

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1117

Introduced by Wayne, 13.

Read first time January 19, 2022

Committee: Revenue

1 A BILL FOR AN ACT relating to the Community Development Assistance Act;
2 to amend sections 13-201 and 13-203, Reissue Revised Statutes of
3 Nebraska, and section 13-208, Revised Statutes Cumulative
4 Supplement, 2020; to define and redefine terms; to change provisions
5 relating to limits on tax credits; to provide a sunset date; to
6 harmonize provisions; and to repeal the original sections.
7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-201, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 13-201 Sections 13-201 to 13-208 and section 4 of this act shall be
4 known and may be cited as the Community Development Assistance Act.

5 Sec. 2. Section 13-203, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 13-203 For purposes of the Community Development Assistance Act,
8 unless the context otherwise requires:

9 (1) Business firm shall mean any business entity, including a
10 corporation, a fiduciary, a sole proprietorship, a partnership, a limited
11 liability company, a corporation having an election in effect under
12 Chapter 1, subchapter S of the Internal Revenue Code, as defined in
13 section 49-801.01, subject to the state income tax imposed by section
14 77-2715 or 77-2734.02, an insurance company paying premium or related
15 retaliatory taxes in this state pursuant to section 44-150 or 77-908, or
16 a financial institution paying the tax imposed pursuant to sections
17 77-3801 to 77-3807;

18 (2) Community services shall mean any type of the following in a
19 community development area: (a) Employment training; (b) human services;
20 (c) medical services; (d) physical facility and neighborhood development
21 services; (e) recreational services or activities; (f) educational
22 services; or (g) crime prevention activities, including, but not limited
23 to, (i) the instruction of any individual in the community development
24 area that enables him or her to acquire vocational skills, (ii)
25 counseling and advice, (iii) emergency services, (iv) community, youth,
26 day care, and senior citizen centers, (v) in-home services, (vi) home
27 improvement services and programs, and (vii) any legal enterprise which
28 aids in the prevention or reduction of crime;

29 (3) Department shall mean the Department of Economic Development;

30 (4) Director shall mean the Director of Economic Development;

31 (5) Community development area shall mean (a) any village, city,

1 county, unincorporated area of a county, or census tract which has been
2 designated by the department as an area of chronic economic distress or
3 (b) any economic redevelopment area within a city of the metropolitan
4 class;

5 (6) Community assistance shall mean furnishing financial assistance,
6 labor, material, or technical advice to aid in the physical improvement
7 of any part or all of a community development area;

8 (7) Community betterment organization shall mean (a) any
9 organization performing community services or offering community
10 assistance in a community development area and to which contributions are
11 tax deductible under the provisions of the Internal Revenue Service of
12 the United States Department of the Treasury and (b) a county, city, or
13 village performing community services or offering community assistance in
14 a community development area; ~~and~~

15 (8) Area of chronic economic distress shall mean an area of the
16 state which meets any of the following conditions:

17 (a) An unemployment rate which exceeds the statewide average
18 unemployment rate;

19 (b) A per capita income below the statewide average per capita
20 income; or

21 (c) A population loss between the two most recent federal decennial
22 censuses; and -

23 (9) Economic redevelopment area means an area in the State of
24 Nebraska in which:

25 (a) The average rate of unemployment in the area during the period
26 covered by the most recent federal decennial census or American Community
27 Survey 5-Year Estimate by the United States Bureau of the Census is at
28 least one hundred fifty percent of the average rate of unemployment in
29 the state during the same period; and

30 (b) The average poverty rate in the area is twenty percent or more
31 for the federal census tract in the area.

1 Sec. 3. Section 13-208, Revised Statutes Cumulative Supplement,
2 2020, is amended to read:

3 13-208 The total amount of tax credit granted for programs approved
4 and certified under the Community Development Assistance Act by the
5 department ~~for any fiscal year~~ shall not exceed (1) three hundred fifty
6 thousand dollars for fiscal years prior to fiscal year 2022-23 and (2)
7 five million dollars for fiscal year 2022-23 and each fiscal year
8 thereafter , ~~except that for fiscal year 2016-17, the total amount of tax~~
9 ~~credit granted under this section shall be reduced by seventy-five~~
10 ~~thousand dollars.~~

11 Sec. 4. No tax credits shall be granted under the Community
12 Development Assistance Act on or after July 1, 2027.

13 Sec. 5. Original sections 13-201 and 13-203, Reissue Revised
14 Statutes of Nebraska, and section 13-208, Revised Statutes Cumulative
15 Supplement, 2020, are repealed.