

AMENDMENTS TO LB1261

(Amendments to Standing Committee amendments, AM2211)

Introduced by Murman, 38.

1 1. Insert the following new amendments:

2 1. Insert the following new sections:

3 Section 1. Sections 1 to 8 of this act shall be known and may be  
4 cited as the Nebraska Higher Blend Tax Credit Act.

5 Sec. 2. For purposes of the Nebraska Higher Blend Tax Credit Act:

6 (1) Department means the Department of Revenue;

7 (2) E-15 means ethanol blended gasoline formulated with a percentage  
8 of fifteen percent by volume of ethanol;

9 (3) E-25 means ethanol blended gasoline formulated with a percentage  
10 of twenty-five percent by volume of ethanol;

11 (4) E-30 means ethanol blended gasoline formulated with a percentage  
12 of thirty percent by volume of ethanol;

13 (5) E-85 means ethanol blended gasoline formulated with a percentage  
14 of fifty-one percent to eighty-three percent by volume of ethanol;

15 (6) Motor fuel pump means a meter or similar commercial weighing and  
16 measuring device used to measure and dispense motor fuel originating from  
17 a motor fuel storage tank;

18 (7) Retail dealer means a person engaged in the business of storing  
19 and dispensing motor fuel from a motor fuel pump for sale on a retail  
20 basis;

21 (8) Retail motor fuel site means a geographic location in this state  
22 where a retail dealer sells and dispenses motor fuel from a motor fuel  
23 pump on a retail basis; and

24 (9) Taxpayer means any natural person or any limited liability  
25 company, partnership, private domestic or private foreign corporation, or  
26 domestic or foreign nonprofit corporation certified pursuant to section

1 501(c)(3) of the Internal Revenue Code of 1986, as amended.

2 Sec. 3. (1) Any taxpayer who is a retail dealer and who sold and  
3 dispensed E-15 or higher blend on a retail basis during the prior  
4 calendar year through a motor fuel pump located at the taxpayer's retail  
5 motor fuel site shall be eligible to receive tax credits under the  
6 Nebraska Higher Blend Tax Credit Act.

7 (2) The tax credit shall be in an amount equal to (a) five cents  
8 multiplied by the total number of gallons of E-15 sold by the taxpayer on  
9 a retail basis during the prior calendar year through a motor fuel pump  
10 located at the taxpayer's retail motor fuel site and (b) eight cents  
11 multiplied by the total number of gallons of E-25 or higher blend sold by  
12 the taxpayer on a retail basis during the prior calendar year through a  
13 motor fuel pump located at the taxpayer's retail motor fuel site.

14 (3) The tax credit shall be a refundable credit that may be used  
15 against any income tax imposed by the Nebraska Revenue Act of 1967 or any  
16 tax imposed pursuant to sections 77-907 to 77-918 or 77-3801 to 77-3807.

17 (4) Tax credits allowed under this section may be claimed for  
18 taxable years beginning or deemed to begin on or after January 1, 2022,  
19 under the Internal Revenue Code of 1986, as amended.

20 (5) To receive tax credits, a taxpayer shall submit an application  
21 to the department on a form prescribed by the department. The application  
22 shall include the following information:

23 (a) The name and address of the taxpayer;

24 (b) The total number of gallons of E-15 sold by the taxpayer on a  
25 retail basis during the prior calendar year through a motor fuel pump  
26 located at the taxpayer's retail motor fuel site;

27 (c) The total number of gallons of E-25 sold by the taxpayer on a  
28 retail basis during the prior calendar year through a motor fuel pump  
29 located at the taxpayer's retail motor fuel site;

30 (d) The total number of gallons of E-30 sold by the taxpayer on a  
31 retail basis during the prior calendar year through a motor fuel pump

1 located at the taxpayer's retail motor fuel site;

2 (e) The total number of gallons of E-85 sold by the taxpayer on a  
3 retail basis during the prior calendar year through a motor fuel pump  
4 located at the taxpayer's retail motor fuel site; and

5 (f) Any other documentation required by the department.

6 Sec. 4. (1) If the department determines that an application is  
7 complete and that the taxpayer qualifies for tax credits, the department  
8 shall approve the application within the limits set forth in this section  
9 and shall certify the amount of tax credits approved to the taxpayer.

10 (2) The department shall consider applications in the order in which  
11 they are received and may approve tax credits until the annual limit for  
12 the calendar year has been reached. For calendar year 2022, the annual  
13 limit on tax credits shall be two million dollars. For calendar year 2023  
14 and each calendar year thereafter, the annual limit on tax credits shall  
15 be calculated by taking the annual limit from the prior calendar year and  
16 then multiplying such amount by (a) two hundred percent if the amount of  
17 tax credits approved in the prior calendar year exceeded ninety percent  
18 of the annual limit applicable to that calendar year or (b) one hundred  
19 percent if the amount of tax credits approved in the prior calendar year  
20 did not exceed ninety percent of the annual limit applicable to that  
21 calendar year. In no case shall the annual limit on tax credits exceed  
22 four million dollars.

23 Sec. 5. (1) A taxpayer shall claim the tax credit by attaching the  
24 tax credit certification received from the department under section 4 of  
25 this act to the taxpayer's tax return.

26 (2) Any credit in excess of the taxpayer's tax liability shall be  
27 refunded to the taxpayer. In lieu of claiming a refund, the taxpayer may  
28 elect to have the excess carried forward to subsequent taxable years. A  
29 taxpayer may carry forward the excess tax credits until fully utilized.

30 Sec. 6. Any tax credit allowable to a partnership, a limited  
31 liability company, a subchapter S corporation, or an estate or trust may

1 be distributed to the partners, limited liability company members,  
2 shareholders, or beneficiaries in the same manner as income is  
3 distributed.

4 Sec. 7. There shall be no new applications filed under the Nebraska  
5 Higher Blend Tax Credit Act after December 31, 2026. All applications and  
6 all tax credits pending or approved before such date shall continue in  
7 full force and effect.

8 Sec. 8. The department may adopt and promulgate rules and  
9 regulations to carry out the Nebraska Higher Blend Tax Credit Act.

10 Sec. 9. Section 77-908, Reissue Revised Statutes of Nebraska, is  
11 amended to read:

12 77-908 Every insurance company organized under the stock, mutual,  
13 assessment, or reciprocal plan, except fraternal benefit societies, which  
14 is transacting business in this state shall, on or before March 1 of each  
15 year, pay a tax to the director of one percent of the gross amount of  
16 direct writing premiums received by it during the preceding calendar year  
17 for business done in this state, except that (1) for group sickness and  
18 accident insurance the rate of such tax shall be five-tenths of one  
19 percent and (2) for property and casualty insurance, excluding individual  
20 sickness and accident insurance, the rate of such tax shall be one  
21 percent. A captive insurer authorized under the Captive Insurers Act that  
22 is transacting business in this state shall, on or before March 1 of each  
23 year, pay to the director a tax of one-fourth of one percent of the gross  
24 amount of direct writing premiums received by such insurer during the  
25 preceding calendar year for business transacted in the state. The taxable  
26 premiums shall include premiums paid on the lives of persons residing in  
27 this state and premiums paid for risks located in this state whether the  
28 insurance was written in this state or not, including that portion of a  
29 group premium paid which represents the premium for insurance on Nebraska  
30 residents or risks located in Nebraska included within the group when the  
31 number of lives in the group exceeds five hundred. The tax shall also

1 apply to premiums received by domestic companies for insurance written on  
2 individuals residing outside this state or risks located outside this  
3 state if no comparable tax is paid by the direct writing domestic company  
4 to any other appropriate taxing authority. Companies whose scheme of  
5 operation contemplates the return of a portion of premiums to  
6 policyholders, without such policyholders being claimants under the terms  
7 of their policies, may deduct such return premiums or dividends from  
8 their gross premiums for the purpose of tax calculations. Any such  
9 insurance company shall receive a credit on the tax imposed as provided  
10 in the Community Development Assistance Act, the Nebraska Job Creation  
11 and Mainstreet Revitalization Act, the New Markets Job Growth Investment  
12 Act, the Nebraska Higher Blend Tax Credit Act, and the Affordable Housing  
13 Tax Credit Act.

14 Sec. 10. Section 77-2715.07, Revised Statutes Supplement, 2021, is  
15 amended to read:

16 77-2715.07 (1) There shall be allowed to qualified resident  
17 individuals as a nonrefundable credit against the income tax imposed by  
18 the Nebraska Revenue Act of 1967:

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

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

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

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

1 adding back in any carryforward of a net operating loss that was deducted  
2 pursuant to such section in determining eligibility for the federal  
3 credit;

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

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

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

29 (e) A refundable credit equal to ten percent of the federal credit  
30 allowed under section 32 of the Internal Revenue Code of 1986, as  
31 amended, except that for taxable years beginning or deemed to begin on or

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

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

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

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

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

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

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

24 (f) A credit to employers as provided in section 77-27,238; and

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

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

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

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

1 Development Assistance Act; and

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

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

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

30 (c) Each partner, shareholder, member, or beneficiary shall report  
31 his or her share of the credit in the same manner and proportion as he or



1 she reports the partnership, subchapter S corporation, limited liability  
2 company, or estate or trust income. If any partner, shareholder, member,  
3 or beneficiary cannot fully utilize the credit for that year, the credit  
4 may not be carried forward or back.

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

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

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

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

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

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

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

27 (d) The credit provided in this subsection shall be subject to  
28 recapture by the Department of Revenue if the individual claiming the  
29 credit sells or otherwise transfers the residence or quits using the  
30 residence as his or her primary residence within five years after the end  
31 of the taxable year in which the credit was claimed.

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

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

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

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

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

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

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

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

22 Sec. 11. Section 77-2717, Revised Statutes Cumulative Supplement,  
23 2020, is amended to read:

24 77-2717 (1)(a)(i) For taxable years beginning or deemed to begin  
25 before January 1, 2014, the tax imposed on all resident estates and  
26 trusts shall be a percentage of the federal taxable income of such  
27 estates and trusts as modified in section 77-2716, plus a percentage of  
28 the federal alternative minimum tax and the federal tax on premature or  
29 lump-sum distributions from qualified retirement plans. The additional  
30 taxes shall be recomputed by (A) substituting Nebraska taxable income for  
31 federal taxable income, (B) calculating what the federal alternative

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

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

1 the School Readiness Tax Credit Act, the Affordable Housing Tax Credit  
2 Act, and section 77-27,238.

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

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

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

9 (3) The beneficiaries of such estate or trust who are residents of  
10 this state shall include in their income their proportionate share of  
11 such estate's or trust's federal income and shall reduce their Nebraska  
12 tax liability by their proportionate share of the credits as provided in  
13 the Angel Investment Tax Credit Act, the Nebraska Advantage  
14 Microenterprise Tax Credit Act, the Nebraska Advantage Research and  
15 Development Act, the Nebraska Job Creation and Mainstreet Revitalization  
16 Act, the New Markets Job Growth Investment Act, the School Readiness Tax  
17 Credit Act, the Affordable Housing Tax Credit Act, the Nebraska Higher  
18 Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, the  
19 Renewable Chemical Production Tax Credit Act, and section 77-27,238.  
20 There shall be allowed to a beneficiary a refundable income tax credit  
21 under the Beginning Farmer Tax Credit Act for all taxable years beginning  
22 or deemed to begin on or after January 1, 2001, under the Internal  
23 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 Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive  
6 Act, the Renewable Chemical Production Tax Credit Act, and section  
7 77-27,238 and shall execute and forward to the fiduciary, on or before  
8 the original due date of the Nebraska fiduciary return, an agreement  
9 which states that he or she will file a Nebraska income tax return and  
10 pay income tax on all income derived from or connected with sources in  
11 this state, and such agreement shall be attached to the Nebraska  
12 fiduciary return for such 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. 12. 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 Higher  
25 Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, and the  
26 Renewable Chemical Production Tax 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.

4 Sec. 15. Section 77-3806, Revised Statutes Cumulative Supplement,  
5 2020, is amended to read:

6 77-3806 (1) The tax return shall be filed and the total amount of  
7 the franchise tax shall be due on the fifteenth day of the third month  
8 after the end of the taxable year. No extension of time to pay the tax  
9 shall be granted. If the Tax Commissioner determines that the amount of  
10 tax can be computed from available information filed by the financial  
11 institutions with either state or federal regulatory agencies, the Tax  
12 Commissioner may, by regulation, waive the requirement for the financial  
13 institutions to file returns.

14 (2) Sections 77-2714 to 77-27,135 relating to deficiencies,  
15 penalties, interest, the collection of delinquent amounts, and appeal  
16 procedures for the tax imposed by section 77-2734.02 shall also apply to  
17 the tax imposed by section 77-3802. If the filing of a return is waived  
18 by the Tax Commissioner, the payment of the tax shall be considered the  
19 filing of a return for purposes of sections 77-2714 to 77-27,135.

20 (3) No refund of the tax imposed by section 77-3802 shall be allowed  
21 unless a claim for such refund is filed within ninety days of the date on  
22 which (a) the tax is due or was paid, whichever is later, (b) a change is  
23 made to the amount of deposits or the net financial income of the  
24 financial institution by a state or federal regulatory agency, or (c) the  
25 Nebraska Investment Finance Authority issues an eligibility statement to  
26 the financial institution pursuant to the Affordable Housing Tax Credit  
27 Act.

28 (4) Any such financial institution shall receive a credit on the  
29 franchise tax as provided under the Affordable Housing Tax Credit Act,  
30 the Community Development Assistance Act, the Nebraska Higher Blend Tax  
31 Credit Act, the Nebraska Job Creation and Mainstreet Revitalization Act,

1 the Nebraska Property Tax Incentive Act, and the New Markets Job Growth  
2 Investment Act.

3 Sec. 16. Section 77-6831, Revised Statutes Cumulative Supplement,  
4 2020, is amended to read:

5 77-6831 (1) A taxpayer shall be entitled to the sales and use tax  
6 incentives contained in subsection (2) of this section if the taxpayer:

7 (a) Attains a cumulative investment in qualified property of at  
8 least five million dollars and hires at least thirty new employees at the  
9 qualified location or locations before the end of the ramp-up period;

10 (b) Attains a cumulative investment in qualified property of at  
11 least two hundred fifty million dollars and hires at least two hundred  
12 fifty new employees at the qualified location or locations before the end  
13 of the ramp-up period; or

14 (c) Attains a cumulative investment in qualified property of at  
15 least fifty million dollars at the qualified location or locations before  
16 the end of the ramp-up period. To receive incentives under this  
17 subdivision, the taxpayer must meet the following conditions:

18 (i) The average compensation of the taxpayer's employees at the  
19 qualified location or locations for each year of the performance period  
20 must equal at least one hundred fifty percent of the Nebraska statewide  
21 average hourly wage for the year of application;

22 (ii) The taxpayer must offer to its employees who constitute full-  
23 time employees as defined and described in section 4980H of the Internal  
24 Revenue Code of 1986, as amended, and the regulations for such section,  
25 at the qualified location or locations for each year of the performance  
26 period, the opportunity to enroll in minimum essential coverage under an  
27 eligible employer-sponsored plan, as those terms are defined and  
28 described in section 5000A of the Internal Revenue Code of 1986, as  
29 amended, and the regulations for such section; and

30 (iii) The taxpayer must offer a sufficient package of benefits as  
31 described in subdivision (1)(j) of section 77-6828.

1 (2) A taxpayer meeting the requirements of subsection (1) of this  
2 section shall be entitled to the following sales and use tax incentives:

3 (a) A refund of all sales and use taxes paid under the Local Option  
4 Revenue Act, the Nebraska Revenue Act of 1967, the Qualified Judgment  
5 Payment Act, and sections 13-319, 13-324, and 13-2813 from the date of  
6 the complete application through the meeting of the required levels of  
7 employment and investment for all purchases, including rentals, of:

8 (i) Qualified property used at the qualified location or locations;

9 (ii) Property, excluding motor vehicles, based in this state and  
10 used in both this state and another state in connection with the  
11 qualified location or locations except when any such property is to be  
12 used for fundraising for or for the transportation of an elected  
13 official;

14 (iii) Tangible personal property by a contractor or repairperson  
15 after appointment as a purchasing agent of the owner of the improvement  
16 to real estate when such property is incorporated into real estate at the  
17 qualified location or locations. The refund shall be based on fifty  
18 percent of the contract price, excluding any land, as the cost of  
19 materials subject to the sales and use tax;

20 (iv) Tangible personal property by a contractor or repairperson  
21 after appointment as a purchasing agent of the taxpayer when such  
22 property is annexed to, but not incorporated into, real estate at the  
23 qualified location or locations. The refund shall be based on the cost of  
24 materials subject to the sales and use tax that were annexed to real  
25 estate; and

26 (v) Tangible personal property by a contractor or repairperson after  
27 appointment as a purchasing agent of the taxpayer when such property is  
28 both (A) incorporated into real estate at the qualified location or  
29 locations and (B) annexed to, but not incorporated into, real estate at  
30 the qualified location or locations. The refund shall be based on fifty  
31 percent of the contract price, excluding any land, as the cost of

1 materials subject to the sales and use tax; and

2 (b) An exemption from all sales and use taxes under the Local Option  
3 Revenue Act, the Nebraska Revenue Act of 1967, the Qualified Judgment  
4 Payment Act, and sections 13-319, 13-324, and 13-2813 on the types of  
5 purchases, including rentals, listed in subdivision (a) of this  
6 subsection for such purchases, including rentals, occurring during each  
7 year of the performance period in which the taxpayer is at or above the  
8 required levels of employment and investment, except that the exemption  
9 shall be for the actual materials purchased with respect to subdivisions  
10 (2)(a)(iii), (iv), and (v) of this section. The Tax Commissioner shall  
11 issue such rules, regulations, certificates, and forms as are appropriate  
12 to implement the efficient use of this exemption.

13 (3)(a) Upon execution of the agreement, the taxpayer shall be issued  
14 a direct payment permit under section 77-2705.01, notwithstanding the  
15 three million dollars in purchases limitation in subsection (1) of  
16 section 77-2705.01, for each qualified location specified in the  
17 agreement, unless the taxpayer has opted out of this requirement in the  
18 agreement. For any taxpayer who is issued a direct payment permit, until  
19 such taxpayer makes the investment in qualified property and hires the  
20 new employees at the qualified location or locations as specified in  
21 subsection (1) of this section, the taxpayer must pay and remit any  
22 applicable sales and use taxes as required by the Tax Commissioner.

23 (b) If the taxpayer makes the investment in qualified property and  
24 hires the new employees at the qualified location or locations as  
25 specified in subsection (1) of this section, the taxpayer shall receive  
26 the sales tax refunds described in subdivision (2)(a) of this section.  
27 For any year in which the taxpayer is not at the required levels of  
28 employment and investment, the taxpayer shall report all sales and use  
29 taxes owed for the period on the taxpayer's income tax return for the  
30 year.

31 (4) The taxpayer shall be entitled to one of the following credits

1 for payment of wages to new employees:

2 (a)(i) If a taxpayer attains a cumulative investment in qualified  
3 property of at least one million dollars and hires at least ten new  
4 employees at the qualified location or locations before the end of the  
5 ramp-up period, the taxpayer shall be entitled to a credit equal to four  
6 percent times the average wage of new employees times the number of new  
7 employees. Wages in excess of one million dollars paid to any one  
8 employee during the year shall be excluded from the calculations under  
9 this subdivision;

10 (ii) If the taxpayer attains a cumulative investment in qualified  
11 property of at least one million dollars and hires at least ten new  
12 employees at the qualified location or locations before the end of the  
13 ramp-up period and the number of new employees and investment are at a  
14 qualified location in a county in Nebraska with a population of one  
15 hundred thousand or greater, and at which the majority of the business  
16 activities conducted are described in subdivision (1)(a) or (1)(n) of  
17 section 77-6818, the taxpayer shall be entitled to a credit equal to four  
18 percent times the average wage of new employees times the number of new  
19 employees. Wages in excess of one million dollars paid to any one  
20 employee during the year shall be excluded from the calculations under  
21 this subdivision; or

22 (iii) If the taxpayer attains a cumulative investment in qualified  
23 property of at least one million dollars and hires at least ten new  
24 employees at the qualified location or locations before the end of the  
25 ramp-up period and the number of new employees and investment are at a  
26 qualified location or locations within one or more counties in Nebraska  
27 that each have entirely within a county in Nebraska with a population of  
28 less than one hundred thousand, and at which the majority of the business  
29 activities conducted are described in subdivision (1)(a) or (1)(n) of  
30 section 77-6818, the taxpayer shall be entitled to a credit equal to six  
31 percent times the average wage of new employees times the number of new

1 employees. For purposes of meeting the ten-employee requirement of this  
2 subdivision, the number of new employees shall be multiplied by two.  
3 Wages in excess of one million dollars paid to any one employee during  
4 the year shall be excluded from the calculations under this subdivision;

5 (b) If a taxpayer hires at least twenty new employees at the  
6 qualified location or locations before the end of the ramp-up period, the  
7 taxpayer shall be entitled to a credit equal to five percent times the  
8 average wage of new employees times the number of new employees if the  
9 average wage of the new employees equals at least one hundred percent of  
10 the Nebraska statewide average hourly wage for the year of application.  
11 The credit shall equal seven percent times the average wage of new  
12 employees times the number of new employees if the average wage of the  
13 new employees equals at least one hundred fifty percent of the Nebraska  
14 statewide average hourly wage for the year of application. The credit  
15 shall equal nine percent times the average wage of new employees times  
16 the number of new employees if the average wage of the new employees  
17 equals at least two hundred percent of the Nebraska statewide average  
18 hourly wage for the year of application. Wages in excess of one million  
19 dollars paid to any one employee during the year shall be excluded from  
20 the calculations under this subdivision;

21 (c) If a taxpayer attains a cumulative investment in qualified  
22 property of at least five million dollars and hires at least thirty new  
23 employees at the qualified location or locations before the end of the  
24 ramp-up period, the taxpayer shall be entitled to a credit equal to five  
25 percent times the average wage of new employees times the number of new  
26 employees if the average wage of the new employees equals at least one  
27 hundred percent of the Nebraska statewide average hourly wage for the  
28 year of application. The credit shall equal seven percent times the  
29 average wage of new employees times the number of new employees if the  
30 average wage of the new employees equals at least one hundred fifty  
31 percent of the Nebraska statewide average hourly wage for the year of

1 application. The credit shall equal nine percent times the average wage  
2 of new employees times the number of new employees if the average wage of  
3 the new employees equals at least two hundred percent of the Nebraska  
4 statewide average hourly wage for the year of application. Wages in  
5 excess of one million dollars paid to any one employee during the year  
6 shall be excluded from the calculations under this subdivision;

7 (d) If a taxpayer attains a cumulative investment in qualified  
8 property of at least two hundred fifty million dollars and hires at least  
9 two hundred fifty new employees at the qualified location or locations  
10 before the end of the ramp-up period, the taxpayer shall be entitled to a  
11 credit equal to seven percent times the average wage of new employees  
12 times the number of new employees if the average wage of the new  
13 employees equals at least one hundred fifty percent of the Nebraska  
14 statewide average hourly wage for the year of application. The credit  
15 shall equal nine percent times the average wage of new employees times  
16 the number of new employees if the average wage of the new employees  
17 equals at least two hundred percent of the Nebraska statewide average  
18 hourly wage for the year of application. Wages in excess of one million  
19 dollars paid to any one employee during the year shall be excluded from  
20 the calculations under this subdivision; or

21 (e) If a taxpayer attains a cumulative investment in qualified  
22 property of at least two hundred fifty thousand dollars but less than one  
23 million dollars and hires at least five new employees at the qualified  
24 location or locations before the end of the ramp-up period and the number  
25 of new employees and investment are at a qualified location within an  
26 economic redevelopment area, the taxpayer shall be entitled to a credit  
27 equal to six percent times the average wage of new employees times the  
28 number of new employees if the average wage of the new employees equals  
29 at least seventy percent of the Nebraska statewide average hourly wage  
30 for the year of application. Wages in excess of one million dollars paid  
31 to any one employee during the year shall be excluded from the

1 calculations under this subdivision. For purposes of this subdivision,  
2 economic redevelopment area means an area in which (i) the average rate  
3 of unemployment in the area during the period covered by the most recent  
4 federal decennial census or American Community Survey 5-Year Estimate is  
5 at least one hundred fifty percent of the average rate of unemployment in  
6 the state during the same period and (ii) the average poverty rate in the  
7 area exceeds twenty percent for the total federal census tract or tracts  
8 or federal census block group or block groups in the area.

9 (5) The taxpayer shall be entitled to one of the following credits  
10 for new investment:

11 (a)(i) If a taxpayer attains a cumulative investment in qualified  
12 property of at least one million dollars and hires at least ten new  
13 employees at the qualified location or locations before the end of the  
14 ramp-up period, the taxpayer shall be entitled to a credit equal to four  
15 percent of the investment made in qualified property at the qualified  
16 location or locations;

17 (ii) If the taxpayer attains a cumulative investment in qualified  
18 property of at least one million dollars and hires at least ten new  
19 employees at the qualified location or locations before the end of the  
20 ramp-up period and the number of new employees and investment are at a  
21 qualified location in a county in Nebraska with a population of one  
22 hundred thousand or greater, and at which the majority of the business  
23 activities conducted are described in subdivision (1)(a) or (1)(n) of  
24 section 77-6818, the taxpayer shall be entitled to a credit equal to four  
25 percent of the investment made in qualified property at the qualified  
26 location or locations unless the cumulative investment exceeds ten  
27 million dollars, in which case the taxpayer shall be entitled to a credit  
28 equal to seven percent of the investment made in qualified property at  
29 the qualified location or locations; or

30 (iii) If the taxpayer attains a cumulative investment in qualified  
31 property of at least one million dollars and hires at least ten new



1 employees at the qualified location or locations before the end of the  
2 ramp-up period and the number of new employees and investment are at a  
3 qualified location or locations within one or more counties in Nebraska  
4 that each have entirely within a county in Nebraska with a population of  
5 less than one hundred thousand, and at which the majority of the business  
6 activities conducted are described in subdivision (1)(a) or (1)(n) of  
7 section 77-6818, the taxpayer shall be entitled to a credit equal to four  
8 percent of the investment made in qualified property at the qualified  
9 location or locations unless the cumulative investment exceeds ten  
10 million dollars, in which case the taxpayer shall be entitled to a credit  
11 equal to seven percent of the investment made in qualified property at  
12 the qualified location or locations. For purposes of meeting the ten-  
13 employee requirement of this subdivision, the number of new employees  
14 shall be multiplied by two;

15 (b) If a taxpayer attains a cumulative investment in qualified  
16 property of at least five million dollars and hires at least thirty new  
17 employees at the qualified location or locations before the end of the  
18 ramp-up period, the taxpayer shall be entitled to a credit equal to seven  
19 percent of the investment made in qualified property at the qualified  
20 location or locations;

21 (c) If a taxpayer attains a cumulative investment in qualified  
22 property of at least two hundred fifty million dollars and hires at least  
23 two hundred fifty new employees at the qualified location or locations  
24 before the end of the ramp-up period, the taxpayer shall be entitled to a  
25 credit equal to seven percent of the investment made in qualified  
26 property at the qualified location or locations; or

27 (d) If a taxpayer attains a cumulative investment in qualified  
28 property of at least two hundred fifty thousand dollars but less than one  
29 million dollars and hires at least five new employees at the qualified  
30 location or locations before the end of the ramp-up period and the number  
31 of new employees and investment are at a qualified location within an

1 economic redevelopment area, the taxpayer shall be entitled to a credit  
2 equal to four percent of the investment made in qualified property at the  
3 qualified location or locations. For purposes of this subdivision,  
4 economic redevelopment area means an area in which (i) the average rate  
5 of unemployment in the area during the period covered by the most recent  
6 federal decennial census or American Community Survey 5-Year Estimate is  
7 at least one hundred fifty percent of the average rate of unemployment in  
8 the state during the same period and (ii) the average poverty rate in the  
9 area exceeds twenty percent for the total federal census tract or tracts  
10 or federal census block group or block groups in the area.

11 (6)(a) The credit percentages prescribed in subdivisions (4)(a),  
12 (b), (c), and (d) and subdivisions (5)(a), (b), and (c) of this section  
13 shall be increased by one percentage point for wages paid and investments  
14 made at qualified locations in an extremely blighted area. For purposes  
15 of this subdivision, extremely blighted area means an area which, before  
16 the end of the ramp-up period, has been declared an extremely blighted  
17 area under section 18-2101.02.

18 (b) The credit percentages prescribed in subsections (4) and (5) of  
19 this section shall be increased by one percentage point if the taxpayer:

20 (i) Is a benefit corporation as defined in section 21-403 and has  
21 been such a corporation for at least one year prior to submitting an  
22 application under the ImagiNE Nebraska Act; and

23 (ii) Remains a benefit corporation as defined in section 21-403 for  
24 the duration of the taxpayer's agreement under the ImagiNE Nebraska Act.

25 (c) A taxpayer may, if qualified, receive one or both of the  
26 increases provided in this subsection.

27 (7)(a) The credits prescribed in subsections (4) and (5) of this  
28 section shall be allowable for wages paid and investments made during  
29 each year of the performance period that the taxpayer is at or above the  
30 required levels of employment and investment.

31 (b) The credits prescribed in subsection (5) of this section shall

1 also be allowable during the first year of the performance period for  
2 investment in qualified property at the qualified location or locations  
3 after the date of the complete application and before the beginning of  
4 the performance period.

5 (8)(a) Property described in subdivision (8)(c) of this section used  
6 at the qualified location or locations, whether purchased or leased, and  
7 placed in service by the taxpayer after the date of the complete  
8 application, shall constitute separate classes of property and are  
9 eligible for exemption under the conditions and for the time periods  
10 provided in subdivision (8)(b) of this section.

11 (b) A taxpayer shall receive the exemption of property in  
12 subdivision (8)(c) of this section if the taxpayer attains one of the  
13 following employment and investment levels: (i) Cumulative investment in  
14 qualified property of at least five million dollars and the hiring of at  
15 least thirty new employees at the qualified location or locations before  
16 the end of the ramp-up period; (ii) cumulative investment in qualified  
17 property of at least fifty million dollars at the qualified location or  
18 locations before the end of the ramp-up period, provided the average  
19 compensation of the taxpayer's employees at the qualified location or  
20 locations for the year in which such investment level was attained equals  
21 at least one hundred fifty percent of the Nebraska statewide average  
22 hourly wage for the year of application and the taxpayer offers to its  
23 employees who constitute full-time employees as defined and described in  
24 section 4980H of the Internal Revenue Code of 1986, as amended, and the  
25 regulations for such section, at the qualified location or locations for  
26 the year in which such investment level was attained, the opportunity to  
27 enroll in minimum essential coverage under an eligible employer-sponsored  
28 plan, as those terms are defined and described in section 5000A of the  
29 Internal Revenue Code of 1986, as amended, and the regulations for such  
30 section; or (iii) cumulative investment in qualified property of at least  
31 two hundred fifty million dollars and the hiring of at least two hundred

1 fifty new employees at the qualified location or locations before the end  
2 of the ramp-up period. Such property shall be eligible for the exemption  
3 from the first January 1 following the end of the year during which the  
4 required levels were exceeded through the ninth December 31 after the  
5 first year property included in subdivision (8)(c) of this section  
6 qualifies for the exemption, except that for a taxpayer who has filed an  
7 application under NAICS code 518210 for Data Processing, Hosting, and  
8 Related Services and who files a separate sequential application for the  
9 same NAICS code for which the ramp-up period begins with the year  
10 immediately after the end of the previous project's performance period or  
11 a taxpayer who has a project qualifying under subdivision (1)(b)(ii) of  
12 section 77-5725 and who files a separate sequential application for NAICS  
13 code 518210 for Data Processing, Hosting, and Related Services for which  
14 the ramp-up period begins with the year immediately after the end of the  
15 previous project's entitlement period, such property described in  
16 subdivision (8)(c)(i) of this section shall be eligible for the exemption  
17 from the first January 1 following the placement in service of such  
18 property through the ninth December 31 after the year the first claim for  
19 exemption is approved.

20 (c) The following personal property used at the qualified location  
21 or locations, whether purchased or leased, and placed in service by the  
22 taxpayer after the date of the complete application shall constitute  
23 separate classes of personal property:

24 (i) All personal property that constitutes a data center if the  
25 taxpayer qualifies under subdivision (8)(b)(i) or (8)(b)(ii) of this  
26 section;

27 (ii) Business equipment that is located at a qualified location or  
28 locations and that is involved directly in the manufacture or processing  
29 of agricultural products if the taxpayer qualifies under subdivision (8)  
30 (b)(i) or (8)(b)(ii) of this section; or

31 (iii) All personal property if the taxpayer qualifies under

1 subdivision (8)(b)(iii) of this section.

2 (d) In order to receive the property tax exemptions allowed by  
3 subdivision (8)(c) of this section, the taxpayer shall annually file a  
4 claim for exemption with the Tax Commissioner on or before May 1. The  
5 form and supporting schedules shall be prescribed by the Tax Commissioner  
6 and shall list all property for which exemption is being sought under  
7 this section. A separate claim for exemption must be filed for each  
8 agreement and each county in which property is claimed to be exempt. A  
9 copy of this form must also be filed with the county assessor in each  
10 county in which the applicant is requesting exemption. The Tax  
11 Commissioner shall determine whether a taxpayer is eligible to obtain  
12 exemption for personal property based on the criteria for exemption and  
13 the eligibility of each item listed for exemption and, on or before  
14 August 1, certify such determination to the taxpayer and to the affected  
15 county assessor.

16 (9) The taxpayer shall, on or before the receipt or use of any  
17 incentives under this section, pay to the director a fee of one-half  
18 percent of such incentives, except for the exemption on personal  
19 property, for administering the Imagine Nebraska Act, except that the fee  
20 on any sales tax exemption may be paid by the taxpayer with the filing of  
21 its sales and use tax return. Such fee may be paid by direct payment to  
22 the director or through withholding of available refunds. A credit shall  
23 be allowed against such fee for the amount of the fee paid with the  
24 application. All fees collected under this subsection shall be remitted  
25 to the State Treasurer for credit to the Imagine Nebraska Cash Fund,  
26 which fund is hereby created. The fund shall consist of fees credited  
27 under this subsection and any other money appropriated to the fund by the  
28 Legislature. The fund shall be administered by the Department of Economic  
29 Development and shall be used for administration of the Imagine Nebraska  
30 Act. Any money in the fund available for investment shall be invested by  
31 the state investment officer pursuant to the Nebraska Capital Expansion

1 Act and the Nebraska State Funds Investment Act.

2 Sec. 17. Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 15, and 18  
3 of this act become operative three calendar months after the adjournment  
4 of this legislative session. The other sections of this act become  
5 operative on their effective date.

6 Sec. 18. Original section 77-908, Reissue Revised Statutes of  
7 Nebraska, sections 77-2717, 77-2734.03, and 77-3806, Revised Statutes  
8 Cumulative Supplement, 2020, and section 77-2715.07, Revised Statutes  
9 Supplement, 2021, are repealed.

10 3. On page 6, lines 11 and 14 and 15, strike "effective date of this  
11 act" and insert "operative date of this section".

12 4. On page 7, line 17, after the comma insert "and section 77-6831,  
13 Revised Statutes Cumulative Supplement, 2020,".

14 5. Renumber the remaining sections accordingly.

15 2. Renumber the remaining amendment accordingly.