

**ONE HUNDREDTH LEGISLATURE - SECOND SESSION -
2008**

COMMITTEE STATEMENT

LB1140

Hearing Date: February 21, 2008

Committee On: Revenue

Introducer(s): (Pedersen)

Title: Exempt social security and government retirement benefits from income tax as prescribed

Roll Call Vote - Final Committee Action:

Indefinitely Postponed

Vote Results:

5 Yes	Senators Burling, Janssen, Langemeier, Preister and Raikes
0 No	
2 Absent	Senators Dierks and White
1 Present, not voting	Senator Cornett

Proponents:

Senator Dwite Pedersen
Roger Rea
Herb Schimek
Roger G. Andrews

Korby Gilbertson

Representing:

District 39
NSEA NSEA-Retired
NSEA
NE Federation of Chapters, National Active
Retired Federal Employees
State Troopers Association of NE

Opponents:

None

Representing:

Neutral:

None

Representing:

Summary of purpose and/or change:

LB 1140 would have amended section 77-2716, Nebraska adjustments to federal adjusted gross income, to exclude from Nebraska income tax some or all social security benefits to the extent included in federal adjusted gross income and some or all benefits from public retirement systems. The exclusion extended to retirement benefits from the county, judges, state patrol, school employees, including for Class V districts, state employees, U.S. civil service, and military retirement systems.

Beginning with tax year 2008, the exclusion would have been limited to \$30,000 for a joint return if both spouses receive such retirement income and \$15,000 for all other taxpayers. For 2009, the exclusion cap rose to \$60,000 and \$30,000. For 2010, it was \$90,000 and \$45,000; in 2011, \$120,000 and \$60,000; and in 2012 and beyond, \$150,000 and \$75,000.

The bill was to be operative for all taxable years beginning or deemed to begin on or after January 1, 2008.

Explanation of amendments, if any:

Senator Ray Janssen, Chairperson