

AMENDMENTS TO LB1023

(Amendments to Standing Committee amendments, AM3034)

Introduced by von Gillern, 4.

1 1. Strike section 3 and insert the following new sections:

2 Sec. 3. (1) For taxable years beginning or deemed to begin on or
3 after January 1, 2025, under the Internal Revenue Code of 1986, as
4 amended, an employer that pays relocation expenses for a qualifying
5 employee shall be eligible to receive a credit that may be used to offset
6 any income taxes due under the Nebraska Revenue Act of 1967, any premium
7 and related retaliatory taxes due under section 44-150, 77-908, or
8 81-523, or any franchise taxes due under sections 77-3801 to 77-3807.

9 (2) The credit provided in this section shall be a refundable credit
10 in an amount equal to fifty percent of the relocation expenses that were
11 paid by the employer for a qualifying employee during the taxable year,
12 not to exceed a maximum credit of five thousand dollars per qualifying
13 employee.

14 (3) No credit shall be granted under this section unless the
15 qualifying employee will receive an annual salary of at least seventy
16 thousand dollars per year and not more than two hundred fifty thousand
17 dollars per year.

18 (4) Any credit claimed by an employer under this section shall be
19 recaptured by the department if the qualifying employee moves out of the
20 state within two years after the credit is claimed. Any amount required
21 to be recaptured shall be deemed an underpayment of tax and shall be due
22 and payable on the tax return that is due immediately following the loss
23 of residency.

24 (5) Notwithstanding any other limitation contained in the laws of
25 this state, collection of any taxes deemed to be an underpayment by this
26 section shall be allowed for a period of three years following the due

1 date of the recaptured taxes.

2 (6) For taxable years beginning or deemed to begin on or after
3 January 1, 2026, under the Internal Revenue Code of 1986, as amended, the
4 department shall adjust the dollar amounts provided in subsection (3) of
5 this section by the same percentage used to adjust individual income tax
6 brackets under subsection (3) of section 77-2715.03.

7 (7) An employer shall apply for the credit provided in this section
8 by submitting an application to the department on a form prescribed by
9 the department. Subject to subsection (8) of this section, if the
10 department determines that the employer qualifies for tax credits under
11 this section, the department shall approve the application and certify
12 the amount of credits approved to the employer.

13 (8) The department shall consider applications in the order in which
14 they are received and may approve tax credits under this section in any
15 year until the aggregate limit allowed under section 4 of this act has
16 been reached.

17 (9) An employer shall claim any tax credits granted under this
18 section by attaching the tax credit certification received from the
19 department under subsection (7) of this section to the employer's tax
20 return.

21 (10) An employer claiming a tax credit under the Relocation
22 Incentive Act against any premium and related retaliatory taxes due under
23 section 44-150, 77-908, or 81-523 shall not be required to pay any
24 additional retaliatory tax as a result of claiming the tax credit. The
25 tax credit may fully offset any retaliatory tax imposed under Nebraska
26 law. Any tax credit claimed shall be considered a payment of tax for
27 purposes of subsection (1) of section 77-2734.03.

28 Sec. 7. Section 77-908, Revised Statutes Cumulative Supplement,
29 2022, is amended to read:

30 77-908 Every insurance company organized under the stock, mutual,
31 assessment, or reciprocal plan, except fraternal benefit societies, which

1 is transacting business in this state shall, on or before March 1 of each
2 year, pay a tax to the director of one percent of the gross amount of
3 direct writing premiums received by it during the preceding calendar year
4 for business done in this state, except that (1) for group sickness and
5 accident insurance the rate of such tax shall be five-tenths of one
6 percent and (2) for property and casualty insurance, excluding individual
7 sickness and accident insurance, the rate of such tax shall be one
8 percent. A captive insurer authorized under the Captive Insurers Act that
9 is transacting business in this state shall, on or before March 1 of each
10 year, pay to the director a tax of one-fourth of one percent of the gross
11 amount of direct writing premiums received by such insurer during the
12 preceding calendar year for business transacted in the state. The taxable
13 premiums shall include premiums paid on the lives of persons residing in
14 this state and premiums paid for risks located in this state whether the
15 insurance was written in this state or not, including that portion of a
16 group premium paid which represents the premium for insurance on Nebraska
17 residents or risks located in Nebraska included within the group when the
18 number of lives in the group exceeds five hundred. The tax shall also
19 apply to premiums received by domestic companies for insurance written on
20 individuals residing outside this state or risks located outside this
21 state if no comparable tax is paid by the direct writing domestic company
22 to any other appropriate taxing authority. Companies whose scheme of
23 operation contemplates the return of a portion of premiums to
24 policyholders, without such policyholders being claimants under the terms
25 of their policies, may deduct such return premiums or dividends from
26 their gross premiums for the purpose of tax calculations. Any such
27 insurance company shall receive a credit on the tax imposed as provided
28 in the Community Development Assistance Act, the Nebraska Job Creation
29 and Mainstreet Revitalization Act, the New Markets Job Growth Investment
30 Act, the Nebraska Higher Blend Tax Credit Act, the Relocation Incentive
31 Act, and the Affordable Housing Tax Credit Act.

1 Sec. 15. Section 77-3806, Revised Statutes Cumulative Supplement,
2 2022, is amended to read:

3 77-3806 (1) The tax return shall be filed and the total amount of
4 the franchise tax shall be due on the fifteenth day of the third month
5 after the end of the taxable year. No extension of time to pay the tax
6 shall be granted. If the Tax Commissioner determines that the amount of
7 tax can be computed from available information filed by the financial
8 institutions with either state or federal regulatory agencies, the Tax
9 Commissioner may, by regulation, waive the requirement for the financial
10 institutions to file returns.

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

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

25 (4) Any such financial institution shall receive a credit on the
26 franchise tax as provided under the Affordable Housing Tax Credit Act,
27 the Community Development Assistance Act, the Nebraska Higher Blend Tax
28 Credit Act, the Nebraska Job Creation and Mainstreet Revitalization Act,
29 the Nebraska Property Tax Incentive Act, the Relocation Incentive Act,
30 and the New Markets Job Growth Investment Act.

31 Sec. 17. Section 81-523, Revised Statutes Cumulative Supplement,

1 2022, is amended to read:

2 81-523 (1) For the purpose of maintaining the office of the State
3 Fire Marshal and such other fire prevention activities as the Governor
4 may direct, every foreign and alien insurance company including
5 nonresident attorneys for subscribers to reciprocal insurance exchanges
6 shall, on or before March 1, pay a tax to the Director of Insurance of
7 three-fourths of one percent of the gross direct writing premiums and
8 assessments received by each of such companies during the preceding
9 calendar year for fire insurance business done in this state.

10 (2) For the purpose set forth in subsection (1) of this section,
11 every domestic insurance company including resident attorneys for
12 subscribers to reciprocal insurance exchanges shall, on or before March
13 1, pay a tax to the Director of Insurance of three-eighths of one percent
14 of the gross direct writing premiums and assessments received by each of
15 such companies during the preceding calendar year for fire insurance
16 business done in this state.

17 (3) The term fire insurance business, as used in subsections (1),
18 (2), and (4) of this section, shall include, but not be limited to,
19 premiums of policies on fire risks on automobiles, whether written under
20 floater form or otherwise.

21 (4) Return premiums on fire insurance business, subject to the fire
22 insurance tax, in accordance with subsections (1) and (2) of this
23 section, may be deducted from the gross direct writing premiums for the
24 purpose of the tax calculations provided for by subsections (1) and (2)
25 of this section. In the case of mutual companies and assessment
26 associations, the dividends paid or credited to policyholders or members
27 in this state shall be construed to be return premiums.

28 (5) Any tax collected pursuant to subsections (1) and (2) of this
29 section shall be remitted to the State Treasurer for credit to the
30 General Fund.

31 (6) An insurance company described in this section shall receive a

1 credit on the tax imposed under this section as provided in the
2 Affordable Housing Tax Credit Act and the Relocation Incentive Act.

3 2. Correct the operative date and repealer sections so that the
4 sections added by this amendment become operative on their effective
5 date.

6 3. Renumber the remaining sections and correct internal references
7 accordingly.