



Individual Income Tax - Unemployment and sickness insurance benefits paid by the Railroad Retirement Board. IN CALCULATING THE NEBRASKA INCOME TAX, UNEMPLOYMENT OR SICKNESS BENEFITS PAID BY THE RAILROAD RETIREMENT BOARD ARE PROPER NEBRASKA ADJUSTMENTS DECREASING FEDERAL ADJUSTED GROSS INCOME, TO THE EXTENT SUCH PAYMENTS ARE INCLUDED IN FEDERAL INCOME AMOUNTS.

Advice has been requested regarding whether unemployment and sickness insurance benefits received from the Railroad Retirement Board are subject to Nebraska individual income tax.

The Railroad Unemployment Insurance Act provides that benefits paid pursuant to that Act are exempt from state income tax. Unemployment or sickness insurance benefits paid by the Railroad Retirement Board are comparable to Tier I and Tier II benefits for Nebraska individual income tax purposes. That is, the benefit payments are exempt from state income tax and, therefore, are appropriate adjustments decreasing federal adjusted gross income on the Nebraska income tax return. However, this state income adjustment applies only to those payment amounts included in federal adjusted gross income.

APPROVED:

A handwritten signature in cursive script that reads 'John M. Boehm'.

John M. Boehm  
State Tax Commissioner

January 3d, 1991