

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 432

FINAL READING

Introduced by Revenue Committee: Linehan, 39, Chairperson; Albrecht, 17;
Briese, 41; Friesen, 34; Lindstrom, 18.

Read first time January 15, 2021

Committee: Revenue

1 A BILL FOR AN ACT relating to public benefits; to amend sections
2 77-2734.02 and 77-5208, Reissue Revised Statutes of Nebraska, and
3 sections 13-520, 77-2715.07, 77-2716, 77-3442, and 85-1802, Revised
4 Statutes Cumulative Supplement, 2020; to adopt the Firefighter
5 Cancer Benefits Act; to change provisions relating to limitations on
6 restricted funds for certain cancer benefits; to provide a tax
7 credit for parents of stillborn children; to provide an income tax
8 exemption for certain cancer benefits; to change the corporate
9 income tax rate as prescribed; to exempt certain cancer benefits
10 from property tax levy limits; to extend the Beginning Farmer Tax
11 Credit Act application period; to require a firefighter
12 informational report from the State Fire Marshal; to redefine
13 qualified higher education expenses for purposes of the Nebraska
14 educational savings plan trust; to provide operative dates; and to
15 repeal the original sections.
16 Be it enacted by the people of the State of Nebraska,

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

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

4 (1) Cancer means:

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

10 (b) Melanoma; and

11 (2) Firefighter means:

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

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

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

21 Sec. 3. Before any firefighter is entitled to benefits under the
22 Firefighter Cancer Benefits Act, such firefighter shall (1) have
23 successfully passed a physical examination which failed to reveal any
24 evidence of cancer, (2) have served at least twenty-four consecutive
25 months as a firefighter at any fire station within the State of Nebraska,
26 (3) have been actively engaged in fire suppression at an actual fire or
27 fire training event, and (4) wear all available personal protective
28 equipment when fighting any fire, including a self-contained breathing
29 apparatus when fighting structure fires. After serving at least twenty-
30 four consecutive months as a firefighter, the firefighter shall be deemed
31 to be in compliance with subdivision (2) of this section even with a

1 break in service, so long as such break does not exceed six months.

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

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

14 (i) There is metastasis and:

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

16 or

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

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

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

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

29 (ii) There are malignant tumors which are treated by endoscopic
30 procedures alone; or

31 (iii) There are malignant melanomas; and

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

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

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

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

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

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

31 Sec. 5. The combined total of all benefits received by any

1 firefighter pursuant to subdivisions (1)(a) and (b) of section 4 of this
2 act during his or her lifetime shall not exceed fifty thousand dollars.

3 Sec. 6. A firefighter shall remain eligible for benefits pursuant
4 to subsections (1) and (2) of section 4 of this act for thirty-six months
5 after the formal cessation of the firefighter's status as a firefighter.
6 If a firefighter has a physical examination during the thirty-six months
7 of eligibility that reveals evidence of cancer, the firefighter shall be
8 eligible for benefits under subsections (1) and (2) of section 4 of this
9 act even if such benefits are paid after the thirty-six-month eligibility
10 period ends. The rural or suburban fire protection district, airport
11 authority, city, village, or nonprofit corporation for which such
12 firefighter served shall be responsible for payment of all premiums or
13 other costs associated with benefits that may be provided under
14 subsections (1) and (2) of section 4 of this act throughout the duration
15 of the firefighter's coverage.

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

30 Sec. 8. (1) Any rural or suburban fire protection district, airport
31 authority, city, village, or nonprofit corporation that has had a

1 firefighter file a claim for or receive cancer benefits under the
2 Firefighter Cancer Benefits Act shall report such claims filed, claims
3 paid, and types of claims to the State Fire Marshal. On or before
4 December 1, 2023, and on or before December 1 of each year thereafter,
5 the State Fire Marshal shall submit electronically an annual report to
6 the Legislature and Governor stating the number of firefighters who have
7 filed claims pursuant to the act and the number of firefighters who have
8 received benefits under the act.

9 (2) If the firefighters in a fire department are being provided
10 cancer benefits under the Firefighter Cancer Benefits Act, the fire chief
11 of such fire department, or his or her designee, shall submit an annual
12 report to the governing body of the rural or suburban fire protection
13 district, airport authority, city, or village served by such fire
14 department listing the total number of fire suppression incidents
15 occurring during the most recently completed calendar year. Such report
16 shall be submitted on or before February 15, 2023, and on or before
17 February 15 of each year thereafter.

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

20 Sec. 10. Section 13-520, Revised Statutes Cumulative Supplement,
21 2020, is amended to read:

22 13-520 The limitations in section 13-519 shall not apply to (1)
23 restricted funds budgeted for capital improvements, (2) restricted funds
24 expended from a qualified sinking fund for acquisition or replacement of
25 tangible personal property with a useful life of five years or more, (3)
26 restricted funds pledged to retire bonds as defined in subdivision (1) of
27 section 10-134 and approved according to law, (4) restricted funds used
28 by a public airport to retire interest-free loans from the Division of
29 Aeronautics of the Department of Transportation in lieu of bonded
30 indebtedness at a lower cost to the public airport, (5) restricted funds
31 budgeted in support of a service which is the subject of an agreement or

1 a modification of an existing agreement whether operated by one of the
2 parties to the agreement or by an independent joint entity or joint
3 public agency, (6) restricted funds budgeted to pay for repairs to
4 infrastructure damaged by a natural disaster which is declared a disaster
5 emergency pursuant to the Emergency Management Act, (7) restricted funds
6 budgeted to pay for judgments, except judgments or orders from the
7 Commission of Industrial Relations, obtained against a governmental unit
8 which require or obligate a governmental unit to pay such judgment, to
9 the extent such judgment is not paid by liability insurance coverage of a
10 governmental unit, (8) restricted funds budgeted to pay benefits under
11 the Firefighter Cancer Benefits Act, or (9) ~~(8)~~ the dollar amount by
12 which restricted funds budgeted by a natural resources district to
13 administer and implement ground water management activities and
14 integrated management activities under the Nebraska Ground Water
15 Management and Protection Act exceed its restricted funds budgeted to
16 administer and implement ground water management activities and
17 integrated management activities for FY2003-04.

18 Sec. 11. Section 77-2715.07, Revised Statutes Cumulative Supplement,
19 2020, is amended to read:

20 77-2715.07 (1) There shall be allowed to qualified resident
21 individuals as a nonrefundable credit against the income tax imposed by
22 the Nebraska Revenue Act of 1967:

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

25 (b) A credit for taxes paid to another state as provided in section
26 77-2730.

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

29 (a) For returns filed reporting federal adjusted gross incomes of
30 greater than twenty-nine thousand dollars, a nonrefundable credit equal
31 to twenty-five percent of the federal credit allowed under section 21 of

1 the Internal Revenue Code of 1986, as amended, except that for taxable
2 years beginning or deemed to begin on or after January 1, 2015, such
3 nonrefundable credit shall be allowed only if the individual would have
4 received the federal credit allowed under section 21 of the code after
5 adding back in any carryforward of a net operating loss that was deducted
6 pursuant to such section in determining eligibility for the federal
7 credit;

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

23 (c) A refundable credit as provided in section 77-5209.01 for
24 individuals who qualify for an income tax credit as a qualified beginning
25 farmer or livestock producer under the Beginning Farmer Tax Credit Act
26 for all taxable years beginning or deemed to begin on or after January 1,
27 2006, under the Internal Revenue Code of 1986, as amended;

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

1 and

2 (e) A refundable credit equal to ten percent of the federal credit
3 allowed under section 32 of the Internal Revenue Code of 1986, as
4 amended, except that for taxable years beginning or deemed to begin on or
5 after January 1, 2015, such refundable credit shall be allowed only if
6 the individual would have received the federal credit allowed under
7 section 32 of the code after adding back in any carryforward of a net
8 operating loss that was deducted pursuant to such section in determining
9 eligibility for the federal credit.

10 (3) There shall be allowed to all individuals as a nonrefundable
11 credit against the income tax imposed by the Nebraska Revenue Act of
12 1967:

13 (a) A credit for personal exemptions allowed under section
14 77-2716.01;

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

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

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

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

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

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

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

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

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

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

17 (5)(a) For all taxable years beginning on or after January 1, 2007,
18 and before January 1, 2009, under the Internal Revenue Code of 1986, as
19 amended, there shall be allowed to each partner, shareholder, member, or
20 beneficiary of a partnership, subchapter S corporation, limited liability
21 company, or estate or trust a nonrefundable credit against the income tax
22 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the
23 partner's, shareholder's, member's, or beneficiary's portion of the
24 amount of franchise tax paid to the state under sections 77-3801 to
25 77-3807 by a financial institution.

26 (b) For all taxable years beginning on or after January 1, 2009,
27 under the Internal Revenue Code of 1986, as amended, there shall be
28 allowed to each partner, shareholder, member, or beneficiary of a
29 partnership, subchapter S corporation, limited liability company, or
30 estate or trust a nonrefundable credit against the income tax imposed by
31 the Nebraska Revenue Act of 1967 equal to the partner's, shareholder's,

1 member's, or beneficiary's portion of the amount of franchise tax paid to
2 the state under sections 77-3801 to 77-3807 by a financial institution.

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

9 (6) There shall be allowed to all individuals nonrefundable credits
10 against the income tax imposed by the Nebraska Revenue Act of 1967 as
11 provided in section 77-3604 and refundable credits against the income tax
12 imposed by the Nebraska Revenue Act of 1967 as provided in section
13 77-3605.

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

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

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

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

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

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

31 (d) The credit provided in this subsection shall be subject to

1 recapture by the Department of Revenue if the individual claiming the
2 credit sells or otherwise transfers the residence or quits using the
3 residence as his or her primary residence within five years after the end
4 of the taxable year in which the credit was claimed.

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

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

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

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

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

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

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

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

25 Sec. 12. Section 77-2716, Revised Statutes Cumulative Supplement,
26 2020, is amended to read:

27 77-2716 (1) The following adjustments to federal adjusted gross
28 income or, for corporations and fiduciaries, federal taxable income shall
29 be made for interest or dividends received:

30 (a)(i) There shall be subtracted interest or dividends received by
31 the owner of obligations of the United States and its territories and

1 possessions or of any authority, commission, or instrumentality of the
2 United States to the extent includable in gross income for federal income
3 tax purposes but exempt from state income taxes under the laws of the
4 United States; and

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

9 (b) There shall be subtracted that portion of the total dividends
10 and other income received from a regulated investment company which is
11 attributable to obligations described in subdivision (a) of this
12 subsection as reported to the recipient by the regulated investment
13 company;

14 (c) There shall be added interest or dividends received by the owner
15 of obligations of the District of Columbia, other states of the United
16 States, or their political subdivisions, authorities, commissions, or
17 instrumentalities to the extent excluded in the computation of gross
18 income for federal income tax purposes except that such interest or
19 dividends shall not be added if received by a corporation which is a
20 regulated investment company;

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

26 (e)(i) Any amount subtracted under this subsection shall be reduced
27 by any interest on indebtedness incurred to carry the obligations or
28 securities described in this subsection or the investment in the
29 regulated investment company and by any expenses incurred in the
30 production of interest or dividend income described in this subsection to
31 the extent that such expenses, including amortizable bond premiums, are

1 deductible in determining federal taxable income.

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

5 (2) There shall be allowed a net operating loss derived from or
6 connected with Nebraska sources computed under rules and regulations
7 adopted and promulgated by the Tax Commissioner consistent, to the extent
8 possible under the Nebraska Revenue Act of 1967, with the laws of the
9 United States. For a resident individual, estate, or trust, the net
10 operating loss computed on the federal income tax return shall be
11 adjusted by the modifications contained in this section. For a
12 nonresident individual, estate, or trust or for a partial-year resident
13 individual, the net operating loss computed on the federal return shall
14 be adjusted by the modifications contained in this section and any
15 carryovers or carrybacks shall be limited to the portion of the loss
16 derived from or connected with Nebraska sources.

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

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

30 (5) There shall be subtracted from federal adjusted gross income or,
31 for corporations and fiduciaries, federal taxable income dividends

1 received or deemed to be received from corporations which are not subject
2 to the Internal Revenue Code.

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

10 (a) The amount of federal taxable income from operations within a
11 foreign taxing jurisdiction shall be reduced by the amount of taxes
12 actually paid to the foreign jurisdiction that are not deductible solely
13 because the foreign tax credit was elected on the federal income tax
14 return;

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

17 (c) The result of the calculation in subdivision (b) of this
18 subsection shall be subtracted from the amount of federal taxable income
19 used in subdivision (a) of this subsection. The result of such
20 calculation, if greater than zero, shall be subtracted from federal
21 taxable income.

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

25 (8)(a) Federal adjusted gross income or, for corporations and
26 fiduciaries, federal taxable income shall be reduced, to the extent
27 included, by income from interest, earnings, and state contributions
28 received from the Nebraska educational savings plan trust created in
29 sections 85-1801 to 85-1817 and any account established under the
30 achieving a better life experience program as provided in sections
31 77-1401 to 77-1409.

1 (b) Federal adjusted gross income or, for corporations and
2 fiduciaries, federal taxable income shall be reduced by any contributions
3 as a participant in the Nebraska educational savings plan trust or
4 contributions to an account established under the achieving a better life
5 experience program made for the benefit of a beneficiary as provided in
6 sections 77-1401 to 77-1409, to the extent not deducted for federal
7 income tax purposes, but not to exceed five thousand dollars per married
8 filing separate return or ten thousand dollars for any other return. With
9 respect to a qualified rollover within the meaning of section 529 of the
10 Internal Revenue Code from another state's plan, any interest, earnings,
11 and state contributions received from the other state's educational
12 savings plan which is qualified under section 529 of the code shall
13 qualify for the reduction provided in this subdivision. For contributions
14 by a custodian of a custodial account including rollovers from another
15 custodial account, the reduction shall only apply to funds added to the
16 custodial account after January 1, 2014.

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

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

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

31 (ii) The amount of any withdrawals by the owner of an account

1 established under the achieving a better life experience program as
2 provided in sections 77-1401 to 77-1409 for nonqualified expenses to the
3 extent previously deducted under subdivision (8)(b) of this section.

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

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

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

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

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

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

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

30 (b) For taxable years beginning or deemed to begin before January 1,
31 2018, under the Internal Revenue Code of 1986, as amended, federal

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

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

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

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

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

21 (b) For taxable years beginning or deemed to begin on or after
22 January 1, 2020, under the Internal Revenue Code of 1986, as amended, the
23 Tax Commissioner shall adjust the dollar amounts provided in subdivisions
24 (13)(a)(i) and (ii) of this section by the same percentage used to adjust
25 individual income tax brackets under subsection (3) of section
26 77-2715.03.

27 (14)(a) For taxable years beginning or deemed to begin on or after
28 January 1, 2015, and before January 1, 2022, under the Internal Revenue
29 Code of 1986, as amended, an individual may make a one-time election
30 within two calendar years after the date of his or her retirement from
31 the military to exclude income received as a military retirement benefit

1 by the individual to the extent included in federal adjusted gross income
2 and as provided in this subdivision. The individual may elect to exclude
3 forty percent of his or her military retirement benefit income for seven
4 consecutive taxable years beginning with the year in which the election
5 is made or may elect to exclude fifteen percent of his or her military
6 retirement benefit income for all taxable years beginning with the year
7 in which he or she turns sixty-seven years of age.

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

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

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

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

28 Sec. 13. Section 77-2734.02, Reissue Revised Statutes of Nebraska,
29 is amended to read:

30 77-2734.02 (1) Except as provided in subsection (2) of this section,
31 a tax is hereby imposed on the taxable income of every corporate taxpayer

1 that is doing business in this state:

2 (a) For taxable years beginning or deemed to begin before January 1,
3 2013, at a rate equal to one hundred fifty and eight-tenths percent of
4 the primary rate imposed on individuals under section 77-2701.01 on the
5 first one hundred thousand dollars of taxable income and at the rate of
6 two hundred eleven percent of such rate on all taxable income in excess
7 of one hundred thousand dollars. The resultant rates shall be rounded to
8 the nearest one hundredth of one percent; ~~and~~

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

14 (c) For taxable years beginning or deemed to begin on or after
15 January 1, 2022, and before January 1, 2023, at a rate equal to 5.58
16 percent on the first one hundred thousand dollars of taxable income and
17 at the rate of 7.50 percent on all taxable income in excess of one
18 hundred thousand dollars; and

19 (d) For taxable years beginning or deemed to begin on or after
20 January 1, 2023, at a rate equal to 5.58 percent on the first one hundred
21 thousand dollars of taxable income and at the rate of 7.25 percent on all
22 taxable income in excess of one hundred thousand dollars.

23 It is the intent of the Legislature to enact legislation after the
24 operative date of this section to lower the tax rate applicable to income
25 in excess of one hundred thousand dollars to 7.00 percent for taxable
26 years beginning or deemed to begin on or after January 1, 2024, and
27 before January 1, 2025, and to 6.84 percent for taxable years beginning
28 or deemed to begin on or after January 1, 2025.

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

1 first day, of the taxable year.

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

10 (3) For a corporate taxpayer that is subject to tax in another
11 state, its taxable income shall be the portion of the taxpayer's federal
12 taxable income, as adjusted, that is determined to be connected with the
13 taxpayer's operations in this state pursuant to sections 77-2734.05 to
14 77-2734.15.

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

17 Sec. 14. Section 77-3442, Revised Statutes Cumulative Supplement,
18 2020, is amended to read:

19 77-3442 (1) Property tax levies for the support of local governments
20 for fiscal years beginning on or after July 1, 1998, shall be limited to
21 the amounts set forth in this section except as provided in section
22 77-3444.

23 (2)(a) Except as provided in subdivisions (2)(b) and (2)(e) of this
24 section, school districts and multiple-district school systems may levy a
25 maximum levy of one dollar and five cents per one hundred dollars of
26 taxable valuation of property subject to the levy.

27 (b) For each fiscal year prior to fiscal year 2017-18, learning
28 communities may levy a maximum levy for the general fund budgets of
29 member school districts of ninety-five cents per one hundred dollars of
30 taxable valuation of property subject to the levy. The proceeds from the
31 levy pursuant to this subdivision shall be distributed pursuant to

1 section 79-1073.

2 (c) Except as provided in subdivision (2)(e) of this section, for
3 each fiscal year prior to fiscal year 2017-18, school districts that are
4 members of learning communities may levy for purposes of such districts'
5 general fund budget and special building funds a maximum combined levy of
6 the difference of one dollar and five cents on each one hundred dollars
7 of taxable property subject to the levy minus the learning community levy
8 pursuant to subdivision (2)(b) of this section for such learning
9 community.

10 (d) Excluded from the limitations in subdivisions (2)(a) and (2)(c)
11 of this section are (i) amounts levied to pay for current and future sums
12 agreed to be paid by a school district to certificated employees in
13 exchange for a voluntary termination of employment occurring prior to
14 September 1, 2017, (ii) amounts levied by a school district otherwise at
15 the maximum levy pursuant to subdivision (2)(a) of this section to pay
16 for current and future qualified voluntary termination incentives for
17 certificated teachers pursuant to subsection (3) of section 79-8,142 that
18 are not otherwise included in an exclusion pursuant to subdivision (2)(d)
19 of this section, (iii) amounts levied by a school district otherwise at
20 the maximum levy pursuant to subdivision (2)(a) of this section to pay
21 for seventy-five percent of the current and future sums agreed to be paid
22 to certificated employees in exchange for a voluntary termination of
23 employment occurring between September 1, 2017, and August 31, 2018, as a
24 result of a collective-bargaining agreement in force and effect on
25 September 1, 2017, that are not otherwise included in an exclusion
26 pursuant to subdivision (2)(d) of this section, (iv) amounts levied by a
27 school district otherwise at the maximum levy pursuant to subdivision (2)
28 (a) of this section to pay for fifty percent of the current and future
29 sums agreed to be paid to certificated employees in exchange for a
30 voluntary termination of employment occurring between September 1, 2018,
31 and August 31, 2019, as a result of a collective-bargaining agreement in

1 force and effect on September 1, 2017, that are not otherwise included in
2 an exclusion pursuant to subdivision (2)(d) of this section, (v) amounts
3 levied by a school district otherwise at the maximum levy pursuant to
4 subdivision (2)(a) of this section to pay for twenty-five percent of the
5 current and future sums agreed to be paid to certificated employees in
6 exchange for a voluntary termination of employment occurring between
7 September 1, 2019, and August 31, 2020, as a result of a collective-
8 bargaining agreement in force and effect on September 1, 2017, that are
9 not otherwise included in an exclusion pursuant to subdivision (2)(d) of
10 this section, (vi) amounts levied in compliance with sections 79-10,110
11 and 79-10,110.02, and (vii) amounts levied to pay for special building
12 funds and sinking funds established for projects commenced prior to April
13 1, 1996, for construction, expansion, or alteration of school district
14 buildings. For purposes of this subsection, commenced means any action
15 taken by the school board on the record which commits the board to expend
16 district funds in planning, constructing, or carrying out the project.

17 (e) Federal aid school districts may exceed the maximum levy
18 prescribed by subdivision (2)(a) or (2)(c) of this section only to the
19 extent necessary to qualify to receive federal aid pursuant to Title VIII
20 of Public Law 103-382, as such title existed on September 1, 2001. For
21 purposes of this subdivision, federal aid school district means any
22 school district which receives ten percent or more of the revenue for its
23 general fund budget from federal government sources pursuant to Title
24 VIII of Public Law 103-382, as such title existed on September 1, 2001.

25 (f) For each fiscal year, learning communities may levy a maximum
26 levy of one-half cent on each one hundred dollars of taxable property
27 subject to the levy for elementary learning center facility leases, for
28 remodeling of leased elementary learning center facilities, and for up to
29 fifty percent of the estimated cost for focus school or program capital
30 projects approved by the learning community coordinating council pursuant
31 to section 79-2111.

1 (g) For each fiscal year, learning communities may levy a maximum
2 levy of one and one-half cents on each one hundred dollars of taxable
3 property subject to the levy for early childhood education programs for
4 children in poverty, for elementary learning center employees, for
5 contracts with other entities or individuals who are not employees of the
6 learning community for elementary learning center programs and services,
7 and for pilot projects, except that no more than ten percent of such levy
8 may be used for elementary learning center employees.

9 (3) For each fiscal year, community college areas may levy the
10 levies provided in subdivisions (2)(a) through (c) of section 85-1517, in
11 accordance with the provisions of such subdivisions. A community college
12 area may exceed the levy provided in subdivision (2)(b) of section
13 85-1517 by the amount necessary to retire general obligation bonds
14 assumed by the community college area or issued pursuant to section
15 85-1515 according to the terms of such bonds or for any obligation
16 pursuant to section 85-1535 entered into prior to January 1, 1997.

17 (4)(a) Natural resources districts may levy a maximum levy of four
18 and one-half cents per one hundred dollars of taxable valuation of
19 property subject to the levy.

20 (b) Natural resources districts shall also have the power and
21 authority to levy a tax equal to the dollar amount by which their
22 restricted funds budgeted to administer and implement ground water
23 management activities and integrated management activities under the
24 Nebraska Ground Water Management and Protection Act exceed their
25 restricted funds budgeted to administer and implement ground water
26 management activities and integrated management activities for FY2003-04,
27 not to exceed one cent on each one hundred dollars of taxable valuation
28 annually on all of the taxable property within the district.

29 (c) In addition, natural resources districts located in a river
30 basin, subbasin, or reach that has been determined to be fully
31 appropriated pursuant to section 46-714 or designated as overappropriated

1 pursuant to section 46-713 by the Department of Natural Resources shall
2 also have the power and authority to levy a tax equal to the dollar
3 amount by which their restricted funds budgeted to administer and
4 implement ground water management activities and integrated management
5 activities under the Nebraska Ground Water Management and Protection Act
6 exceed their restricted funds budgeted to administer and implement ground
7 water management activities and integrated management activities for
8 FY2005-06, not to exceed three cents on each one hundred dollars of
9 taxable valuation on all of the taxable property within the district for
10 fiscal year 2006-07 and each fiscal year thereafter through fiscal year
11 2017-18.

12 (5) Any educational service unit authorized to levy a property tax
13 pursuant to section 79-1225 may levy a maximum levy of one and one-half
14 cents per one hundred dollars of taxable valuation of property subject to
15 the levy.

16 (6)(a) Incorporated cities and villages which are not within the
17 boundaries of a municipal county may levy a maximum levy of forty-five
18 cents per one hundred dollars of taxable valuation of property subject to
19 the levy plus an additional five cents per one hundred dollars of taxable
20 valuation to provide financing for the municipality's share of revenue
21 required under an agreement or agreements executed pursuant to the
22 Interlocal Cooperation Act or the Joint Public Agency Act. The maximum
23 levy shall include amounts levied to pay for sums to support a library
24 pursuant to section 51-201, museum pursuant to section 51-501, visiting
25 community nurse, home health nurse, or home health agency pursuant to
26 section 71-1637, or statue, memorial, or monument pursuant to section
27 80-202.

28 (b) Incorporated cities and villages which are within the boundaries
29 of a municipal county may levy a maximum levy of ninety cents per one
30 hundred dollars of taxable valuation of property subject to the levy. The
31 maximum levy shall include amounts paid to a municipal county for county

1 services, amounts levied to pay for sums to support a library pursuant to
2 section 51-201, a museum pursuant to section 51-501, a visiting community
3 nurse, home health nurse, or home health agency pursuant to section
4 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

5 (7) Sanitary and improvement districts which have been in existence
6 for more than five years may levy a maximum levy of forty cents per one
7 hundred dollars of taxable valuation of property subject to the levy, and
8 sanitary and improvement districts which have been in existence for five
9 years or less shall not have a maximum levy. Unconsolidated sanitary and
10 improvement districts which have been in existence for more than five
11 years and are located in a municipal county may levy a maximum of eighty-
12 five cents per hundred dollars of taxable valuation of property subject
13 to the levy.

14 (8) Counties may levy or authorize a maximum levy of fifty cents per
15 one hundred dollars of taxable valuation of property subject to the levy,
16 except that five cents per one hundred dollars of taxable valuation of
17 property subject to the levy may only be levied to provide financing for
18 the county's share of revenue required under an agreement or agreements
19 executed pursuant to the Interlocal Cooperation Act or the Joint Public
20 Agency Act. The maximum levy shall include amounts levied to pay for sums
21 to support a library pursuant to section 51-201 or museum pursuant to
22 section 51-501. The county may allocate up to fifteen cents of its
23 authority to other political subdivisions subject to allocation of
24 property tax authority under subsection (1) of section 77-3443 and not
25 specifically covered in this section to levy taxes as authorized by law
26 which do not collectively exceed fifteen cents per one hundred dollars of
27 taxable valuation on any parcel or item of taxable property. The county
28 may allocate to one or more other political subdivisions subject to
29 allocation of property tax authority by the county under subsection (1)
30 of section 77-3443 some or all of the county's five cents per one hundred
31 dollars of valuation authorized for support of an agreement or agreements

1 to be levied by the political subdivision for the purpose of supporting
2 that political subdivision's share of revenue required under an agreement
3 or agreements executed pursuant to the Interlocal Cooperation Act or the
4 Joint Public Agency Act. If an allocation by a county would cause another
5 county to exceed its levy authority under this section, the second county
6 may exceed the levy authority in order to levy the amount allocated.

7 (9) Municipal counties may levy or authorize a maximum levy of one
8 dollar per one hundred dollars of taxable valuation of property subject
9 to the levy. The municipal county may allocate levy authority to any
10 political subdivision or entity subject to allocation under section
11 77-3443.

12 (10) Beginning July 1, 2016, rural and suburban fire protection
13 districts may levy a maximum levy of ten and one-half cents per one
14 hundred dollars of taxable valuation of property subject to the levy if
15 (a) such district is located in a county that had a levy pursuant to
16 subsection (8) of this section in the previous year of at least forty
17 cents per one hundred dollars of taxable valuation of property subject to
18 the levy or (b) such district had a levy request pursuant to section
19 77-3443 in any of the three previous years and the county board of the
20 county in which the greatest portion of the valuation of such district is
21 located did not authorize any levy authority to such district in such
22 year.

23 (11) A regional metropolitan transit authority may levy a maximum
24 levy of ten cents per one hundred dollars of taxable valuation of
25 property subject to the levy for each fiscal year that commences on the
26 January 1 that follows the effective date of the conversion of the
27 transit authority established under the Transit Authority Law into the
28 regional metropolitan transit authority.

29 (12) Property tax levies (a) for judgments, except judgments or
30 orders from the Commission of Industrial Relations, obtained against a
31 political subdivision which require or obligate a political subdivision

1 to pay such judgment, to the extent such judgment is not paid by
2 liability insurance coverage of a political subdivision, (b) for
3 preexisting lease-purchase contracts approved prior to July 1, 1998, (c)
4 for bonds as defined in section 10-134 approved according to law and
5 secured by a levy on property except as provided in section 44-4317 for
6 bonded indebtedness issued by educational service units and school
7 districts, ~~and~~ (d) for payments by a public airport to retire interest-
8 free loans from the Division of Aeronautics of the Department of
9 Transportation in lieu of bonded indebtedness at a lower cost to the
10 public airport, and (e) to pay for cancer benefits provided on or after
11 January 1, 2022, pursuant to the Firefighter Cancer Benefits Act are not
12 included in the levy limits established by this section.

13 (13) The limitations on tax levies provided in this section are to
14 include all other general or special levies provided by law.
15 Notwithstanding other provisions of law, the only exceptions to the
16 limits in this section are those provided by or authorized by sections
17 77-3442 to 77-3444.

18 (14) Tax levies in excess of the limitations in this section shall
19 be considered unauthorized levies under section 77-1606 unless approved
20 under section 77-3444.

21 (15) For purposes of sections 77-3442 to 77-3444, political
22 subdivision means a political subdivision of this state and a county
23 agricultural society.

24 (16) For school districts that file a binding resolution on or
25 before May 9, 2008, with the county assessors, county clerks, and county
26 treasurers for all counties in which the school district has territory
27 pursuant to subsection (7) of section 79-458, if the combined levies,
28 except levies for bonded indebtedness approved by the voters of the
29 school district and levies for the refinancing of such bonded
30 indebtedness, are in excess of the greater of (a) one dollar and twenty
31 cents per one hundred dollars of taxable valuation of property subject to

1 the levy or (b) the maximum levy authorized by a vote pursuant to section
2 77-3444, all school district levies, except levies for bonded
3 indebtedness approved by the voters of the school district and levies for
4 the refinancing of such bonded indebtedness, shall be considered
5 unauthorized levies under section 77-1606.

6 Sec. 15. Section 77-5208, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 77-5208 The board shall meet at least twice during the year. The
9 board shall review pending applications in order to approve and certify
10 beginning farmers and livestock producers as eligible for the programs
11 provided by the board, to approve and certify owners of agricultural
12 assets as eligible for the tax credits authorized by sections 77-5211 to
13 77-5213, and to approve and certify qualified beginning farmers and
14 livestock producers as eligible for the tax credit authorized by section
15 77-5209.01 and for qualification to claim an exemption of taxable
16 tangible personal property as provided by section 77-5209.02. No new
17 applications for any such programs, tax credits, or exemptions shall be
18 approved or certified by the board after December 31, 2025 2022. Any
19 action taken by the board regarding approval and certification of program
20 eligibility, granting of tax credits, or termination of rental agreements
21 shall require the affirmative vote of at least four members of the board.

22 Sec. 16. The State Fire Marshal shall create a report regarding
23 firefighters including the (1) type of department, including fire and
24 rescue and fire only, (2) number of firefighters, including paid, paid
25 per call, and unpaid, (3) department classification, including all paid
26 departments, all volunteer departments, and all combination paid and
27 volunteer departments, and (4) number of fire stations.

28 Sec. 17. Section 85-1802, Revised Statutes Cumulative Supplement,
29 2020, is amended to read:

30 85-1802 For purposes of sections 85-1801 to 85-1817:

31 (1) Administrative fund means the College Savings Plan

1 Administrative Fund created in section 85-1807;

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

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

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

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

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

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

23 (8) Participant or account owner means an individual, an
24 individual's legal representative, or any other legal entity authorized
25 to establish a savings account under section 529 of the Internal Revenue
26 Code who has entered into a participation agreement for the advance
27 payment of qualified higher education expenses on behalf of a
28 beneficiary. For purposes of section 77-2716, as to contributions by a
29 custodian to a custodial account established pursuant to the Nebraska
30 Uniform Transfers to Minors Act or similar law in another state, which
31 account has been established under a participation agreement, participant

1 includes the parent or guardian of a minor, which parent or guardian is
2 also the custodian of the account;

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

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

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

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

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

31 Sec. 18. Sections 1, 2, 3, 4, 5, 6, 7, 8, and 9 of this act become

1 operative on January 1, 2022. The other sections of this act become
2 operative on their effective date.

3 Sec. 19. Original sections 77-2734.02 and 77-5208, Reissue Revised
4 Statutes of Nebraska, and sections 13-520, 77-2715.07, 77-2716, 77-3442,
5 and 85-1802, Revised Statutes Cumulative Supplement, 2020, are repealed.