

AMENDMENTS TO LB432

Introduced by Revenue.

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

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

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

6 (1) Cancer means:

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

12 (b) Melanoma; and

13 (2) Firefighter means:

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

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

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

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

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

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

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

17 (i) There is metastasis and:

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

19 or

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

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

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

30 (i) There is carcinoma in situ such that surgery, radiotherapy, or
31 chemotherapy has been determined to be medically necessary;

1 (ii) There are malignant tumors which are treated by endoscopic
2 procedures alone; or

3 (iii) There are malignant melanomas; and

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

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

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

21 (iv) In the event that there is a subsequent reoccurrence of a
22 disability caused by cancer which precludes the firefighter from serving
23 as a firefighter, he or she shall be entitled to receive any remaining
24 monthly benefits.

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

31 (3) A firefighter shall be ineligible for benefits under the

1 Firefighter Cancer Benefits Act if he or she is already provided paid
2 firefighter cancer benefits pursuant to section 35-1001.

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

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

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

29 Sec. 8. Any rural or suburban fire protection district, airport
30 authority, city, village, or nonprofit corporation that has had a
31 firefighter file a claim for or receive cancer benefits under the

1 Firefighter Cancer Benefits Act shall report such claims filed, claims
2 paid, and types of claims to the State Fire Marshal. Beginning on
3 December 1, 2023, the State Fire Marshal shall submit electronically an
4 annual report to the Legislature and Governor stating the number of
5 firefighters who have filed claims pursuant to the act and the number of
6 firefighters who have received benefits under the act.

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

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

11 77-2715.07 (1) There shall be allowed to qualified resident
12 individuals as a nonrefundable credit against the income tax imposed by
13 the Nebraska Revenue Act of 1967:

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

16 (b) A credit for taxes paid to another state as provided in section
17 77-2730.

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

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

30 (b) For returns filed reporting federal adjusted gross income of
31 twenty-nine thousand dollars or less, a refundable credit equal to a

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

14 (c) A refundable credit as provided in section 77-5209.01 for
15 individuals who qualify for an income tax credit as a qualified beginning
16 farmer or livestock producer under the Beginning Farmer Tax Credit Act
17 for all taxable years beginning or deemed to begin on or after January 1,
18 2006, under the Internal Revenue Code of 1986, as amended;

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

24 (e) A refundable credit equal to ten percent of the federal credit
25 allowed under section 32 of the Internal Revenue Code of 1986, as
26 amended, except that for taxable years beginning or deemed to begin on or
27 after January 1, 2015, such refundable credit shall be allowed only if
28 the individual would have received the federal credit allowed under
29 section 32 of the code after adding back in any carryforward of a net
30 operating loss that was deducted pursuant to such section in determining
31 eligibility for the federal credit.

1 (3) There shall be allowed to all individuals as a nonrefundable
2 credit against the income tax imposed by the Nebraska Revenue Act of
3 1967:

4 (a) A credit for personal exemptions allowed under section
5 77-2716.01;

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

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

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

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

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

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

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

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

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

28 (c) A refundable credit for individuals who qualify for an income
29 tax credit as an owner of agricultural assets under the Beginning Farmer
30 Tax Credit Act for all taxable years beginning or deemed to begin on or
31 after January 1, 2009, under the Internal Revenue Code of 1986, as

1 amended. The credit allowed for each partner, shareholder, member, or
2 beneficiary of a partnership, corporation, limited liability company, or
3 estate or trust qualifying for an income tax credit as an owner of
4 agricultural assets under the Beginning Farmer Tax Credit Act shall be
5 equal to the partner's, shareholder's, member's, or beneficiary's portion
6 of the amount of tax credit distributed pursuant to subsection (6) of
7 section 77-5211.

8 (5)(a) For all taxable years beginning on or after January 1, 2007,
9 and before January 1, 2009, under the Internal Revenue Code of 1986, as
10 amended, there shall be allowed to each partner, shareholder, member, or
11 beneficiary of a partnership, subchapter S corporation, limited liability
12 company, or estate or trust a nonrefundable credit against the income tax
13 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the
14 partner's, shareholder's, member's, or beneficiary's portion of the
15 amount of franchise tax paid to the state under sections 77-3801 to
16 77-3807 by a financial institution.

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

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

31 (6) There shall be allowed to all individuals nonrefundable credits

1 against the income tax imposed by the Nebraska Revenue Act of 1967 as
2 provided in section 77-3604 and refundable credits against the income tax
3 imposed by the Nebraska Revenue Act of 1967 as provided in section
4 77-3605.

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

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

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

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

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

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

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

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

30 (8) There shall be allowed to all individuals refundable credits
31 against the income tax imposed by the Nebraska Revenue Act of 1967 as

1 provided in the Nebraska Property Tax Incentive Act and the Renewable
2 Chemical Production Tax Credit Act.

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

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

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

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

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

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

16 Sec. 11. Section 77-2716, Revised Statutes Cumulative Supplement,
17 2020, is amended to read:

18 77-2716 (1) The following adjustments to federal adjusted gross
19 income or, for corporations and fiduciaries, federal taxable income shall
20 be made for interest or dividends received:

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

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

31 (b) There shall be subtracted that portion of the total dividends

1 and other income received from a regulated investment company which is
2 attributable to obligations described in subdivision (a) of this
3 subsection as reported to the recipient by the regulated investment
4 company;

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

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

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

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

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

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

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

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

21 (5) There shall be subtracted from federal adjusted gross income or,
22 for corporations and fiduciaries, federal taxable income dividends
23 received or deemed to be received from corporations which are not subject
24 to the Internal Revenue Code. For purposes of this subsection, dividends
25 deemed to be received includes income included in federal income under
26 section 951A of the Internal Revenue Code net of the deduction in section
27 250(a)(1)(B) of the code.

28 (6) There shall be subtracted from federal taxable income a portion
29 of the income earned by a corporation subject to the Internal Revenue
30 Code of 1986 that is actually taxed by a foreign country or one of its
31 political subdivisions at a rate in excess of the maximum federal tax

1 rate for corporations. The taxpayer may make the computation for each
2 foreign country or for groups of foreign countries. The portion of the
3 taxes that may be deducted shall be computed in the following manner:

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

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

11 (c) The result of the calculation in subdivision (b) of this
12 subsection shall be subtracted from the amount of federal taxable income
13 used in subdivision (a) of this subsection. The result of such
14 calculation, if greater than zero, shall be subtracted from federal
15 taxable income.

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

19 (8)(a) Federal adjusted gross income or, for corporations and
20 fiduciaries, federal taxable income shall be reduced, to the extent
21 included, by income from interest, earnings, and state contributions
22 received from the Nebraska educational savings plan trust created in
23 sections 85-1801 to 85-1817 and any account established under the
24 achieving a better life experience program as provided in sections
25 77-1401 to 77-1409.

26 (b) Federal adjusted gross income or, for corporations and
27 fiduciaries, federal taxable income shall be reduced by any contributions
28 as a participant in the Nebraska educational savings plan trust or
29 contributions to an account established under the achieving a better life
30 experience program made for the benefit of a beneficiary as provided in
31 sections 77-1401 to 77-1409, to the extent not deducted for federal

1 income tax purposes, but not to exceed five thousand dollars per married
2 filing separate return or ten thousand dollars for any other return. With
3 respect to a qualified rollover within the meaning of section 529 of the
4 Internal Revenue Code from another state's plan, any interest, earnings,
5 and state contributions received from the other state's educational
6 savings plan which is qualified under section 529 of the code shall
7 qualify for the reduction provided in this subdivision. For contributions
8 by a custodian of a custodial account including rollovers from another
9 custodial account, the reduction shall only apply to funds added to the
10 custodial account after January 1, 2014.

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

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

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

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

29 (9)(a) For income tax returns filed after September 10, 2001, for
30 taxable years beginning or deemed to begin before January 1, 2006, under
31 the Internal Revenue Code of 1986, as amended, federal adjusted gross

1 income or, for corporations and fiduciaries, federal taxable income shall
2 be increased by eighty-five percent of any amount of any federal bonus
3 depreciation received under the federal Job Creation and Worker
4 Assistance Act of 2002 or the federal Jobs and Growth Tax Act of 2003,
5 under section 168(k) or section 1400L of the Internal Revenue Code of
6 1986, as amended, for assets placed in service after September 10, 2001,
7 and before December 31, 2005.

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

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

19 (d) The amount of bonus depreciation added to federal adjusted gross
20 income or, for corporations and fiduciaries, federal taxable income by
21 this subsection shall be subtracted in a later taxable year. Twenty
22 percent of the total amount of bonus depreciation added back by this
23 subsection for tax years beginning or deemed to begin before January 1,
24 2003, under the Internal Revenue Code of 1986, as amended, may be
25 subtracted in the first taxable year beginning or deemed to begin on or
26 after January 1, 2005, under the Internal Revenue Code of 1986, as
27 amended, and twenty percent in each of the next four following taxable
28 years. Twenty percent of the total amount of bonus depreciation added
29 back by this subsection for tax years beginning or deemed to begin on or
30 after January 1, 2003, may be subtracted in the first taxable year
31 beginning or deemed to begin on or after January 1, 2006, under the

1 Internal Revenue Code of 1986, as amended, and twenty percent in each of
2 the next four following taxable years.

3 (10) For taxable years beginning or deemed to begin on or after
4 January 1, 2003, and before January 1, 2006, under the Internal Revenue
5 Code of 1986, as amended, federal adjusted gross income or, for
6 corporations and fiduciaries, federal taxable income shall be increased
7 by the amount of any capital investment that is expensed under section
8 179 of the Internal Revenue Code of 1986, as amended, that is in excess
9 of twenty-five thousand dollars that is allowed under the federal Jobs
10 and Growth Tax Act of 2003. Twenty percent of the total amount of
11 expensing added back by this subsection for tax years beginning or deemed
12 to begin on or after January 1, 2003, may be subtracted in the first
13 taxable year beginning or deemed to begin on or after January 1, 2006,
14 under the Internal Revenue Code of 1986, as amended, and twenty percent
15 in each of the next four following tax years.

16 (11)(a) For taxable years beginning or deemed to begin before
17 January 1, 2018, under the Internal Revenue Code of 1986, as amended,
18 federal adjusted gross income shall be reduced by contributions, up to
19 two thousand dollars per married filing jointly return or one thousand
20 dollars for any other return, and any investment earnings made as a
21 participant in the Nebraska long-term care savings plan under the Long-
22 Term Care Savings Plan Act, to the extent not deducted for federal income
23 tax purposes.

24 (b) For taxable years beginning or deemed to begin before January 1,
25 2018, under the Internal Revenue Code of 1986, as amended, federal
26 adjusted gross income shall be increased by the withdrawals made as a
27 participant in the Nebraska long-term care savings plan under the act by
28 a person who is not a qualified individual or for any reason other than
29 transfer of funds to a spouse, long-term care expenses, long-term care
30 insurance premiums, or death of the participant, including withdrawals
31 made by reason of cancellation of the participation agreement, to the

1 extent previously deducted as a contribution or as investment earnings.

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

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

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

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

15 (b) For taxable years beginning or deemed to begin on or after
16 January 1, 2020, under the Internal Revenue Code of 1986, as amended, the
17 Tax Commissioner shall adjust the dollar amounts provided in subdivisions
18 (13)(a)(i) and (ii) of this section by the same percentage used to adjust
19 individual income tax brackets under subsection (3) of section
20 77-2715.03.

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

1 in which he or she turns sixty-seven years of age.

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

7 (c) For purposes of this subsection, military retirement benefit
8 means retirement benefits that are periodic payments attributable to
9 service in the uniformed services of the United States for personal
10 services performed by an individual prior to his or her retirement.

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

16 (16) For taxable years beginning or deemed to begin on or after
17 January 1, 2022, under the Internal Revenue Code of 1986, as amended,
18 federal adjusted gross income shall be reduced by the amount received by
19 or on behalf of a firefighter for cancer benefits under the Firefighter
20 Cancer Benefits Act to the extent included in federal adjusted gross
21 income.

22 Sec. 12. Section 77-2734.02, Reissue Revised Statutes of Nebraska,
23 is amended to read:

24 77-2734.02 (1) Except as provided in subsection (2) of this section,
25 a tax is hereby imposed on the taxable income of every corporate taxpayer
26 that is doing business in this state:

27 (a) For taxable years beginning or deemed to begin before January 1,
28 2013, at a rate equal to one hundred fifty and eight-tenths percent of
29 the primary rate imposed on individuals under section 77-2701.01 on the
30 first one hundred thousand dollars of taxable income and at the rate of
31 two hundred eleven percent of such rate on all taxable income in excess

1 of one hundred thousand dollars. The resultant rates shall be rounded to
2 the nearest one hundredth of one percent; ~~and~~

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

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

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

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

24 (3) For a corporate taxpayer that is subject to tax in another
25 state, its taxable income shall be the portion of the taxpayer's federal
26 taxable income, as adjusted, that is determined to be connected with the
27 taxpayer's operations in this state pursuant to sections 77-2734.05 to
28 77-2734.15.

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

31 Sec. 13. Section 85-1802, Revised Statutes Cumulative Supplement,

1 2020, is amended to read:

2 85-1802 For purposes of sections 85-1801 to 85-1817:

3 (1) Administrative fund means the College Savings Plan
4 Administrative Fund created in section 85-1807;

5 (2) Beneficiary means the individual designated by a participation
6 agreement to benefit from advance payments of qualified higher education
7 expenses on behalf of the beneficiary;

8 (3) Benefits means the payment of qualified higher education
9 expenses on behalf of a beneficiary by the Nebraska educational savings
10 plan trust during the beneficiary's attendance at an eligible educational
11 institution;

12 (4) Eligible educational institution means an institution described
13 in 20 U.S.C. 1088 which is eligible to participate in a program under
14 Title IV of the federal Higher Education Act of 1965;

15 (5) Expense fund means the College Savings Plan Expense Fund created
16 in section 85-1807;

17 (6) Nebraska educational savings plan trust means the trust created
18 in section 85-1804;

19 (7) Nonqualified withdrawal refers to (a) a distribution from an
20 account to the extent it is not used to pay the qualified higher
21 education expenses of the beneficiary, (b) a qualified rollover permitted
22 by section 529 of the Internal Revenue Code where the funds are
23 transferred to a qualified tuition program sponsored by another state or
24 entity, or (c) a distribution from an account to pay the costs of
25 attending kindergarten through grade twelve;

26 (8) Participant or account owner means an individual, an
27 individual's legal representative, or any other legal entity authorized
28 to establish a savings account under section 529 of the Internal Revenue
29 Code who has entered into a participation agreement for the advance
30 payment of qualified higher education expenses on behalf of a
31 beneficiary. For purposes of section 77-2716, as to contributions by a

1 custodian to a custodial account established pursuant to the Nebraska
2 Uniform Transfers to Minors Act or similar law in another state, which
3 account has been established under a participation agreement, participant
4 includes the parent or guardian of a minor, which parent or guardian is
5 also the custodian of the account;

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

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

11 (11) Qualified higher education expenses means the certified costs
12 of tuition and fees, books, supplies, and equipment required for (a)
13 enrollment or attendance at an eligible educational institution or (b)
14 for costs incurred on or after January 1, 2021, participation in an
15 apprenticeship program registered and certified with the United States
16 Secretary of Labor under 29 U.S.C. 50, as such section existed on January
17 1, 2021. Reasonable room and board expenses, based on the minimum amount
18 applicable for the eligible educational institution during the period of
19 enrollment, shall be included as qualified higher education expenses for
20 those students enrolled on at least a half-time basis. In the case of a
21 special needs beneficiary, expenses for special needs services incurred
22 in connection with enrollment or attendance at an eligible educational
23 institution shall be included as qualified higher education expenses.
24 Expenses paid or incurred in 2009 or 2010 for the purchase of computer
25 technology or equipment or Internet access and related services, subject
26 to the limitations set forth in section 529 of the Internal Revenue Code,
27 shall be included as qualified higher education expenses. Qualified
28 higher education expenses does not include any amounts in excess of those
29 allowed by section 529 of the Internal Revenue Code;

30 (12) Section 529 of the Internal Revenue Code means such section of
31 the code and the regulations interpreting such section; and

1 (13) Tuition and fees means the quarter or semester charges imposed
2 to attend an eligible educational institution.

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

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