

Election to Exclude Military Retirement Benefits From Nebraska Taxable Income

• This is a one-time election.

First Name and Initial	Last Name	Please Do Not Write In This Space	
Current Mailing Address (Number and Street or PO Box)			
City	State		Zip Code
Social Security Number	Date of Birth		Date of Retirement — Separation Date as Shown on DD Form 214, NGB Form 22, or Equivalent

I elect to exclude from my Nebraska Taxable Income:

Option 1: 40% of my military retirement benefit income for seven consecutive taxable years beginning with the year in which this election is made;

or

Option 2: 15% of my military retirement benefit income for all taxable years beginning with the year in which I turn 67 years of age.

Reservists and others retiring who will not receive benefits immediately, please review the instructions to determine the option that provides maximum benefit to you.

In making this election, I certify that:

- I retired from the uniformed services of the U.S.;
- I am eligible to receive military retirement benefits; and
- This election is being made within two years after the date of my retirement from the uniformed services of the U.S.

Attached is official documentation showing that I retired and the date of my retirement, such as a copy of my DD Form 214 (Member-4 copy), DD Form 215, DD Form 363, or NGB Form 22. Official retirement orders will be accepted if one of the listed forms is not available.

Under penalties of perjury, I declare that I have examined this election and to the best of my knowledge and belief, it is correct and complete.

sign
here

Military Retiree Signature

Date

Daytime Phone Number

Email Address

Instructions

Purpose of Form. This election allows an individual who retires from the uniformed services of the U.S. to exclude from Nebraska taxable income a portion of his or her military retirement benefit income for tax years beginning on or after January 1, 2015. An individual may elect to exclude a portion of his or her military retirement benefit income only to the extent it is included in the individual's federal adjusted gross income (AGI) and is attributable to the individual's service in the uniformed services of the U.S.

Who May File. An individual, who retires from the uniformed services of the U.S. on or after July 18, 2012, may make a **one-time** election to exclude a portion of his or her military retirement benefit income from Nebraska taxable income. Although the election may be made beginning July 18, 2014, the exclusion is not available until tax years beginning on or after January 1, 2015.

Note: An individual who retired from the uniformed services before July 18, 2012, or who fails to make the election within two years of his or her retirement date, is **not** eligible for the exclusion.

When to File. The Form 1040N-MIL must be filed within two years after the individual's date of retirement from the uniformed services of the U.S. If you are married, filing jointly, and each spouse is eligible to make the election, then each spouse must make a separate election within two years of his or her retirement date.

Note: The law provides that the exclusion of 40% of an individual's military retirement benefit begins in the year in which the election is made. For example, if you selected Option 1, you may claim this deduction on your 2018 tax return only if you filed your Form 1040N-MIL prior to January 1, 2019.

The Department will notify you if your election is approved or denied.

Mail the Form 1040N-MIL to: **Nebraska Department of Revenue, PO Box 94609, Lincoln, NE 68509-4609**
revenue.nebraska.gov, 800-742-7474 (NE and IA), 402-471-5729

Retain a copy for your records.

Effective Date of the Election. If the election is filed by mail, postage prepaid, and properly addressed to the Nebraska Department of Revenue (Department), the date of the U.S. Postal Service postmark stamped on the envelope is the effective date of the election. If there is no U.S. Postal Service postmark, the effective date of the election is the date it is received by the Department.

Where to File. Mail the Form 1040N-MIL to:
Nebraska Department of Revenue
PO Box 94609
Lincoln, NE 68509-4609

What to File. Official documentation, including information to show that the individual retired and the separation date from the military, is required. A copy of a DD Form 214 (Member-4 copy), DD Form 215, DD Form 363, or NGB Form 22 must be attached. Retirement orders will be accepted when the above forms are not available.

If you are married, and each spouse is eligible to make the election, a separate Form 1040N-MIL must be filed by each spouse making the election to exclude a portion of his or her military retirement benefit.

Military Retirement Benefit. Military retirement benefit is defined as “retirement benefits that are periodic payments attributable to service in the uniformed services of the U.S. for personal services performed by an individual prior to his or her retirement.” Military retirement benefits (for purposes of the election) do not include annuity payments to a spouse, former spouse, or child that are based on another individual’s military service, nor do they include payments received by a former spouse of a retired military member, under a final decree of divorce, dissolution, annulment, or legal separation, or a court-ordered, ratified, or approved property settlement pursuant to a decree dividing military retirement pay.

Retirement Date. Your retirement date is the date you separated from the military. If you reentered the military after your initial separation date, your retirement date is your most recent separation date. Your separation date is listed in Box 12b of your DD Form 214, or as shown on your NGB Form 22. Please send the most recent form issued after your last separation date.

Note: The retirement date for a National Guard member or Reservist is still the date of separation (date you are placed on the retired reserve list) from the military, even though you might not begin to collect military retirement benefits until your 60th birthday.

The Election. An individual may elect:

- **Option 1:** To exclude 40% of his or her military retirement benefit income for seven consecutive taxable years beginning with the year in which the election is made; or
- **Option 2:** To exclude 15% of his or her military retirement benefit income for all taxable years beginning with the year in which he or she turns 67 years of age.

An individual who retires from the uniformed services of the U.S, but who does not begin receiving military retirement benefits immediately upon retirement, still must make the election to exclude a portion of his or her military retirement benefits within two years after his or her retirement date. An individual who elects to exclude 40% of his or her military retirement benefits may lose one or more years of the exclusion because he or she is not receiving military retirement benefits in one or more of the seven consecutive years following the election.

Once an individual has made an election, it may not be changed. Please be cautious and weigh all your options before making the election.

National Guard and Reserve Branches. The retirement date for a National Guard member or Reservist is the date of separation from the military. An individual who retires from the National Guard or a Reserve branch must make the election to exclude a portion of his or her military benefits within two years of his or her retirement date even though he or she may not begin to receive military retirement benefits until his or her 60th birthday. For those National Guard members and Reservists who do not begin to receive military retirement benefits until several years after they are required to make this election, very few will receive any tax benefit if they elect Option 1. Please note that, if the date you expect to begin receiving military retirement benefits is more than seven years after the date you are required to make this election, you will only receive a tax benefit if you elect Option 2.

Signature. This form must be signed and dated by the military retiree making the election. Include your daytime phone number and email address in case the Department has reason to contact you. By including your email address, you are agreeing that the Department may use it to transmit confidential information through a secure website.