

E AND R AMENDMENTS TO LB 591

Introduced by Hansen, 26, Chairman Enrollment and Review

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

3           Section 1. For purposes of sections 1 to 9 of this act:

4           (1) Account means an achieving a better life experience account  
5 established under the program for the purposes of funding future  
6 qualified disability expenses of a designated beneficiary;

7           (2) Contracting state means a state without a qualified program  
8 which has entered into a contract with a state with a qualified program  
9 to provide residents of the contracting state access to a qualified  
10 program;

11           (3) Designated administrator means any corporation or other entity  
12 whose powers and privileges are provided for in any general or special  
13 law, whether for profit or not, designated or retained by the State  
14 Treasurer for the purpose of administering, subject to the ongoing  
15 supervision of the State Treasurer, all or any portion of the investment,  
16 marketing, recordkeeping, administrative, or other functions of the  
17 program;

18           (4) Designated beneficiary means the individual with a disability  
19 named as the beneficiary of an account;

20           (5) Individual with a disability means an individual who is an  
21 eligible individual as defined under section 529A;

22           (6) Program means the qualified program established by the State  
23 Treasurer as provided in section 2 of this act and administered by the  
24 State Treasurer and, to the extent so delegated or contracted by the  
25 State Treasurer, one or more designated administrators;

26           (7) Qualified disability expenses means any expenses related to the  
27 blindness or disability of the individual with a disability which are

1 made for the benefit of an individual who is the designated beneficiary,  
2 including education, housing, transportation, employment training and  
3 support, assistive technology and personal support services, health,  
4 prevention, and wellness, financial management and administrative  
5 services, legal fees, expenses for oversight and monitoring, and funeral  
6 and burial expenses; and other expenses which are approved under  
7 regulations promulgated under section 529A;

8 (8) Qualified program means a qualified ABLE program as defined  
9 under section 529A; and

10 (9) Section 529A means section 529A of the Internal Revenue Code of  
11 1986, as amended, and any regulations promulgated thereunder.

12 Sec. 2. (1) For purposes of administering accounts established to  
13 encourage and assist individuals and families in saving private funds for  
14 the purpose of supporting individuals with disabilities, the State  
15 Treasurer shall either establish the achieving a better life experience  
16 program as provided in sections 3 to 9 of this act or contract with  
17 another state with a qualified program. The State Treasurer may enter  
18 into a contract with any contracting state to allow any resident of the  
19 contracting state to participate in the program established by the State  
20 Treasurer. Money from the Treasury Management Cash Fund may be  
21 appropriated for a program pursuant to section 7 of this act and to  
22 contract with another state with a qualified program under this section.

23 (2) Under a qualified program, one or more persons may make  
24 contributions to an account to meet the qualified disability expenses of  
25 the designated beneficiary of the account.

26 (3) If the State Treasurer establishes the program as authorized in  
27 this section, sections 3 to 9 of this act apply.

28 Sec. 3. (1) Unless otherwise permitted under section 529A, the  
29 owner of an account shall be the designated beneficiary of the account,  
30 except that if the designated beneficiary of the account is a minor or  
31 has a custodian or other fiduciary appointed for the purposes of managing

1 such beneficiary's financial affairs, a custodian or fiduciary for such  
2 designated beneficiary may serve as the account owner if such form of  
3 ownership is permitted or not prohibited under section 529A.

4 (2) Unless otherwise permitted under section 529A, the designated  
5 beneficiary of an account shall be a resident of the state or of a  
6 contracting state. The State Treasurer shall determine residency of  
7 Nebraska residents for such purpose in such manner as may be required or  
8 permissible under section 529A or, in the absence of any guidance under  
9 section 529A, by such other means as the State Treasurer shall consider  
10 advisable for purposes of satisfying the requirements of section 529A.

11 Sec. 4. Any person may make contributions to an account to meet the  
12 qualified disability expenses of the designated beneficiary of the  
13 account if the account and contributions meet the other requirements of  
14 sections 3 to 9 of this act and the rules and regulations adopted and  
15 promulgated by the State Treasurer.

16 Sec. 5. The State Treasurer and, to the extent required by the  
17 terms of such designation, any designated administrator shall operate the  
18 program so that it constitutes a qualified program in compliance with the  
19 requirements of section 529A.

20 Sec. 6. The State Treasurer and any designated administrator shall  
21 provide investment options for the investment of amounts contributed to  
22 an account, except that the state investment officer shall have fiduciary  
23 responsibility to make all decisions regarding the investment of the  
24 money in the expense fund and program fund created in section 7 of this  
25 act and any money credited to the Treasury Management Cash Fund for  
26 administrative expenses of the program, including the selection of all  
27 investment options and the approval of all fees and other costs charged  
28 to trust assets except costs for administration, operation, and  
29 maintenance of the trust as appropriated by the Legislature, pursuant to  
30 the directions, guidelines, and policies established by the Nebraska  
31 Investment Council. The State Treasurer shall not adopt and promulgate

1 rules and regulations that in any way interfere with the fiduciary  
2 responsibility of the state investment officer to make all decisions  
3 regarding the investment of money in the expense fund and program fund or  
4 money of the program credited to the Treasury Management Cash Fund. The  
5 Nebraska Investment Council may adopt and promulgate rules and  
6 regulations to provide for the prudent investment of the assets of the  
7 program. The council or its designee also has the authority to select and  
8 enter into agreements with individuals and entities to provide investment  
9 advice and management of the assets held by the program, establish  
10 investment guidelines, objectives, and performance standards with respect  
11 to the assets held by the program, and approve any fees, commissions, and  
12 expenses, which directly or indirectly affect the return on assets.

13       Sec. 7. (1) Funds contributed to the program shall be held in trust  
14 by the State Treasurer. The State Treasurer shall credit money received  
15 by the program into three funds: The ABLE Program Fund, the ABLE Expense  
16 Fund, and the Treasury Management Cash Fund. The State Treasurer shall  
17 credit money received into the appropriate fund. The State Treasurer and  
18 Accounting Administrator of the Department of Administrative Services  
19 shall determine the state fund types necessary to comply with section  
20 529A and state policy. The money in the funds shall be invested by the  
21 state investment officer pursuant to policies established by the Nebraska  
22 Investment Council. The program fund, the expense fund, and the Treasury  
23 Management Cash Fund shall be separately administered.

24       (2) The ABLE Program Fund is created. All money paid by participants  
25 in connection with accounts and all investment income earned on such  
26 money shall be deposited as received into separate accounts within the  
27 program fund. Contributions to the program may only be made in the form  
28 of cash. All funds generated in connection with accounts shall be  
29 deposited into the appropriate accounts within the program fund. A  
30 beneficiary shall not provide investment direction regarding  
31 contributions or earnings held by the program. Money accrued by

1 designated beneficiaries in the program fund may be used for qualified  
2 disability expenses. Any money in the program fund available for  
3 investment shall be invested by the state investment officer pursuant to  
4 the Nebraska Capital Expansion Act and the Nebraska State Funds  
5 Investment Act.

6 (3)(a) The ABLE Expense Fund is created. The expense fund shall be  
7 used to pay costs associated with the program and shall be funded with  
8 fees assessed to the program fund.

9 (b) The State Treasurer shall transfer from the expense fund to the  
10 State Investment Officer's Cash Fund an amount equal to the pro rata  
11 share of the budget appropriated to the Nebraska Investment Council as  
12 permitted in section 72-1249.02, to cover reasonable expenses incurred  
13 for investment management of the program. Annually and prior to such  
14 transfer to the State Investment Officer's Cash Fund, the State Treasurer  
15 shall report to the budget division of the Department of Administrative  
16 Services and to the Legislative Fiscal Analyst the amounts transferred  
17 during the previous fiscal year. The report submitted to the Legislative  
18 Fiscal Analyst shall be submitted electronically.

19 (c) When the State Treasurer determines that the ABLE Program Fund  
20 is generating enough fees to make the program self-sustaining, it is the  
21 intent of the Legislature to reimburse the Treasury Management Cash Fund  
22 for startup costs of the program from the expense fund.

23 (d) Any money in the expense fund available for investment shall be  
24 invested by the state investment officer pursuant to the Nebraska Capital  
25 Expansion Act and the Nebraska State Funds Investment Act.

26 (4) Until the State Treasurer determines that the ABLE Program Fund  
27 is generating enough fees to make the program self-sustaining, the costs  
28 of establishing, administering, operating, and maintaining the program  
29 shall be paid from the Treasury Management Cash Fund and, to the extent  
30 permitted by section 529A, from money transferred from the expense fund  
31 to the Treasury Management Cash Fund, in an amount authorized by an

1 appropriation from the Legislature. The Treasury Management Cash Fund  
2 shall not be credited with any money from the program other than money  
3 transferred from the expense fund in an amount authorized by an  
4 appropriation by the Legislature or any interest income earned on the  
5 money from the program held in the Treasury Management Cash Fund.

6 (5) The assets of the program, including the program fund and  
7 excluding the expense fund and the Treasury Management Cash Fund, shall  
8 at all times be preserved, invested, and expended solely and only for the  
9 purposes of the program and shall be held in trust for the designated  
10 beneficiaries. No property rights in the program shall exist in favor of  
11 the state. Such assets of the program shall not be transferred or used by  
12 the state for any purposes other than the purposes of the program.

13 Sec. 8. (1) The State Treasurer shall submit an annual audited  
14 financial report, prepared in accordance with generally accepted  
15 accounting principles, on the operations of the program by November 1 to  
16 the Governor and the Legislature. The report submitted to the Legislature  
17 shall be submitted electronically. The State Treasurer shall cause the  
18 audit to be made either by the Auditor of Public Accounts or by an  
19 independent certified public accountant designated by the State  
20 Treasurer, and the audit shall include direct and indirect costs  
21 attributable to the use of outside consultants, independent contractors,  
22 and any other persons who are not state employees.

23 (2) The annual audit shall be supplemented by all of the following  
24 information prepared by the State Treasurer:

25 (a) Any related studies or evaluations prepared in the preceding  
26 year;

27 (b) A summary of the benefits provided by the program, including the  
28 number of designated beneficiaries in the program; and

29 (c) Any other information which is relevant in order to make a full,  
30 fair, and effective disclosure of the operations of the program,  
31 including the investment performance of the funds.

1           Sec. 9. The State Treasurer may adopt and promulgate rules and  
2 regulations, enter into contracts and agreements, charge fees and  
3 expenses to the funds held under the program or to persons establishing  
4 or owning accounts, make reports, retain designated administrators,  
5 employees, experts, and consultants, and do all other things necessary or  
6 convenient to implement sections 1 to 9 of this act.

7           Sec. 10. Section 68-1201, Revised Statutes Cumulative Supplement,  
8 2014, is amended to read:

9           68-1201 In determining eligibility for the program for aid to  
10 dependent children pursuant to section 43-512, for the Supplemental  
11 Nutrition Assistance Program administered by the State of Nebraska  
12 pursuant to the federal Food and Nutrition Act of 2008, 7 U.S.C. 2011 et  
13 seq., and for the child care subsidy program established pursuant to  
14 section 68-1202, the following shall not be included in determining  
15 assets or income:

16           (1) Assets in or income from an educational savings account, a  
17 Coverdell educational savings account described in 26 U.S.C. 530, a  
18 qualified tuition program established pursuant to 26 U.S.C. 529, or any  
19 similar savings account or plan established to save for qualified higher  
20 education expenses as defined in section 85-1802;

21           (2) Income from scholarships or grants related to postsecondary  
22 education, whether merit-based, need-based, or a combination thereof;~~and~~

23           (3) Income from postsecondary educational work-study programs,  
24 whether federally funded, funded by a postsecondary educational  
25 institution, or funded from any other source; and ~~and~~

26           (4) Assets in or income from an account under a qualified program as  
27 provided in section 2 of this act.

28           Sec. 11. Section 72-1239.01, Reissue Revised Statutes of Nebraska,  
29 is amended to read:

30           72-1239.01 (1)(a) The appointed members of the Nebraska Investment  
31 Council shall have the responsibility for the investment management of

1 the assets of the retirement systems administered by the Public Employees  
2 Retirement Board as provided in section 84-1503, ~~and~~ the assets of the  
3 Nebraska educational savings plan trust created pursuant to sections  
4 85-1801 to 85-1814, and the assets of the achieving a better life  
5 experience program pursuant to sections 1 to 9 of this act. The appointed  
6 members shall be deemed fiduciaries with respect to the investment of the  
7 assets of the retirement systems, ~~and~~ of the Nebraska educational savings  
8 plan trust, and of the achieving a better life experience program and  
9 shall be held to the standard of conduct of a fiduciary specified in  
10 subsection (3) of this section. The nonvoting, ex officio members of the  
11 council shall not be deemed fiduciaries.

12 (b) As fiduciaries, the appointed members of the council and the  
13 state investment officer shall discharge their duties with respect to the  
14 assets of the retirement systems, ~~and~~ of the Nebraska educational savings  
15 plan trust, and of the achieving a better life experience program solely  
16 in the interests of the members and beneficiaries of the retirement  
17 systems or the interests of the participants and beneficiaries of the  
18 Nebraska educational savings plan trust and the achieving a better life  
19 experience program, as the case may be, for the exclusive purposes of  
20 providing benefits to members, members' beneficiaries, participants, and  
21 participants' beneficiaries and defraying reasonable expenses incurred  
22 within the limitations and according to the powers, duties, and purposes  
23 prescribed by law.

24 (2)(a) The appointed members of the Nebraska Investment Council  
25 shall have the responsibility for the investment management of the assets  
26 of state funds. The appointed members shall be deemed fiduciaries with  
27 respect to the investment of the assets of state funds and shall be held  
28 to the standard of conduct of a fiduciary specified in subsection (3) of  
29 this section. The nonvoting, ex officio members of the council shall not  
30 be deemed fiduciaries.

31 (b) As fiduciaries, the appointed members of the council and the



1 state investment officer shall discharge their duties with respect to the  
2 assets of state funds solely in the interests of the citizens of the  
3 state within the limitations and according to the powers, duties, and  
4 purposes prescribed by law.

5 (3) The appointed members of the council shall act with the care,  
6 skill, prudence, and diligence under the circumstances then prevailing  
7 that a prudent person acting in like capacity and familiar with such  
8 matters would use in the conduct of an enterprise of a like character and  
9 with like aims by diversifying the investments of the assets of the  
10 retirement systems, the Nebraska educational savings plan trust, the  
11 achieving a better life experience program, and state funds so as to  
12 minimize risk of large losses, unless in light of such circumstances it  
13 is clearly prudent not to do so. No assets of the retirement systems, ~~or~~  
14 the Nebraska educational savings plan trust, or the achieving a better  
15 life experience program shall be invested or reinvested if the sole or  
16 primary investment objective is for economic development or social  
17 purposes or objectives.

18 Sec. 12. Section 77-2716, Revised Statutes Cumulative Supplement,  
19 2014, is amended to read:

20 77-2716 (1) The following adjustments to federal adjusted gross  
21 income or, for corporations and fiduciaries, federal taxable income shall  
22 be made for interest or dividends received:

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

29 (b) There shall be subtracted that portion of the total dividends  
30 and other income received from a regulated investment company which is  
31 attributable to obligations described in subdivision (a) of this

1 subsection as reported to the recipient by the regulated investment  
2 company;

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

10 (d) There shall be added that portion of the total dividends and  
11 other income received from a regulated investment company which is  
12 attributable to obligations described in subdivision (c) of this  
13 subsection and excluded for federal income tax purposes as reported to  
14 the recipient by the regulated investment company; and

15 (e)(i) Any amount subtracted under this subsection shall be reduced  
16 by any interest on indebtedness incurred to carry the obligations or  
17 securities described in this subsection or the investment in the  
18 regulated investment company and by any expenses incurred in the  
19 production of interest or dividend income described in this subsection to  
20 the extent that such expenses, including amortizable bond premiums, are  
21 deductible in determining federal taxable income.

22 (ii) Any amount added under this subsection shall be reduced by any  
23 expenses incurred in the production of such income to the extent  
24 disallowed in the computation of federal taxable income.

25 (2) There shall be allowed a net operating loss derived from or  
26 connected with Nebraska sources computed under rules and regulations  
27 adopted and promulgated by the Tax Commissioner consistent, to the extent  
28 possible under the Nebraska Revenue Act of 1967, with the laws of the  
29 United States. For a resident individual, estate, or trust, the net  
30 operating loss computed on the federal income tax return shall be  
31 adjusted by the modifications contained in this section. For a

1 nonresident individual, estate, or trust or for a partial-year resident  
2 individual, the net operating loss computed on the federal return shall  
3 be adjusted by the modifications contained in this section and any  
4 carryovers or carrybacks shall be limited to the portion of the loss  
5 derived from or connected with Nebraska sources.

6 (3) There shall be subtracted from federal adjusted gross income for  
7 all taxable years beginning on or after January 1, 1987, the amount of  
8 any state income tax refund to the extent such refund was deducted under  
9 the Internal Revenue Code, was not allowed in the computation of the tax  
10 due under the Nebraska Revenue Act of 1967, and is included in federal  
11 adjusted gross income.

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

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

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

30 (a) The amount of federal taxable income from operations within a  
31 foreign taxing jurisdiction shall be reduced by the amount of taxes

1 actually paid to the foreign jurisdiction that are not deductible solely  
2 because the foreign tax credit was elected on the federal income tax  
3 return;

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

6 (c) The result of the calculation in subdivision (b) of this  
7 subsection shall be subtracted from the amount of federal taxable income  
8 used in subdivision (a) of this subsection. The result of such  
9 calculation, if greater than zero, shall be subtracted from federal  
10 taxable income.

11 (7) Federal adjusted gross income shall be modified to exclude any  
12 amount repaid by the taxpayer for which a reduction in federal tax is  
13 allowed under section 1341(a)(5) of the Internal Revenue Code.

14 (8)(a) Federal adjusted gross income or, for corporations and  
15 fiduciaries, federal taxable income shall be reduced, to the extent  
16 included, by income from interest, earnings, and state contributions  
17 received from the Nebraska educational savings plan trust created in  
18 sections 85-1801 to 85-1814 and the achieving a better life experience  
19 program as provided in sections 1 to 9 of this act.

20 (b) Federal adjusted gross income or, for corporations and  
21 fiduciaries, federal taxable income shall be reduced by any contributions  
22 as a participant in the Nebraska educational savings plan trust or in the  
23 achieving a better life experience program as provided in sections 1 to 9  
24 of this act, to the extent not deducted for federal income tax purposes,  
25 but not to exceed five thousand dollars per married filing separate  
26 return or ten thousand dollars for any other return. With respect to a  
27 qualified rollover within the meaning of section 529 of the Internal  
28 Revenue Code from another state's plan, any interest, earnings, and state  
29 contributions received from the other state's educational savings plan  
30 which is qualified under section 529 of the code shall qualify for the  
31 reduction provided in this subdivision. For contributions by a custodian

1 of a custodial account including rollovers from another custodial  
2 account, the reduction shall only apply to funds added to the custodial  
3 account after January 1, 2014.

4 (c) Federal adjusted gross income or, for corporations and  
5 fiduciaries, federal taxable income shall be increased by the amount  
6 resulting from the cancellation of a participation agreement refunded to  
7 the taxpayer as a participant in the Nebraska educational savings plan  
8 trust to the extent previously deducted as a contribution to the trust.

9 (9)(a) For income tax returns filed after September 10, 2001, for  
10 taxable years beginning or deemed to begin before January 1, 2006, under  
11 the Internal Revenue Code of 1986, as amended, federal adjusted gross  
12 income or, for corporations and fiduciaries, federal taxable income shall  
13 be increased by eighty-five percent of any amount of any federal bonus  
14 depreciation received under the federal Job Creation and Worker  
15 Assistance Act of 2002 or the federal Jobs and Growth Tax Act of 2003,  
16 under section 168(k) or section 1400L of the Internal Revenue Code of  
17 1986, as amended, for assets placed in service after September 10, 2001,  
18 and before December 31, 2005.

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

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

30 (d) The amount of bonus depreciation added to federal adjusted gross  
31 income or, for corporations and fiduciaries, federal taxable income by

1 this subsection shall be subtracted in a later taxable year. Twenty  
2 percent of the total amount of bonus depreciation added back by this  
3 subsection for tax years beginning or deemed to begin before January 1,  
4 2003, under the Internal Revenue Code of 1986, as amended, may be  
5 subtracted in the first taxable year beginning or deemed to begin on or  
6 after January 1, 2005, under the Internal Revenue Code of 1986, as  
7 amended, and twenty percent in each of the next four following taxable  
8 years. Twenty percent of the total amount of bonus depreciation added  
9 back by this subsection for tax years beginning or deemed to begin on or  
10 after January 1, 2003, may be subtracted in the first taxable year  
11 beginning or deemed to begin on or after January 1, 2006, under the  
12 Internal Revenue Code of 1986, as amended, and twenty percent in each of  
13 the next four following taxable years.

14 (10) For taxable years beginning or deemed to begin on or after  
15 January 1, 2003, and before January 1, 2006, under the Internal Revenue  
16 Code of 1986, as amended, federal adjusted gross income or, for  
17 corporations and fiduciaries, federal taxable income shall be increased  
18 by the amount of any capital investment that is expensed under section  
19 179 of the Internal Revenue Code of 1986, as amended, that is in excess  
20 of twenty-five thousand dollars that is allowed under the federal Jobs  
21 and Growth Tax Act of 2003. Twenty percent of the total amount of  
22 expensing added back by this subsection for tax years beginning or deemed  
23 to begin on or after January 1, 2003, may be subtracted in the first  
24 taxable year beginning or deemed to begin on or after January 1, 2006,  
25 under the Internal Revenue Code of 1986, as amended, and twenty percent  
26 in each of the next four following tax years.

27 (11)(a) Federal adjusted gross income shall be reduced by  
28 contributions, up to two thousand dollars per married filing jointly  
29 return or one thousand dollars for any other return, and any investment  
30 earnings made as a participant in the Nebraska long-term care savings  
31 plan under the Long-Term Care Savings Plan Act, to the extent not

1 deducted for federal income tax purposes.

2 (b) Federal adjusted gross income shall be increased by the  
3 withdrawals made as a participant in the Nebraska long-term care savings  
4 plan under the act by a person who is not a qualified individual or for  
5 any reason other than transfer of funds to a spouse, long-term care  
6 expenses, long-term care insurance premiums, or death of the participant,  
7 including withdrawals made by reason of cancellation of the participation  
8 agreement or termination of the plan, to the extent previously deducted  
9 as a contribution or as investment earnings.

10 (12) There shall be added to federal adjusted gross income for  
11 individuals, estates, and trusts any amount taken as a credit for  
12 franchise tax paid by a financial institution under sections 77-3801 to  
13 77-3807 as allowed by subsection (5) of section 77-2715.07.

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

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

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

23 (14) For taxable years beginning or deemed to begin on or after  
24 January 1, 2015, under the Internal Revenue Code of 1986, as amended, an  
25 individual may make a one-time election within two calendar years after  
26 the date of his or her retirement from the military to exclude income  
27 received as a military retirement benefit by the individual to the extent  
28 included in federal adjusted gross income and as provided in this  
29 subsection. The individual may elect to exclude forty percent of his or  
30 her military retirement benefit income for seven consecutive taxable  
31 years beginning with the year in which the election is made or may elect

1 to exclude fifteen percent of his or her military retirement benefit  
2 income for all taxable years beginning with the year in which he or she  
3 turns sixty-seven years of age. For purposes of this subsection, military  
4 retirement benefit means retirement benefits that are periodic payments  
5 attributable to service in the uniformed services of the United States  
6 for personal services performed by an individual prior to his or her  
7 retirement.

8 Sec. 13. Section 84-618, Reissue Revised Statutes of Nebraska, is  
9 amended to read:

10 84-618 (1) The Treasury Management Cash Fund is created. A pro rata  
11 share of the budget appropriated for the treasury management functions of  
12 the State Treasurer and for the administration of the achieving a better  
13 life experience program as provided in sections 1 to 9 of this act shall  
14 be charged to the income of each fund held in invested cash, and such  
15 charges shall be transferred to the Treasury Management Cash Fund. The  
16 allocation of charges may be made by any method determined to be  
17 reasonably related to actual costs incurred by the State Treasurer in  
18 carrying out the treasury management functions under section 84-602 and  
19 in carrying out the achieving a better life experience program as  
20 provided in sections 1 to 9 of this act. Approval of the agencies,  
21 boards, and commissions administering these funds shall not be required.

22 (2) It is the intent of this section to have funds held in invested  
23 cash be charged a pro rata share of such expenses ~~the treasury management~~  
24 ~~expense~~ when this is not prohibited by statute or the Constitution of  
25 Nebraska.

26 (3) The Treasury Management Cash Fund shall be used for the treasury  
27 management functions of the State Treasurer and for the administration of  
28 the achieving a better life experience program as provided in sections 1  
29 to 9 of this act. To the extent permitted by section 529A as defined in  
30 section 1 of this act, the fund may receive gifts for administration,  
31 operation, and maintenance of a program established under sections 3 to 9



1 of this act.

2 (4) Transfers may be made from the Treasury Management Cash Fund to  
3 the General Fund at the direction of the Legislature. Any money in the  
4 Treasury Management Cash Fund available for investment shall be invested  
5 by the state investment officer pursuant to the Nebraska Capital  
6 Expansion Act and the Nebraska State Funds Investment Act.

7 Sec. 14. Original sections 72-1239.01 and 84-618, Reissue Revised  
8 Statutes of Nebraska, and sections 68-1201 and 77-2716, Revised Statutes  
9 Cumulative Supplement, 2014, are repealed.

10 Sec. 15. Since an emergency exists, this act takes effect when  
11 passed and approved according to law.

12 2. On page 1, strike lines 2 through 7 and insert "sections  
13 72-1239.01 and 84-618, Reissue Revised Statutes of Nebraska, and sections  
14 68-1201 and 77-2716, Revised Statutes Cumulative Supplement, 2014; to  
15 define terms; to create the achieving a better life experience program;  
16 to provide powers and duties; to provide for adjustments to taxable  
17 income; to provide startup funding; to harmonize provisions; to repeal  
18 the original sections; and to declare an emergency."