount received by or on behalf of a firefighter for cancer benefits under the Firefighter Cancer Benefits Act to the extent included in federal adjusted gross income.
Sec. 5. Original section 77-2715.03, Reissue Revised Statutes of Nebraska, and section 77-2716, Revised Statutes Supplement, 2021, are repealed.