



Hundredth Legislature - Second Session - 2008
Introducer's Statement of Intent
LB 1140

Chairperson: Ray Janssen
Committee: Revenue
Date of Hearing: February 21, 2008

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

LB 1140 provides that up to \$75,000 of the federal adjusted gross pension income for all retirees from all state operated public employee retirement systems, the U.S. Civil Service Retirement System, the U.S. Military Retirement System, and individuals receiving Social Security benefits would be excluded from paying state income tax, with the exemption phased in over five years. The applicable retirement systems which would receive this benefit are the School Employees Retirement System, the Omaha School Employees Retirement System, the County Employees Retirement System, the Judges Retirement System, the Nebraska State Patrol Retirement System, the State Employees Retirement System, the U.S. Civil Service Retirement System, the U.S. Military Employees Retirement System, and Social Security.

Under LB 1140, taxpayers filing a single return in 2008 would be able to exclude up to \$15,000 in retirement income. If both spouses receive qualifying retirement income, the exclusion would be \$30,000. The exclusion would be phased in over a five-year period, increasing the excluded amount by 20% of the final cap each year until the \$75,000 maximum exclusion for single taxpayers is reached in 2013.

Principal Introducer:

Senator Dwite Pedersen