AMENDMENTS TO LB432

Introduced by Revenue.

1. Strike the original sections and insert the following new sections:

Section 1. Sections 1 to 9 of this act shall be known and may be cited as the Firefighter Cancer Benefits Act.

Sec. 2. For purposes of the Firefighter Cancer Benefits Act:

(1) Cancer means:

(a) A disease (i) caused by an uncontrolled division of abnormal cells in a part of the body or a malignant growth or tumor resulting from the division of abnormal cells and (ii) affecting the prostate, breast, or lung or the lymphatic, hematological, digestive, urinary, neurological, or reproductive system; or

(b) Melanoma; and

(2) Firefighter means:

(a) A firefighter or firefighter-paramedic who is a member of a paid fire department of a municipality or a rural or suburban fire protection district in this state, including a municipality having a home rule charter or a municipal authority created pursuant to a home rule charter that has its own paid fire department;

(b) A firefighter or firefighter-paramedic who is a member of a paid fire department of an airport authority; or

(c) A volunteer firefighter who has been deemed an employee under subdivision (3) of section 48-115.

Sec. 3. Before any firefighter is entitled to benefits under the Firefighter Cancer Benefits Act, such firefighter shall (1) have successfully passed a physical examination which failed to reveal any evidence of cancer and (2) have served at least twelve consecutive months as a firefighter at any fire station within the State of Nebraska. After

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serving at least twelve consecutive months as a firefighter, the firefighter shall be deemed to be in compliance with subdivision (2) of this section even with a break in service, so long as such break does not exceed six months.

Sec. 4. (1) Beginning on and after the operative date of this section, any rural or suburban fire protection district, airport authority, city, village, or nonprofit corporation may provide and maintain enhanced cancer benefits. If such benefits are provided, they shall include, at a minimum, the following:

(a) A lump-sum benefit of twenty-five thousand dollars for each diagnosis payable to a firefighter upon acceptable proof to the insurance carrier or other payor of a diagnosis by a board-certified physician in the medical specialty appropriate for the type of cancer diagnosed that there are one or more malignant tumors characterized by the uncontrollable and abnormal growth and spread of malignant cells with invasion of normal tissue, and that either:

(i) There is metastasis and:

(A) Surgery, radiotherapy, or chemotherapy is medically necessary; or

(B) There is a tumor of the prostate, provided that it is treated with radical prostatectomy or external beam therapy; or

(ii) Such firefighter has terminal cancer, his or her life expectancy is twenty-four months or less from the date of diagnosis, and he or she will not benefit from, or has exhausted, curative therapy;

(b) A lump-sum benefit of six thousand two hundred fifty dollars for each diagnosis payable to a firefighter upon acceptable proof to the insurance carrier or other payor of a diagnosis by a board-certified physician in the medical specialty appropriate for the type of cancer involved that either:

(i) There is carcinoma in situ such that surgery, radiotherapy, or chemotherapy has been determined to be medically necessary:
There are malignant tumors which are treated by endoscopic procedures alone; or

There are malignant melanomas; and

A monthly benefit of one thousand five hundred dollars payable to a firefighter, of which the first payment shall be made six months after total disability and submission of acceptable proof of such disability to the insurance carrier or other payor that such disability is caused by cancer and that such cancer precludes the firefighter from serving as a firefighter. Such benefit shall continue for up to thirty-six consecutive monthly payments.

Such monthly benefit shall be subordinate to any other benefit actually paid to the firefighter solely for such disability from any other source, not including private insurance purchased solely by the firefighter, and shall be limited to the difference between the amount of such other pay benefit and the amount specified in this section.

Any firefighter receiving such monthly benefit may be required to have his or her condition reevaluated. In the event any such reevaluation reveals that such person has regained the ability to perform duties as a firefighter, then his or her monthly benefits shall cease the last day of the month of the reevaluation.

In the event that there is a subsequent recurrence of a disability caused by cancer which precludes the firefighter from serving as a firefighter, he or she shall be entitled to receive any remaining monthly benefits.

A firefighter shall also be entitled to an additional payment of enhanced cancer death benefits in the amount of fifty thousand dollars payable to his or her beneficiary or, if no beneficiary is named, to such firefighter's estate upon acceptable proof by a board-certified physician that such firefighter's death resulted from complications associated with cancer.

A firefighter shall be ineligible for benefits under the
Firefighter Cancer Benefits Act if he or she is already provided paid
firefighter cancer benefits pursuant to section 35-1001.

Sec. 5. The combined total of all benefits received by any
firefighter pursuant to subdivisions (1)(a) and (b) of section 4 of this
act during his or her lifetime shall not exceed fifty thousand dollars.

Sec. 6. A firefighter shall remain eligible for benefits pursuant
to subdivisions (1)(a) and (b) and subsection (2) of section 4 of this
act for sixty months after the formal cessation of the firefighter's
status as a firefighter. The rural or suburban fire protection district,
airport authority, city, village, or nonprofit corporation for which such
firefighter served shall be responsible for payment of all premiums or
other costs associated with benefits that may be provided under
subsections (1) and (2) of section 4 of this act throughout the duration
of the firefighter's coverage.

Sec. 7. A rural or suburban fire protection district, airport
authority, city, village, or nonprofit corporation, if it provides
benefits pursuant to subsections (1) and (2) of section 4 of this act,
shall, no later than January 1, 2022, maintain proof of insurance
coverage that meets the requirements of the Firefighter Cancer Benefits
Act or shall maintain satisfactory proof of the ability to pay such
compensation to ensure adequate coverage for all firefighters. Sufficient
documentation of satisfactory proof of the ability to pay such
compensation to ensure adequate coverage for all firefighters shall be
required and shall comply with rules and regulations adopted and
promulgated by the State Fire Marshal. Such coverage shall remain in
effect until sixty months after the rural or suburban fire protection
district, airport authority, city, village, or nonprofit corporation no
longer has any firefighters who could qualify for benefits under the act.

Sec. 8. Any rural or suburban fire protection district, airport
authority, city, village, or nonprofit corporation that has had a
firefighter file a claim for or receive cancer benefits under the
Firefighter Cancer Benefits Act shall report such claims filed, claims paid, and types of claims to the State Fire Marshal. Beginning on December 1, 2023, the State Fire Marshal shall submit electronically an annual report to the Legislature and Governor stating the number of firefighters who have filed claims pursuant to the act and the number of firefighters who have received benefits under the act.

Sec. 9. The State Fire Marshal may adopt and promulgate rules and regulations necessary to carry out the Firefighter Cancer Benefits Act.

Sec. 10. Section 77-2715.07, Revised Statutes Cumulative Supplement, 2020, is amended to read:

77-2715.07 (1) There shall be allowed to qualified resident individuals as a nonrefundable credit against the income tax imposed by the Nebraska Revenue Act of 1967:

(a) A credit equal to the federal credit allowed under section 22 of the Internal Revenue Code; and

(b) A credit for taxes paid to another state as provided in section 77-2730.

(2) There shall be allowed to qualified resident individuals against the income tax imposed by the Nebraska Revenue Act of 1967:

(a) For returns filed reporting federal adjusted gross incomes of greater than twenty-nine thousand dollars, a nonrefundable credit equal to twenty-five percent of the federal credit allowed under section 21 of the Internal Revenue Code of 1986, as amended, except that for taxable years beginning or deemed to begin on or after January 1, 2015, such nonrefundable credit shall be allowed only if the individual would have received the federal credit allowed under section 21 of the code after adding back in any carryforward of a net operating loss that was deducted pursuant to such section in determining eligibility for the federal credit;

(b) For returns filed reporting federal adjusted gross income of twenty-nine thousand dollars or less, a refundable credit equal to a
percentage of the federal credit allowable under section 21 of the Internal Revenue Code of 1986, as amended, whether or not the federal credit was limited by the federal tax liability. The percentage of the federal credit shall be one hundred percent for incomes not greater than twenty-two thousand dollars, and the percentage shall be reduced by ten percent for each one thousand dollars, or fraction thereof, by which the reported federal adjusted gross income exceeds twenty-two thousand dollars, except that for taxable years beginning or deemed to begin on or after January 1, 2015, such refundable credit shall be allowed only if the individual would have received the federal credit allowed under section 21 of the code after adding back in any carryforward of a net operating loss that was deducted pursuant to such section in determining eligibility for the federal credit;

(c) A refundable credit as provided in section 77-5209.01 for individuals who qualify for an income tax credit as a qualified beginning farmer or livestock producer under the Beginning Farmer Tax Credit Act for all taxable years beginning or deemed to begin on or after January 1, 2006, under the Internal Revenue Code of 1986, as amended;

(d) A refundable credit for individuals who qualify for an income tax credit under the Angel Investment Tax Credit Act, the Nebraska Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research and Development Act, or the Volunteer Emergency Responders Incentive Act; and

(e) A refundable credit equal to ten percent of the federal credit allowed under section 32 of the Internal Revenue Code of 1986, as amended, except that for taxable years beginning or deemed to begin on or after January 1, 2015, such refundable credit shall be allowed only if the individual would have received the federal credit allowed under section 32 of the code after adding back in any carryforward of a net operating loss that was deducted pursuant to such section in determining eligibility for the federal credit.
(3) There shall be allowed to all individuals as a nonrefundable credit against the income tax imposed by the Nebraska Revenue Act of 1967:

(a) A credit for personal exemptions allowed under section 77-2716.01;

(b) A credit for contributions to certified community betterment programs as provided in the Community Development Assistance Act. Each partner, each shareholder of an electing subchapter S corporation, each beneficiary of an estate or trust, or each member of a limited liability company shall report his or her share of the credit in the same manner and proportion as he or she reports the partnership, subchapter S corporation, estate, trust, or limited liability company income;

(c) A credit for investment in a biodiesel facility as provided in section 77-27,236;

(d) A credit as provided in the New Markets Job Growth Investment Act;

(e) A credit as provided in the Nebraska Job Creation and Mainstreet Revitalization Act;

(f) A credit to employers as provided in section 77-27,238; and

(g) A credit as provided in the Affordable Housing Tax Credit Act.

(4) There shall be allowed as a credit against the income tax imposed by the Nebraska Revenue Act of 1967:

(a) A credit to all resident estates and trusts for taxes paid to another state as provided in section 77-2730;

(b) A credit to all estates and trusts for contributions to certified community betterment programs as provided in the Community Development Assistance Act; and

(c) A refundable credit for individuals who qualify for an income tax credit as an owner of agricultural assets under the Beginning Farmer Tax Credit Act for all taxable years beginning or deemed to begin on or after January 1, 2009, under the Internal Revenue Code of 1986, as
amended. The credit allowed for each partner, shareholder, member, or beneficiary of a partnership, corporation, limited liability company, or estate or trust qualifying for an income tax credit as an owner of agricultural assets under the Beginning Farmer Tax Credit Act shall be equal to the partner's, shareholder's, member's, or beneficiary's portion of the amount of tax credit distributed pursuant to subsection (6) of section 77-5211.

(5)(a) For all taxable years beginning on or after January 1, 2007, and before January 1, 2009, under the Internal Revenue Code of 1986, as amended, there shall be allowed to each partner, shareholder, member, or beneficiary of a partnership, subchapter S corporation, limited liability company, or estate or trust a nonrefundable credit against the income tax imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the partner's, shareholder's, member's, or beneficiary's portion of the amount of franchise tax paid to the state under sections 77-3801 to 77-3807 by a financial institution.

(b) For all taxable years beginning on or after January 1, 2009, under the Internal Revenue Code of 1986, as amended, there shall be allowed to each partner, shareholder, member, or beneficiary of a partnership, subchapter S corporation, limited liability company, or estate or trust a nonrefundable credit against the income tax imposed by the Nebraska Revenue Act of 1967 equal to the partner's, shareholder's, member's, or beneficiary's portion of the amount of franchise tax paid to the state under sections 77-3801 to 77-3807 by a financial institution.

(c) Each partner, shareholder, member, or beneficiary shall report his or her share of the credit in the same manner and proportion as he or she reports the partnership, subchapter S corporation, limited liability company, or estate or trust income. If any partner, shareholder, member, or beneficiary cannot fully utilize the credit for that year, the credit may not be carried forward or back.

(6) There shall be allowed to all individuals nonrefundable credits
against the income tax imposed by the Nebraska Revenue Act of 1967 as provided in section 77-3604 and refundable credits against the income tax imposed by the Nebraska Revenue Act of 1967 as provided in section 77-3605.

(7)(a) For taxable years beginning or deemed to begin on or after January 1, 2020, and before January 1, 2026, under the Internal Revenue Code of 1986, as amended, a nonrefundable credit against the income tax imposed by the Nebraska Revenue Act of 1967 in the amount of five thousand dollars shall be allowed to any individual who purchases a residence during the taxable year if such residence:

(i) Is located within an area that has been declared an extremely blighted area under section 18-2101.02;

(ii) Is the individual's primary residence; and

(iii) Was not purchased from a family member of the individual or a family member of the individual's spouse.

(b) The credit provided in this subsection shall be claimed for the taxable year in which the residence is purchased. If the individual cannot fully utilize the credit for such year, the credit may be carried forward to subsequent taxable years until fully utilized.

(c) No more than one credit may be claimed under this subsection with respect to a single residence.

(d) The credit provided in this subsection shall be subject to recapture by the Department of Revenue if the individual claiming the credit sells or otherwise transfers the residence or quits using the residence as his or her primary residence within five years after the end of the taxable year in which the credit was claimed.

(e) For purposes of this subsection, family member means an individual's spouse, child, parent, brother, sister, grandchild, or grandparent, whether by blood, marriage, or adoption.

(8) There shall be allowed to all individuals refundable credits against the income tax imposed by the Nebraska Revenue Act of 1967 as
provided in the Nebraska Property Tax Incentive Act and the Renewable
Chemical Production Tax Credit Act.

(9)(a) For taxable years beginning or deemed to begin on or after January 1, 2022, under the Internal Revenue Code of 1986, as amended, a refundable credit against the income tax imposed by the Nebraska Revenue Act of 1967 shall be allowed to the parent of a stillborn child if:

(i) A fetal death certificate is filed pursuant to subsection (1) of section 71-606 for such child;

(ii) Such child had advanced to at least the twentieth week of gestation; and

(iii) Such child would have been a dependent of the individual claiming the credit.

(b) The amount of the credit shall be two thousand dollars.

(c) The credit shall be allowed for the taxable year in which the stillbirth occurred.

Sec. 11. Section 77-2716, Revised Statutes Cumulative Supplement, 2020, 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. For purposes of this subsection, dividends
deemed to be received includes income included in federal income under
section 951A of the Internal Revenue Code net of the deduction in section
250(a)(1)(B) of the 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.

(14)(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 fifty 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.

(15) 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.

(16) 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. 12. Section 77-2734.02, Reissue Revised Statutes of Nebraska, is amended to read:

77-2734.02 (1) Except as provided in subsection (2) of this section, a tax is hereby imposed on the taxable income of every corporate taxpayer that is doing business in this state:

(a) For taxable years beginning or deemed to begin before January 1, 2013, at a rate equal to one hundred fifty and eight-tenths percent of the primary rate imposed on individuals under section 77-2701.01 on the first one hundred thousand dollars of taxable income and at the rate of two hundred eleven percent of such rate on all taxable income in excess
of one hundred thousand dollars. The resultant rates shall be rounded to
the nearest one hundredth of one percent; and

(b) For taxable years beginning or deemed to begin on or after
January 1, 2013, and before January 1, 2022, at a rate equal to 5.58
percent on the first one hundred thousand dollars of taxable income and
at the rate of 7.81 percent on all taxable income in excess of one
hundred thousand dollars; and -

(c) For taxable years beginning or deemed to begin on or after
January 1, 2022, at a rate equal to 5.58 percent on the first one hundred
thousand dollars of taxable income and at the rate of 6.84 percent on all
taxable income in excess of one hundred thousand dollars.

For corporate taxpayers with a fiscal year that does not coincide
with the calendar year, the individual rate used for this subsection
shall be the rate in effect on the first day, or the day deemed to be the
first day, of the taxable year.

(2) An insurance company shall be subject to taxation at the lesser
of the rate described in subsection (1) of this section or the rate of
tax imposed by the state or country in which the insurance company is
domiciled if the insurance company can establish to the satisfaction of
the Tax Commissioner that it is domiciled in a state or country other
than Nebraska that imposes on Nebraska domiciled insurance companies a
retaliatory tax against the tax described in subsection (1) of this
section.

(3) For a corporate taxpayer that is subject to tax in another
state, its taxable income shall be the portion of the taxpayer's federal
taxable income, as adjusted, that is determined to be connected with the
taxpayer's operations in this state pursuant to sections 77-2734.05 to
77-2734.15.

(4) Each corporate taxpayer shall file only one income tax return
for each taxable year.

Sec. 13. Section 85-1802, Revised Statutes Cumulative Supplement,
2020, is amended to read:

85-1802 For purposes of sections 85-1801 to 85-1817:

1 Administrative fund means the College Savings Plan
2 Administrative Fund created in section 85-1807;
3 Beneficiary means the individual designated by a participation
4 agreement to benefit from advance payments of qualified higher education
5 expenses on behalf of the beneficiary;
6 Benefits means the payment of qualified higher education
7 expenses on behalf of a beneficiary by the Nebraska educational savings
8 plan trust during the beneficiary's attendance at an eligible educational
9 institution;
10 Eligible educational institution means an institution described
11 in 20 U.S.C. 1088 which is eligible to participate in a program under
12 Title IV of the federal Higher Education Act of 1965;
13 Expense fund means the College Savings Plan Expense Fund created
14 in section 85-1807;
15 Nebraska educational savings plan trust means the trust created
16 in section 85-1804;
17 Nonqualified withdrawal refers to (a) a distribution from an
18 account to the extent it is not used to pay the qualified higher
19 education expenses of the beneficiary, (b) a qualified rollover permitted
20 by section 529 of the Internal Revenue Code where the funds are
21 transferred to a qualified tuition program sponsored by another state or
22 entity, or (c) a distribution from an account to pay the costs of
23 attending kindergarten through grade twelve;
24 Participant or account owner means an individual, an
25 individual's legal representative, or any other legal entity authorized
26 to establish a savings account under section 529 of the Internal Revenue
27 Code who has entered into a participation agreement for the advance
28 payment of qualified higher education expenses on behalf of a
29 beneficiary. For purposes of section 77-2716, as to contributions by a
custodian to a custodial account established pursuant to the Nebraska Uniform Transfers to Minors Act or similar law in another state, which account has been established under a participation agreement, participant includes the parent or guardian of a minor, which parent or guardian is also the custodian of the account;

(9) Participation agreement means an agreement between a participant and the Nebraska educational savings plan trust entered into under sections 85-1801 to 85-1817;

(10) Program fund means the College Savings Plan Program Fund created in section 85-1807;

(11) Qualified higher education expenses means the certified costs of tuition and fees, books, supplies, and equipment required for (a) enrollment or attendance at an eligible educational institution or (b) for costs incurred on or after January 1, 2021, participation in an apprenticeship program registered and certified with the United States Secretary of Labor under 29 U.S.C. 50, as such section existed on January 1, 2021. Reasonable room and board expenses, based on the minimum amount applicable for the eligible educational institution during the period of enrollment, shall be included as qualified higher education expenses for those students enrolled on at least a half-time basis. In the case of a special needs beneficiary, expenses for special needs services incurred in connection with enrollment or attendance at an eligible educational institution shall be included as qualified higher education expenses. Expenses paid or incurred in 2009 or 2010 for the purchase of computer technology or equipment or Internet access and related services, subject to the limitations set forth in section 529 of the Internal Revenue Code, shall be included as qualified higher education expenses. Qualified higher education expenses does not include any amounts in excess of those allowed by section 529 of the Internal Revenue Code;

(12) Section 529 of the Internal Revenue Code means such section of the code and the regulations interpreting such section; and
(13) Tuition and fees means the quarter or semester charges imposed
to attend an eligible educational institution.

Sec. 14. Sections 1, 2, 3, 4, 5, 6, 7, 8, and 9 of this act become
operative on January 1, 2022. The other sections of this act become
operative on their effective date.

Sec. 15. Original section 77-2734.02, Reissue Revised Statutes of
Nebraska, and sections 77-2715.07, 77-2716, and 85-1802, Revised Statutes
Cumulative Supplement, 2020, are repealed.