

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 470

Introduced by Hansen, 26.

Read first time January 20, 2015

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend section
- 2 77-2715.07, Revised Statutes Cumulative Supplement, 2014; to provide
- 3 an income tax credit for caregivers as prescribed; to provide an
- 4 operative date; and to repeal the original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2715.07, Revised Statutes Cumulative
2 Supplement, 2014, is amended to read:

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

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

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

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

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

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

26 (c) A refundable credit as provided in section 77-5209.01 for
27 individuals who qualify for an income tax credit as a qualified beginning
28 farmer or livestock producer under the Beginning Farmer Tax Credit Act
29 for all taxable years beginning or deemed to begin on or after January 1,
30 2006, under the Internal Revenue Code of 1986, as amended;

31 (d) A refundable credit for individuals who qualify for an income

1 tax credit under the Angel Investment Tax Credit Act, the Nebraska
2 Advantage Microenterprise Tax Credit Act, or the Nebraska Advantage
3 Research and Development Act; and

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

7 (3) There shall be allowed to all individuals as a nonrefundable
8 credit against the income tax imposed by the Nebraska Revenue Act of
9 1967:

10 (a) A credit for personal exemptions allowed under section
11 77-2716.01;

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

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

21 (d) A credit as provided in the New Markets Job Growth Investment
22 Act; and

23 (e) A credit as provided in the Nebraska Job Creation and Mainstreet
24 Revitalization Act.

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

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

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

1 (c) A refundable credit for individuals who qualify for an income
2 tax credit as an owner of agricultural assets under the Beginning Farmer
3 Tax Credit Act for all taxable years beginning or deemed to begin on or
4 after January 1, 2009, under the Internal Revenue Code of 1986, as
5 amended. The credit allowed for each partner, shareholder, member, or
6 beneficiary of a partnership, corporation, limited liability company, or
7 estate or trust qualifying for an income tax credit as an owner of
8 agricultural assets under the Beginning Farmer Tax Credit Act shall be
9 equal to the partner's, shareholder's, member's, or beneficiary's portion
10 of the amount of tax credit distributed pursuant to subsection (4) of
11 section 77-5211.

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

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

29 (c) Each partner, shareholder, member, or beneficiary shall report
30 his or her share of the credit in the same manner and proportion as he or
31 she reports the partnership, subchapter S corporation, limited liability

1 company, or estate or trust income. If any partner, shareholder, member,
2 or beneficiary cannot fully utilize the credit for that year, the credit
3 may not be carried forward or back.

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

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

12 (b) The qualified resident individual did not claim a credit under
13 section 22 of the Internal Revenue Code of 1986, as amended, on his or
14 her federal income tax return for the current taxable year; and

15 (c) The qualified resident individual cares for another person:

16 (i) Who resided in the same principal place of abode as the
17 qualified resident individual for at least six months during the taxable
18 year;

19 (ii) Who is physically or mentally incapable of caring for himself
20 or herself; and

21 (iii) Whose income does not exceed two hundred percent of the
22 federal poverty guidelines as established annually by the United States
23 Department of Health and Human Services.

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

27 (a) The qualified resident individual's federal adjusted gross
28 income does not exceed two hundred percent of the federal poverty
29 guidelines as established annually by the United States Department of
30 Health and Human Services; and

31 (b) The qualified resident individual cares for another person:

1 (i) Who resided in the same principal place of abode as the
2 qualified resident individual for at least six months during the taxable
3 year;

4 (ii) Who is physically or mentally incapable of caring for himself
5 or herself; and

6 (iii) Whose income does not exceed two hundred percent of the
7 federal poverty guidelines as established annually by the United States
8 Department of Health and Human Services.

9 Sec. 2. This act becomes operative for all taxable years beginning
10 or deemed to begin on or after January 1, 2016, under the Internal
11 Revenue Code of 1986, as amended.

12 Sec. 3. Original section 77-2715.07, Revised Statutes Cumulative
13 Supplement, 2014, is repealed.