

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, there shall be allowed to an employer of any eligible employee a
11 nonrefundable credit against the income tax imposed by the Nebraska
12 Revenue Act of 1967 in the amount of sixty-five percent of the wages paid
13 by the employer to the eligible employee during the taxable year.

14 (2) The credit provided in this section shall only be allowed with
15 respect to wages paid during the first twelve months of the eligible
16 employee's employment with the employer.

17 (3) The total credit taken pursuant to this section with respect to
18 any one eligible employee shall not exceed twenty thousand dollars.

19 (4) The Department of Revenue may adopt and promulgate rules and
20 regulations to carry out this section.

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

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

25 77-2715.07 (1) There shall be allowed to qualified resident
26 individuals as a nonrefundable credit against the income tax imposed by
27 the Nebraska Revenue Act of 1967:

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

3 (b) A credit for taxes paid to another state as provided in section
4 77-2730.

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

7 (a) For returns filed reporting federal adjusted gross incomes of
8 greater than twenty-nine thousand dollars, a nonrefundable credit equal
9 to twenty-five percent of the federal credit allowed under section 21 of
10 the Internal Revenue Code of 1986, as amended, except that for taxable
11 years beginning or deemed to begin on or after January 1, 2015, such
12 nonrefundable credit shall be allowed only if the individual would have
13 received the federal credit allowed under section 21 of the code after
14 adding back in any carryforward of a net operating loss that was deducted
15 pursuant to such section in determining eligibility for the federal
16 credit;

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

1 (c) A refundable credit as provided in section 77-5209.01 for
2 individuals who qualify for an income tax credit as a qualified beginning
3 farmer or livestock producer under the Beginning Farmer Tax Credit Act
4 for all taxable years beginning or deemed to begin on or after January 1,
5 2006, under the Internal Revenue Code of 1986, as amended;

6 (d) A refundable credit for individuals who qualify for an income
7 tax credit under the Angel Investment Tax Credit Act, the Nebraska
8 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
9 and Development Act, or the Volunteer Emergency Responders Incentive Act;
10 and

11 (e) A refundable credit equal to ten percent of the federal credit
12 allowed under section 32 of the Internal Revenue Code of 1986, as
13 amended, 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 32 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 (3) There shall be allowed to all individuals as a nonrefundable
20 credit against the income tax imposed by the Nebraska Revenue Act of
21 1967:

22 (a) A credit for personal exemptions allowed under section
23 77-2716.01;

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

31 (c) A credit for investment in a biodiesel facility as provided in

1 section 77-27,236;

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

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

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

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

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

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

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

16 (c) A refundable credit for individuals who qualify for an income
17 tax credit as an owner of agricultural assets under the Beginning Farmer
18 Tax Credit Act for all taxable years beginning or deemed to begin on or
19 after January 1, 2009, under the Internal Revenue Code of 1986, as
20 amended. The credit allowed for each partner, shareholder, member, or
21 beneficiary of a partnership, corporation, limited liability company, or
22 estate or trust qualifying for an income tax credit as an owner of
23 agricultural assets under the Beginning Farmer Tax Credit Act shall be
24 equal to the partner's, shareholder's, member's, or beneficiary's portion
25 of the amount of tax credit distributed pursuant to subsection (6) of
26 section 77-5211.

27 (5)(a) For all taxable years beginning on or after January 1, 2007,
28 and before January 1, 2009, under the Internal Revenue Code of 1986, as
29 amended, there shall be allowed to each partner, shareholder, member, or
30 beneficiary of a partnership, subchapter S corporation, limited liability
31 company, or estate or trust a nonrefundable credit against the income tax

1 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the
2 partner's, shareholder's, member's, or beneficiary's portion of the
3 amount of franchise tax paid to the state under sections 77-3801 to
4 77-3807 by a financial institution.

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

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

19 (6) There shall be allowed to all individuals nonrefundable credits
20 against the income tax imposed by the Nebraska Revenue Act of 1967 as
21 provided in section 77-3604 and refundable credits against the income tax
22 imposed by the Nebraska Revenue Act of 1967 as provided in section
23 77-3605.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4 Sec. 4. Section 77-2717, Revised Statutes Cumulative Supplement,
5 2020, is amended to read:

6 77-2717 (1)(a)(i) For taxable years beginning or deemed to begin
7 before January 1, 2014, the tax imposed on all resident estates and
8 trusts shall be a percentage of the federal taxable income of such
9 estates and trusts as modified in section 77-2716, plus a percentage of
10 the federal alternative minimum tax and the federal tax on premature or
11 lump-sum distributions from qualified retirement plans. The additional
12 taxes shall be recomputed by (A) substituting Nebraska taxable income for
13 federal taxable income, (B) calculating what the federal alternative
14 minimum tax would be on Nebraska taxable income and adjusting such
15 calculations for any items which are reflected differently in the
16 determination of federal taxable income, and (C) applying Nebraska rates
17 to the result. The federal credit for prior year minimum tax, after the
18 recomputations required by the Nebraska Revenue Act of 1967, and the
19 credits provided in the Nebraska Advantage Microenterprise Tax Credit Act
20 and the Nebraska Advantage Research and Development Act shall be allowed
21 as a reduction in the income tax due. A refundable income tax credit
22 shall be allowed for all resident estates and trusts under the Angel
23 Investment Tax Credit Act, the Nebraska Advantage Microenterprise Tax
24 Credit Act, and the Nebraska Advantage Research and Development Act. A
25 nonrefundable income tax credit shall be allowed for all resident estates
26 and trusts as provided in the New Markets Job Growth Investment Act.

27 (ii) For taxable years beginning or deemed to begin on or after
28 January 1, 2014, the tax imposed on all resident estates and trusts shall
29 be a percentage of the federal taxable income of such estates and trusts
30 as modified in section 77-2716, plus a percentage of the federal tax on
31 premature or lump-sum distributions from qualified retirement plans. The

1 additional taxes shall be recomputed by substituting Nebraska taxable
2 income for federal taxable income and applying Nebraska rates to the
3 result. The credits provided in the Nebraska Advantage Microenterprise
4 Tax Credit Act and the Nebraska Advantage Research and Development Act
5 shall be allowed as a reduction in the income tax due. A refundable
6 income tax credit shall be allowed for all resident estates and trusts
7 under the Angel Investment Tax Credit Act, the Nebraska Advantage
8 Microenterprise Tax Credit Act, the Nebraska Advantage Research and
9 Development Act, the Nebraska Property Tax Incentive Act, and the
10 Renewable Chemical Production Tax Credit Act. A nonrefundable income tax
11 credit shall be allowed for all resident estates and trusts as provided
12 in the Nebraska Job Creation and Mainstreet Revitalization Act, the New
13 Markets Job Growth Investment Act, the School Readiness Tax Credit Act,
14 the Affordable Housing Tax Credit Act, and section 77-27,238 and section
15 2 of this act.

16 (b) The tax imposed on all nonresident estates and trusts shall be
17 the portion of the tax imposed on resident estates and trusts which is
18 attributable to the income derived from sources within this state. The
19 tax which is attributable to income derived from sources within this
20 state shall be determined by multiplying the liability to this state for
21 a resident estate or trust with the same total income by a fraction, the
22 numerator of which is the nonresident estate's or trust's Nebraska income
23 as determined by sections 77-2724 and 77-2725 and the denominator of
24 which is its total federal income after first adjusting each by the
25 amounts provided in section 77-2716. The federal credit for prior year
26 minimum tax, after the recomputations required by the Nebraska Revenue
27 Act of 1967, reduced by the percentage of the total income which is
28 attributable to income from sources outside this state, and the credits
29 provided in the Nebraska Advantage Microenterprise Tax Credit Act and the
30 Nebraska Advantage Research and Development Act shall be allowed as a
31 reduction in the income tax due. A refundable income tax credit shall be

1 allowed for all nonresident estates and trusts under the Angel Investment
2 Tax Credit Act, the Nebraska Advantage Microenterprise Tax Credit Act,
3 the Nebraska Advantage Research and Development Act, the Nebraska
4 Property Tax Incentive Act, and the Renewable Chemical Production Tax
5 Credit Act. A nonrefundable income tax credit shall be allowed for all
6 nonresident estates and trusts as provided in the Nebraska Job Creation
7 and Mainstreet Revitalization Act, the New Markets Job Growth Investment
8 Act, the School Readiness Tax Credit Act, the Affordable Housing Tax
9 Credit Act, and section 77-27,238 and section 2 of this act.

10 (2) In all instances wherein a fiduciary income tax return is
11 required under the provisions of the Internal Revenue Code, a Nebraska
12 fiduciary return shall be filed, except that a fiduciary return shall not
13 be required to be filed regarding a simple trust if all of the trust's
14 beneficiaries are residents of the State of Nebraska, all of the trust's
15 income is derived from sources in this state, and the trust has no
16 federal tax liability. The fiduciary shall be responsible for making the
17 return for the estate or trust for which he or she acts, whether the
18 income be taxable to the estate or trust or to the beneficiaries thereof.
19 The fiduciary shall include in the return a statement of each
20 beneficiary's distributive share of net income when such income is
21 taxable to such beneficiaries.

22 (3) The beneficiaries of such estate or trust who are residents of
23 this state shall include in their income their proportionate share of
24 such estate's or trust's federal income and shall reduce their Nebraska
25 tax liability by their proportionate share of the credits as provided in
26 the Angel Investment Tax Credit Act, the Nebraska Advantage
27 Microenterprise Tax Credit Act, the Nebraska Advantage Research and
28 Development Act, the Nebraska Job Creation and Mainstreet Revitalization
29 Act, the New Markets Job Growth Investment Act, the School Readiness Tax
30 Credit Act, the Affordable Housing Tax Credit Act, the Nebraska Property
31 Tax Incentive Act, the Renewable Chemical Production Tax Credit Act, and

1 section 77-27,238 and section 2 of this act. There shall be allowed to a
2 beneficiary a refundable income tax credit under the Beginning Farmer Tax
3 Credit Act for all taxable years beginning or deemed to begin on or after
4 January 1, 2001, under the Internal Revenue Code of 1986, as amended.

5 (4) If any beneficiary of such estate or trust is a nonresident
6 during any part of the estate's or trust's taxable year, he or she shall
7 file a Nebraska income tax return which shall include (a) in Nebraska
8 adjusted gross income that portion of the estate's or trust's Nebraska
9 income, as determined under sections 77-2724 and 77-2725, allocable to
10 his or her interest in the estate or trust and (b) a reduction of the
11 Nebraska tax liability by his or her proportionate share of the credits
12 as provided in the Angel Investment Tax Credit Act, the Nebraska
13 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
14 and Development Act, the Nebraska Job Creation and Mainstreet
15 Revitalization Act, the New Markets Job Growth Investment Act, the School
16 Readiness Tax Credit Act, the Affordable Housing Tax Credit Act, the
17 Nebraska Property Tax Incentive Act, the Renewable Chemical Production
18 Tax Credit Act, and section 77-27,238 and section 2 of this act and shall
19 execute and forward to the fiduciary, on or before the original due date
20 of the Nebraska fiduciary return, an agreement which states that he or
21 she will file a Nebraska income tax return and pay income tax on all
22 income derived from or connected with sources in this state, and such
23 agreement shall be attached to the Nebraska fiduciary return for such
24 taxable year.

25 (5) In the absence of the nonresident beneficiary's executed
26 agreement being attached to the Nebraska fiduciary return, the estate or
27 trust shall remit a portion of such beneficiary's income which was
28 derived from or attributable to Nebraska sources with its Nebraska return
29 for the taxable year. For taxable years beginning or deemed to begin
30 before January 1, 2013, the amount of remittance, in such instance, shall
31 be the highest individual income tax rate determined under section

1 77-2715.02 multiplied by the nonresident beneficiary's share of the
2 estate or trust income which was derived from or attributable to sources
3 within this state. For taxable years beginning or deemed to begin on or
4 after January 1, 2013, the amount of remittance, in such instance, shall
5 be the highest individual income tax rate determined under section
6 77-2715.03 multiplied by the nonresident beneficiary's share of the
7 estate or trust income which was derived from or attributable to sources
8 within this state. The amount remitted shall be allowed as a credit
9 against the Nebraska income tax liability of the beneficiary.

10 (6) The Tax Commissioner may allow a nonresident beneficiary to not
11 file a Nebraska income tax return if the nonresident beneficiary's only
12 source of Nebraska income was his or her share of the estate's or trust's
13 income which was derived from or attributable to sources within this
14 state, the nonresident did not file an agreement to file a Nebraska
15 income tax return, and the estate or trust has remitted the amount
16 required by subsection (5) of this section on behalf of such nonresident
17 beneficiary. The amount remitted shall be retained in satisfaction of the
18 Nebraska income tax liability of the nonresident beneficiary.

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

26 (8) For purposes of this section, any beneficiary of an estate or
27 trust that is a grantor trust of a nonresident shall be disregarded and
28 this section shall apply as though the nonresident grantor was the
29 beneficiary.

30 Sec. 5. Section 77-2734.03, Revised Statutes Cumulative Supplement,
31 2020, is amended to read:

1 77-2734.03 (1)(a) For taxable years commencing prior to January 1,
2 1997, any (i) insurer paying a tax on premiums and assessments pursuant
3 to section 77-908 or 81-523, (ii) electric cooperative organized under
4 the Joint Public Power Authority Act, or (iii) credit union shall be
5 credited, in the computation of the tax due under the Nebraska Revenue
6 Act of 1967, with the amount paid during the taxable year as taxes on
7 such premiums and assessments and taxes in lieu of intangible tax.

8 (b) For taxable years commencing on or after January 1, 1997, any
9 insurer paying a tax on premiums and assessments pursuant to section
10 77-908 or 81-523, any electric cooperative organized under the Joint
11 Public Power Authority Act, or any credit union shall be credited, in the
12 computation of the tax due under the Nebraska Revenue Act of 1967, with
13 the amount paid during the taxable year as (i) taxes on such premiums and
14 assessments included as Nebraska premiums and assessments under section
15 77-2734.05 and (ii) taxes in lieu of intangible tax.

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

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

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

30 (4) The changes made to this section by Laws 2004, LB 983, apply to
31 motor fuels purchased during any tax year ending or deemed to end on or

1 after January 1, 2005, under the Internal Revenue Code of 1986, as
2 amended.

3 (5) There shall be allowed to corporate taxpayers refundable income
4 tax credits under the Nebraska Advantage Microenterprise Tax Credit Act,
5 the Nebraska Advantage Research and Development Act, the Nebraska
6 Property Tax Incentive Act, and the Renewable Chemical Production Tax
7 Credit Act.

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

11 (7) There shall be allowed to corporate taxpayers a nonrefundable
12 income tax credit as provided in the Nebraska Job Creation and Mainstreet
13 Revitalization Act, the New Markets Job Growth Investment Act, the School
14 Readiness Tax Credit Act, the Affordable Housing Tax Credit Act, and
15 section 77-27,238 and section 2 of this act.

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