

AMENDMENTS TO LB917

Introduced by Wayne, 13.

1           1. Strike the original sections and all amendments thereto and  
2 insert the following new sections:

3           Section 1. Section 77-2701, Revised Statutes Supplement, 2021, is  
4 amended to read:

5           77-2701 Sections 77-2701 to 77-27,135.01, 77-27,222, 77-27,235,  
6 77-27,236, 77-27,238, and 77-27,239 and section 2 of this act shall be  
7 known and may be cited as the Nebraska Revenue Act of 1967.

8           Sec. 2. (1) For taxable years beginning or deemed to begin on or  
9 after January 1, 2023, under the Internal Revenue Code of 1986, as  
10 amended, an employer that employs an eligible employee during the taxable  
11 year shall be eligible to receive a nonrefundable credit against the  
12 income tax imposed by the Nebraska Revenue Act of 1967.

13           (2) The credit provided in this section shall be an amount equal to  
14 twenty-five percent of the wages paid by the employer to the eligible  
15 employee during the taxable year, except that:

16           (a) The credit shall only be allowed with respect to wages paid  
17 during the first twelve months of the eligible employee's employment with  
18 the employer; and

19           (b) The total credit taken pursuant to this section with respect to  
20 any one eligible employee shall not exceed twenty thousand dollars.

21           (3) An employer shall apply for the credit provided in this section  
22 by submitting an application to the Department of Revenue on a form  
23 prescribed by the department. The application shall include:

24           (a) The number of eligible employees employed by the employer during  
25 the taxable year;

26           (b) The amount of wages paid to each such eligible employee during  
27 the taxable year; and

1           (c) Any other information required by the department to verify the  
2 employer's eligibility for the credit.

3           (4) Subject to subsection (5) of this section, if the Department of  
4 Revenue determines that the employer qualifies for a tax credit under  
5 this section, the department shall approve the application and certify  
6 the amount of the approved credit to the employer.

7           (5) The Department of Revenue shall consider applications in the  
8 order in which they are received and may approve tax credits under this  
9 section each year until the total amount of approved credits reaches five  
10 million dollars.

11           (6) The Department of Revenue may adopt and promulgate rules and  
12 regulations to carry out this section.

13           (7) For purposes of this section, eligible employee means an  
14 individual who has been convicted of a felony in this or any other state.

15           Sec. 3. Section 77-2715.07, Revised Statutes Supplement, 2021, is  
16 amended to read:

17           77-2715.07 (1) There shall be allowed to qualified resident  
18 individuals as a nonrefundable credit against the income tax imposed by  
19 the Nebraska Revenue Act of 1967:

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

22           (b) A credit for taxes paid to another state as provided in section  
23 77-2730.

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

26           (a) For returns filed reporting federal adjusted gross incomes of  
27 greater than twenty-nine thousand dollars, a nonrefundable credit equal  
28 to twenty-five percent of the federal credit allowed under section 21 of  
29 the Internal Revenue Code of 1986, as amended, except that for taxable  
30 years beginning or deemed to begin on or after January 1, 2015, such  
31 nonrefundable credit shall be allowed only if the individual would have

1 received the federal credit allowed under section 21 of the code after  
2 adding back in any carryforward of a net operating loss that was deducted  
3 pursuant to such section in determining eligibility for the federal  
4 credit;

5 (b) For returns filed reporting federal adjusted gross income of  
6 twenty-nine thousand dollars or less, a refundable credit equal to a  
7 percentage of the federal credit allowable under section 21 of the  
8 Internal Revenue Code of 1986, as amended, whether or not the federal  
9 credit was limited by the federal tax liability. The percentage of the  
10 federal credit shall be one hundred percent for incomes not greater than  
11 twenty-two thousand dollars, and the percentage shall be reduced by ten  
12 percent for each one thousand dollars, or fraction thereof, by which the  
13 reported federal adjusted gross income exceeds twenty-two thousand  
14 dollars, except that for taxable years beginning or deemed to begin on or  
15 after January 1, 2015, such refundable credit shall be allowed only if  
16 the individual would have received the federal credit allowed under  
17 section 21 of the code after adding back in any carryforward of a net  
18 operating loss that was deducted pursuant to such section in determining  
19 eligibility for the federal credit;

20 (c) A refundable credit as provided in section 77-5209.01 for  
21 individuals who qualify for an income tax credit as a qualified beginning  
22 farmer or livestock producer under the Beginning Farmer Tax Credit Act  
23 for all taxable years beginning or deemed to begin on or after January 1,  
24 2006, under the Internal Revenue Code of 1986, as amended;

25 (d) A refundable credit for individuals who qualify for an income  
26 tax credit under the Angel Investment Tax Credit Act, the Nebraska  
27 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research  
28 and Development Act, or the Volunteer Emergency Responders Incentive Act;  
29 and

30 (e) A refundable credit equal to ten percent of the federal credit  
31 allowed under section 32 of the Internal Revenue Code of 1986, as

1 amended, except that for taxable years beginning or deemed to begin on or  
2 after January 1, 2015, such refundable credit shall be allowed only if  
3 the individual would have received the federal credit allowed under  
4 section 32 of the code after adding back in any carryforward of a net  
5 operating loss that was deducted pursuant to such section in determining  
6 eligibility for the federal credit.

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;

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

25 (f) A credit to employers as provided in section 77-27,238 and  
26 section 2 of this act; and

27 (g) A credit as provided in the Affordable Housing Tax Credit Act.

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

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

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

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

15 (5)(a) For all taxable years beginning on or after January 1, 2007,  
16 and before January 1, 2009, under the Internal Revenue Code of 1986, as  
17 amended, there shall be allowed to each partner, shareholder, member, or  
18 beneficiary of a partnership, subchapter S corporation, limited liability  
19 company, or estate or trust a nonrefundable credit against the income tax  
20 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the  
21 partner's, shareholder's, member's, or beneficiary's portion of the  
22 amount of franchise tax paid to the state under sections 77-3801 to  
23 77-3807 by a financial institution.

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

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

7 (6) There shall be allowed to all individuals nonrefundable credits  
8 against the income tax imposed by the Nebraska Revenue Act of 1967 as  
9 provided in section 77-3604 and refundable credits against the income tax  
10 imposed by the Nebraska Revenue Act of 1967 as provided in section  
11 77-3605.

12 (7)(a) For taxable years beginning or deemed to begin on or after  
13 January 1, 2020, and before January 1, 2026, under the Internal Revenue  
14 Code of 1986, as amended, a nonrefundable credit against the income tax  
15 imposed by the Nebraska Revenue Act of 1967 in the amount of five  
16 thousand dollars shall be allowed to any individual who purchases a  
17 residence during the taxable year if such residence:

18 (i) Is located within an area that has been declared an extremely  
19 blighted area under section 18-2101.02;

20 (ii) Is the individual's primary residence; and

21 (iii) Was not purchased from a family member of the individual or a  
22 family member of the individual's spouse.

23 (b) The credit provided in this subsection shall be claimed for the  
24 taxable year in which the residence is purchased. If the individual  
25 cannot fully utilize the credit for such year, the credit may be carried  
26 forward to subsequent taxable years until fully utilized.

27 (c) No more than one credit may be claimed under this subsection  
28 with respect to a single residence.

29 (d) The credit provided in this subsection shall be subject to  
30 recapture by the Department of Revenue if the individual claiming the  
31 credit sells or otherwise transfers the residence or quits using the

1 residence as his or her primary residence within five years after the end  
2 of the taxable year in which the credit was claimed.

3 (e) For purposes of this subsection, family member means an  
4 individual's spouse, child, parent, brother, sister, grandchild, or  
5 grandparent, whether by blood, marriage, or adoption.

6 (8) There shall be allowed to all individuals refundable credits  
7 against the income tax imposed by the Nebraska Revenue Act of 1967 as  
8 provided in the Nebraska Property Tax Incentive Act and the Renewable  
9 Chemical Production Tax Credit Act.

10 (9)(a) For taxable years beginning or deemed to begin on or after  
11 January 1, 2022, under the Internal Revenue Code of 1986, as amended, a  
12 refundable credit against the income tax imposed by the Nebraska Revenue  
13 Act of 1967 shall be allowed to the parent of a stillborn child if:

14 (i) A fetal death certificate is filed pursuant to subsection (1) of  
15 section 71-606 for such child;

16 (ii) Such child had advanced to at least the twentieth week of  
17 gestation; and

18 (iii) Such child would have been a dependent of the individual  
19 claiming the credit.

20 (b) The amount of the credit shall be two thousand dollars.

21 (c) The credit shall be allowed for the taxable year in which the  
22 stillbirth occurred.

23 Sec. 4. Section 77-2717, Revised Statutes Cumulative Supplement,  
24 2020, is amended to read:

25 77-2717 (1)(a)(i) For taxable years beginning or deemed to begin  
26 before January 1, 2014, the tax imposed on all resident estates and  
27 trusts shall be a percentage of the federal taxable income of such  
28 estates and trusts as modified in section 77-2716, plus a percentage of  
29 the federal alternative minimum tax and the federal tax on premature or  
30 lump-sum distributions from qualified retirement plans. The additional  
31 taxes shall be recomputed by (A) substituting Nebraska taxable income for

1 federal taxable income, (B) calculating what the federal alternative  
2 minimum tax would be on Nebraska taxable income and adjusting such  
3 calculations for any items which are reflected differently in the  
4 determination of federal taxable income, and (C) applying Nebraska rates  
5 to the result. The federal credit for prior year minimum tax, after the  
6 recomputations required by the Nebraska Revenue Act of 1967, and the  
7 credits provided in the Nebraska Advantage Microenterprise Tax Credit Act  
8 and the Nebraska Advantage Research and Development Act shall be allowed  
9 as a reduction in the income tax due. A refundable income tax credit  
10 shall be allowed for all resident estates and trusts under the Angel  
11 Investment Tax Credit Act, the Nebraska Advantage Microenterprise Tax  
12 Credit Act, and the Nebraska Advantage Research and Development Act. A  
13 nonrefundable income tax credit shall be allowed for all resident estates  
14 and trusts as provided in the New Markets Job Growth Investment Act.

15 (ii) For taxable years beginning or deemed to begin on or after  
16 January 1, 2014, the tax imposed on all resident estates and trusts shall  
17 be a percentage of the federal taxable income of such estates and trusts  
18 as modified in section 77-2716, plus a percentage of the federal tax on  
19 premature or lump-sum distributions from qualified retirement plans. The  
20 additional taxes shall be recomputed by substituting Nebraska taxable  
21 income for federal taxable income and applying Nebraska rates to the  
22 result. The credits provided in the Nebraska Advantage Microenterprise  
23 Tax Credit Act and the Nebraska Advantage Research and Development Act  
24 shall be allowed as a reduction in the income tax due. A refundable  
25 income tax credit shall be allowed for all resident estates and trusts  
26 under the Angel Investment Tax Credit Act, the Nebraska Advantage  
27 Microenterprise Tax Credit Act, the Nebraska Advantage Research and  
28 Development Act, the Nebraska Property Tax Incentive Act, and the  
29 Renewable Chemical Production Tax Credit Act. A nonrefundable income tax  
30 credit shall be allowed for all resident estates and trusts as provided  
31 in the Nebraska Job Creation and Mainstreet Revitalization Act, the New



1 Markets Job Growth Investment Act, the School Readiness Tax Credit Act,  
2 the Affordable Housing Tax Credit Act, and section 77-27,238 and section  
3 2 of this act.

4 (b) The tax imposed on all nonresident estates and trusts shall be  
5 the portion of the tax imposed on resident estates and trusts which is  
6 attributable to the income derived from sources within this state. The  
7 tax which is attributable to income derived from sources within this  
8 state shall be determined by multiplying the liability to this state for  
9 a resident estate or trust with the same total income by a fraction, the  
10 numerator of which is the nonresident estate's or trust's Nebraska income  
11 as determined by sections 77-2724 and 77-2725 and the denominator of  
12 which is its total federal income after first adjusting each by the  
13 amounts provided in section 77-2716. The federal credit for prior year  
14 minimum tax, after the recomputations required by the Nebraska Revenue  
15 Act of 1967, reduced by the percentage of the total income which is  
16 attributable to income from sources outside this state, and the credits  
17 provided in the Nebraska Advantage Microenterprise Tax Credit Act and the  
18 Nebraska Advantage Research and Development Act shall be allowed as a  
19 reduction in the income tax due. A refundable income tax credit shall be  
20 allowed for all nonresident estates and trusts under the Angel Investment  
21 Tax Credit Act, the Nebraska Advantage Microenterprise Tax Credit Act,  
22 the Nebraska Advantage Research and Development Act, the Nebraska  
23 Property Tax Incentive Act, and the Renewable Chemical Production Tax  
24 Credit Act. A nonrefundable income tax credit shall be allowed for all  
25 nonresident estates and trusts as provided in the Nebraska Job Creation  
26 and Mainstreet Revitalization Act, the New Markets Job Growth Investment  
27 Act, the School Readiness Tax Credit Act, the Affordable Housing Tax  
28 Credit Act, and section 77-27,238 and section 2 of this act.

29 (2) In all instances wherein a fiduciary income tax return is  
30 required under the provisions of the Internal Revenue Code, a Nebraska  
31 fiduciary return shall be filed, except that a fiduciary return shall not

1 be required to be filed regarding a simple trust if all of the trust's  
2 beneficiaries are residents of the State of Nebraska, all of the trust's  
3 income is derived from sources in this state, and the trust has no  
4 federal tax liability. The fiduciary shall be responsible for making the  
5 return for the estate or trust for which he or she acts, whether the  
6 income be taxable to the estate or trust or to the beneficiaries thereof.  
7 The fiduciary shall include in the return a statement of each  
8 beneficiary's distributive share of net income when such income is  
9 taxable to such beneficiaries.

10 (3) The beneficiaries of such estate or trust who are residents of  
11 this state shall include in their income their proportionate share of  
12 such estate's or trust's federal income and shall reduce their Nebraska  
13 tax liability by their proportionate share of the credits as provided in  
14 the Angel Investment Tax Credit Act, the Nebraska Advantage  
15 Microenterprise Tax Credit Act, the Nebraska Advantage Research and  
16 Development Act, the Nebraska Job Creation and Mainstreet Revitalization  
17 Act, the New Markets Job Growth Investment Act, the School Readiness Tax  
18 Credit Act, the Affordable Housing Tax Credit Act, the Nebraska Property  
19 Tax Incentive Act, the Renewable Chemical Production Tax Credit Act, and  
20 section 77-27,238 and section 2 of this act. There shall be allowed to a  
21 beneficiary a refundable income tax credit under the Beginning Farmer Tax  
22 Credit Act for all taxable years beginning or deemed to begin on or after  
23 January 1, 2001, under the Internal Revenue Code of 1986, as amended.

24 (4) If any beneficiary of such estate or trust is a nonresident  
25 during any part of the estate's or trust's taxable year, he or she shall  
26 file a Nebraska income tax return which shall include (a) in Nebraska  
27 adjusted gross income that portion of the estate's or trust's Nebraska  
28 income, as determined under sections 77-2724 and 77-2725, allocable to  
29 his or her interest in the estate or trust and (b) a reduction of the  
30 Nebraska tax liability by his or her proportionate share of the credits  
31 as provided in the Angel Investment Tax Credit Act, the Nebraska

1 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research  
2 and Development Act, the Nebraska Job Creation and Mainstreet  
3 Revitalization Act, the New Markets Job Growth Investment Act, the School  
4 Readiness Tax Credit Act, the Affordable Housing Tax Credit Act, the  
5 Nebraska Property Tax Incentive Act, the Renewable Chemical Production  
6 Tax Credit Act, and section 77-27,238 and section 2 of this act and shall  
7 execute and forward to the fiduciary, on or before the original due date  
8 of the Nebraska fiduciary return, an agreement which states that he or  
9 she will file a Nebraska income tax return and pay income tax on all  
10 income derived from or connected with sources in this state, and such  
11 agreement shall be attached to the Nebraska fiduciary return for such  
12 taxable year.

13 (5) In the absence of the nonresident beneficiary's executed  
14 agreement being attached to the Nebraska fiduciary return, the estate or  
15 trust shall remit a portion of such beneficiary's income which was  
16 derived from or attributable to Nebraska sources with its Nebraska return  
17 for the taxable year. For taxable years beginning or deemed to begin  
18 before January 1, 2013, the amount of remittance, in such instance, shall  
19 be the highest individual income tax rate determined under section  
20 77-2715.02 multiplied by the nonresident beneficiary's share of the  
21 estate or trust income which was derived from or attributable to sources  
22 within this state. For taxable years beginning or deemed to begin on or  
23 after January 1, 2013, the amount of remittance, in such instance, shall  
24 be the highest individual income tax rate determined under section  
25 77-2715.03 multiplied by the nonresident beneficiary's share of the  
26 estate or trust income which was derived from or attributable to sources  
27 within this state. The amount remitted shall be allowed as a credit  
28 against the Nebraska income tax liability of the beneficiary.

29 (6) The Tax Commissioner may allow a nonresident beneficiary to not  
30 file a Nebraska income tax return if the nonresident beneficiary's only  
31 source of Nebraska income was his or her share of the estate's or trust's

1 income which was derived from or attributable to sources within this  
2 state, the nonresident did not file an agreement to file a Nebraska  
3 income tax return, and the estate or trust has remitted the amount  
4 required by subsection (5) of this section on behalf of such nonresident  
5 beneficiary. The amount remitted shall be retained in satisfaction of the  
6 Nebraska income tax liability of the nonresident beneficiary.

7 (7) For purposes of this section, unless the context otherwise  
8 requires, simple trust shall mean any trust instrument which (a) requires  
9 that all income shall be distributed currently to the beneficiaries, (b)  
10 does not allow amounts to be paid, permanently set aside, or used in the  
11 tax year for charitable purposes, and (c) does not distribute amounts  
12 allocated in the corpus of the trust. Any trust which does not qualify as  
13 a simple trust shall be deemed a complex trust.

14 (8) For purposes of this section, any beneficiary of an estate or  
15 trust that is a grantor trust of a nonresident shall be disregarded and  
16 this section shall apply as though the nonresident grantor was the  
17 beneficiary.

18 Sec. 5. Section 77-2734.03, Revised Statutes Cumulative Supplement,  
19 2020, is amended to read:

20 77-2734.03 (1)(a) For taxable years commencing prior to January 1,  
21 1997, any (i) insurer paying a tax on premiums and assessments pursuant  
22 to section 77-908 or 81-523, (ii) electric cooperative organized under  
23 the Joint Public Power Authority Act, or (iii) credit union shall be  
24 credited, in the computation of the tax due under the Nebraska Revenue  
25 Act of 1967, with the amount paid during the taxable year as taxes on  
26 such premiums and assessments and taxes in lieu of intangible tax.

27 (b) For taxable years commencing on or after January 1, 1997, any  
28 insurer paying a tax on premiums and assessments pursuant to section  
29 77-908 or 81-523, any electric cooperative organized under the Joint  
30 Public Power Authority Act, or any credit union shall be credited, in the  
31 computation of the tax due under the Nebraska Revenue Act of 1967, with

1 the amount paid during the taxable year as (i) taxes on such premiums and  
2 assessments included as Nebraska premiums and assessments under section  
3 77-2734.05 and (ii) taxes in lieu of intangible tax.

4 (c) For taxable years commencing or deemed to commence prior to, on,  
5 or after January 1, 1998, any insurer paying a tax on premiums and  
6 assessments pursuant to section 77-908 or 81-523 shall be credited, in  
7 the computation of the tax due under the Nebraska Revenue Act of 1967,  
8 with the amount paid during the taxable year as assessments allowed as an  
9 offset against premium and related retaliatory tax liability pursuant to  
10 section 44-4233.

11 (2) There shall be allowed to corporate taxpayers a tax credit for  
12 contributions to community betterment programs as provided in the  
13 Community Development Assistance Act.

14 (3) There shall be allowed to corporate taxpayers a refundable  
15 income tax credit under the Beginning Farmer Tax Credit Act for all  
16 taxable years beginning or deemed to begin on or after January 1, 2001,  
17 under the Internal Revenue Code of 1986, as amended.

18 (4) The changes made to this section by Laws 2004, LB 983, apply to  
19 motor fuels purchased during any tax year ending or deemed to end on or  
20 after January 1, 2005, under the Internal Revenue Code of 1986, as  
21 amended.

22 (5) There shall be allowed to corporate taxpayers refundable income  
23 tax credits under the Nebraska Advantage Microenterprise Tax Credit Act,  
24 the Nebraska Advantage Research and Development Act, the Nebraska  
25 Property Tax Incentive Act, and the Renewable Chemical Production Tax  
26 Credit Act.

27 (6) There shall be allowed to corporate taxpayers a nonrefundable  
28 income tax credit for investment in a biodiesel facility as provided in  
29 section 77-27,236.

30 (7) There shall be allowed to corporate taxpayers a nonrefundable  
31 income tax credit as provided in the Nebraska Job Creation and Mainstreet

1 Revitalization Act, the New Markets Job Growth Investment Act, the School  
2 Readiness Tax Credit Act, the Affordable Housing Tax Credit Act, and  
3 section 77-27,238 and section 2 of this act.

4 Sec. 6. Original sections 77-2717 and 77-2734.03, Revised Statutes  
5 Cumulative Supplement, 2020, and sections 77-2701 and 77-2715.07, Revised  
6 Statutes Supplement, 2021, are repealed.