

One Hundred Fourth Legislature - First Session - 2015

Introducer's Statement of Intent

LB559

Chairperson: Senator Mike Gloor

Committee: Revenue

Date of Hearing: March 04, 2015

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB559 proposes an amendment to the New Markets Job Growth Investment Act.

As the New Markets Act is currently drafted and interpreted, a taxpayer is not entitled to a tax credit for insurance premium taxes paid under Section 77-2734.03(1) if it uses a new market tax credit to reduce its premium tax liability. Current law presents a technical problem with the statutory construction of the credit, preventing the credit from being used against insurance premium tax under certain circumstances. This result is contrary to legislative intent and the spirit of Nebraska's New Markets program, limits the investors in the program and inconsistent with the treatment afforded new market tax credits for premium taxpayers in other states. LB559 proposes a simple amendment to Section 77-1113, which would clarify that the application of a new market tax credit against the premium tax is treated as a payment of the underlying tax for purposes of Section 77-2734.03(1).

Principal Introducer: _____

Senator Paul Schumacher