

One Hundred Eighth Legislature - Second Session - 2024

Introducer's Statement of Intent

LB1059

Chairperson: Senator Lou Ann Linehan

Committee: Revenue

Date of Hearing: January 25, 2024

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

In 2023, the Nebraska Legislature enacted legislation that allows partnership taxpayers to pay income tax directly to the state on amended returns rather than pass through tax liability to its partners. LB1059 updates the law with the following technical changes:

1. Clarifies that, for tax years beginning on or after January 1, 2023, partnerships and small business corporations may elect to pay the income tax directly to the state on the applicable income tax return for each tax year
2. Clarifies that, refundable credits will be available to partners and small business corporations for tax returns filed for taxable years beginning or deemed to begin on or after January 1, 2022 and that those credits shall be allowed for the same taxable year for which the election is made without regard to the year in which the tax is paid
3. Clarifies that notices of deficiency issued by the Department of Revenue shall include a written statement containing the reasons the Tax Commissioner used to determine the amount of tax shown on the return is less than the correct amount

Principal Introducer: _____

Senator Lou Ann Linehan