

LEGISLATURE OF NEBRASKA

ONE HUNDRED THIRD LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 264

Introduced by Bolz, 29; Coash, 27; Cook, 13; Nordquist, 7; Pirsch,
4.

Read first time January 16, 2013

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section
2 77-2715.07, Revised Statutes Cumulative Supplement, 2012;
3 to provide an income tax credit for qualified resident
4 individuals caring for dependents as prescribed; to
5 provide an operative date; and to repeal the original
6 section.

7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2715.07, Revised Statutes
2 Cumulative Supplement, 2012, is amended to read:

3 77-2715.07 (1) There shall be allowed to qualified
4 resident individuals as a nonrefundable credit against the income tax
5 imposed by the Nebraska Revenue Act of 1967:

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

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

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

13 (a) For returns filed reporting federal adjusted gross
14 incomes of greater than twenty-nine thousand dollars, a nonrefundable
15 credit equal to twenty-five percent of the federal credit allowed
16 under section 21 of the Internal Revenue Code of 1986, as amended;

17 (b) For returns filed reporting federal adjusted gross
18 income of twenty-nine thousand dollars or less, a refundable credit
19 equal to a percentage of the federal credit allowable under section
20 21 of the Internal Revenue Code of 1986, as amended, whether or not
21 the federal credit was limited by the federal tax liability. The
22 percentage of the federal credit shall be one hundred percent for
23 incomes not greater than twenty-two thousand dollars, and the
24 percentage shall be reduced by ten percent for each one thousand
25 dollars, or fraction thereof, by which the reported federal adjusted

1 gross income exceeds twenty-two thousand dollars;

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

8 (d) A refundable credit for individuals who qualify for
9 an income tax credit under the Angel Investment Tax Credit Act, the
10 Nebraska Advantage Microenterprise Tax Credit Act, or the Nebraska
11 Advantage Research and Development Act; and

12 (e) A refundable credit equal to ten percent of the
13 federal credit allowed under section 32 of the Internal Revenue Code
14 of 1986, as amended.

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

18 (a) A credit for personal exemptions allowed under
19 section 77-2716.01;

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

1 reports the partnership, subchapter S corporation, estate, trust, or
2 limited liability company income;

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

5 (d) A credit as provided in the New Markets Job Growth
6 Investment Act.

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

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

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

14 (c) A refundable credit for individuals who qualify for
15 an income tax credit as an owner of agricultural assets under the
16 Beginning Farmer Tax Credit Act for all taxable years beginning or
17 deemed to begin on or after January 1, 2009, under the Internal
18 Revenue Code of 1986, as amended. The credit allowed for each
19 partner, shareholder, member, or beneficiary of a partnership,
20 corporation, limited liability company, or estate or trust qualifying
21 for an income tax credit as an owner of agricultural assets under the
22 Beginning Farmer Tax Credit Act shall be equal to the partner's,
23 shareholder's, member's, or beneficiary's portion of the amount of
24 tax credit distributed pursuant to subsection (4) of section 77-5211.

25 (5)(a) For all taxable years beginning on or after

1 January 1, 2007, and before January 1, 2009, under the Internal
2 Revenue Code of 1986, as amended, there shall be allowed to each
3 partner, shareholder, member, or beneficiary of a partnership,
4 subchapter S corporation, limited liability company, or estate or
5 trust a nonrefundable credit against the income tax imposed by the
6 Nebraska Revenue Act of 1967 equal to fifty percent of the partner's,
7 shareholder's, member's, or beneficiary's portion of the amount of
8 franchise tax paid to the state under sections 77-3801 to 77-3807 by
9 a financial institution.

10 (b) For all taxable years beginning on or after January
11 1, 2009, under the Internal Revenue Code of 1986, as amended, there
12 shall be allowed to each partner, shareholder, member, or beneficiary
13 of a partnership, subchapter S corporation, limited liability
14 company, or estate or trust a nonrefundable credit against the income
15 tax imposed by the Nebraska Revenue Act of 1967 equal to the
16 partner's, shareholder's, member's, or beneficiary's portion of the
17 amount of franchise tax paid to the state under sections 77-3801 to
18 77-3807 by a financial institution.

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

1 (6) There shall be allowed to qualified resident
2 individuals as a nonrefundable credit against the income tax imposed
3 by the Nebraska Revenue Act of 1967 a credit of five hundred dollars
4 if:

5 (a) The qualified resident individual's federal adjusted
6 gross income exceeds two hundred fifty percent of the federal poverty
7 guidelines as established annually by the Department of Health and
8 Human Services but does not exceed five hundred percent of such
9 federal poverty guidelines; and

10 (b) The qualified resident individual cares for another
11 person who:

12 (i) Resided in the same principal place of abode as the
13 taxpayer during the taxable year;

14 (ii) Is at least sixty-five years old;

15 (iii) Had a physical, mental, or emotional condition
16 lasting at least one hundred eighty days that made it difficult to
17 dress, bathe, or get around inside the home; and

18 (iv) Whose federal adjusted gross income does not exceed
19 two hundred fifty percent of the federal poverty guidelines as
20 established annually by the Department of Health and Human Services.

21 (7) There shall be allowed to qualified resident
22 individuals as a refundable credit against the income tax imposed by
23 the Nebraska Revenue Act of 1967 a credit of five hundred dollars if:

24 (a) The qualified resident individual's federal adjusted
25 gross income does not exceed two-hundred fifty percent of the federal

1 poverty guidelines as established annually by the Department of
2 Health and Human Services; and

3 (b) The qualified resident individual cares for another
4 person who fulfills the requirements established in subdivision (6)
5 (b) of this section.

6 Sec. 2. This act becomes operative for all taxable years
7 beginning or deemed to begin on or after January 1, 2013, under the
8 Internal Revenue Code of 1986, as amended.

9 Sec. 3. Original section 77-2715.07, Revised Statutes
10 Cumulative Supplement, 2012, is repealed.