

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SEVENTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 596**

Introduced by Albrecht, 17.

Read first time January 20, 2021

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend section  
2 77-908, Reissue Revised Statutes of Nebraska, and sections  
3 77-2715.07, 77-2717, 77-2734.03, and 77-3806, Revised Statutes  
4 Cumulative Supplement, 2020; to adopt the Nebraska Higher Blend Tax  
5 Credit Act; to harmonize provisions; and to repeal the original  
6 sections.

7 Be it enacted by the people of the State of Nebraska,

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

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

4           (1) Department means the Department of Revenue;

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

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

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

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

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

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

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

22           (9) Taxpayer means any natural person or any limited liability  
23 company, partnership, private domestic or private foreign corporation, or  
24 domestic or foreign nonprofit corporation certified pursuant to section  
25 501(c)(3) of the Internal Revenue Code of 1986, as amended.

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

31           (2) The tax credit shall be in an amount equal to (a) three cents

1 multiplied by the total number of gallons of E-15 sold by the taxpayer on  
2 a retail basis during the prior calendar year through a motor fuel pump  
3 located at the taxpayer's retail motor fuel site and (b) five cents  
4 multiplied by the total number of gallons of E-25 or higher blend sold by  
5 the taxpayer on a retail basis during the prior calendar year through a  
6 motor fuel pump located at the taxpayer's retail motor fuel site.

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

10 (4) Tax credits allowed under this section may be claimed for  
11 taxable years beginning or deemed to begin on or after January 1, 2021,  
12 under the Internal Revenue Code of 1986, as amended.

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

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

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

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

23 (d) The total number of gallons of E-30 sold by the taxpayer on a  
24 retail basis during the prior calendar year through a motor fuel pump  
25 located at the taxpayer's retail motor fuel site;

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

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

30 Sec. 4. (1) If the department determines that an application is  
31 complete and that the taxpayer qualifies for tax credits, the department

1 shall approve the application within the limits set forth in this section  
2 and shall certify the amount of tax credits approved to the taxpayer.

3 (2) The department shall consider applications in the order in which  
4 they are received and may approve up to two million dollars in tax  
5 credits in any calendar year.

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

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

13 Sec. 6. Any tax credit allowable to a partnership, a limited  
14 liability company, a subchapter S corporation, or an estate or trust may  
15 be distributed to the partners, limited liability company members,  
16 shareholders, or beneficiaries in the same manner as income is  
17 distributed.

18 Sec. 7. There shall be no new applications filed under the Nebraska  
19 Higher Blend Tax Credit Act after December 31, 2025. All applications and  
20 all tax credits pending or approved before such date shall continue in  
21 full force and effect.

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

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

26 77-908 Every insurance company organized under the stock, mutual,  
27 assessment, or reciprocal plan, except fraternal benefit societies, which  
28 is transacting business in this state shall, on or before March 1 of each  
29 year, pay a tax to the director of one percent of the gross amount of  
30 direct writing premiums received by it during the preceding calendar year  
31 for business done in this state, except that (1) for group sickness and

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

28       Sec. 10. Section 77-2715.07, Revised Statutes Cumulative Supplement,  
29 2020, is amended to read:

30       77-2715.07 (1) There shall be allowed to qualified resident  
31 individuals as a nonrefundable credit against the income tax imposed by

1 the Nebraska Revenue Act of 1967:

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

4 (b) A credit for taxes paid to another state as provided in section  
5 77-2730.

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

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

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

1 eligibility for the federal credit;

2 (c) A refundable credit as provided in section 77-5209.01 for  
3 individuals who qualify for an income tax credit as a qualified beginning  
4 farmer or livestock producer under the Beginning Farmer Tax Credit Act  
5 for all taxable years beginning or deemed to begin on or after January 1,  
6 2006, under the Internal Revenue Code of 1986, as amended;

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

12 (e) A refundable credit equal to ten percent of the federal credit  
13 allowed under section 32 of the Internal Revenue Code of 1986, as  
14 amended, except that for taxable years beginning or deemed to begin on or  
15 after January 1, 2015, such refundable credit shall be allowed only if  
16 the individual would have received the federal credit allowed under  
17 section 32 of the code after adding back in any carryforward of a net  
18 operating loss that was deducted pursuant to such section in determining  
19 eligibility for the federal credit.

20 (3) There shall be allowed to all individuals as a nonrefundable  
21 credit against the income tax imposed by the Nebraska Revenue Act of  
22 1967:

23 (a) A credit for personal exemptions allowed under section  
24 77-2716.01;

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

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

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

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

7 (f) A credit to employers as provided in section 77-27,238; 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 Higher Blend Tax Credit Act, the Nebraska  
21 Property Tax Incentive Act, and the Renewable Chemical Production Tax  
22 Credit Act.

23 Sec. 11. Section 77-2717, Revised Statutes Cumulative Supplement,  
24 2020, is amended to read:

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

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

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

1 Mainstreet Revitalization Act, the New Markets Job Growth Investment Act,  
2 the School Readiness Tax Credit Act, the Affordable Housing Tax Credit  
3 Act, and section 77-27,238.

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

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

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

10 (3) The beneficiaries of such estate or trust who are residents of  
11 this state shall include in their income their proportionate share of  
12 such estate's or trust's federal income and shall reduce their Nebraska  
13 tax liability by their proportionate share of the credits as provided in  
14 the Angel Investment Tax Credit Act, the Nebraska Advantage  
15 Microenterprise Tax Credit Act, the Nebraska Advantage Research and  
16 Development Act, the Nebraska Job Creation and Mainstreet Revitalization  
17 Act, the New Markets Job Growth Investment Act, the School Readiness Tax  
18 Credit Act, the Affordable Housing Tax Credit Act, the Nebraska Higher  
19 Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, the  
20 Renewable Chemical Production Tax Credit Act, and section 77-27,238.  
21 There shall be allowed to a beneficiary a refundable income tax credit  
22 under the Beginning Farmer Tax Credit Act for all taxable years beginning  
23 or deemed to begin on or after January 1, 2001, under the Internal  
24 Revenue Code of 1986, as amended.

25 (4) If any beneficiary of such estate or trust is a nonresident  
26 during any part of the estate's or trust's taxable year, he or she shall  
27 file a Nebraska income tax return which shall include (a) in Nebraska  
28 adjusted gross income that portion of the estate's or trust's Nebraska  
29 income, as determined under sections 77-2724 and 77-2725, allocable to  
30 his or her interest in the estate or trust and (b) a reduction of the  
31 Nebraska tax liability by his or her proportionate share of the credits

1 as provided in the Angel Investment Tax Credit Act, the Nebraska  
2 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research  
3 and Development Act, the Nebraska Job Creation and Mainstreet  
4 Revitalization Act, the New Markets Job Growth Investment Act, the School  
5 Readiness Tax Credit Act, the Affordable Housing Tax Credit Act, the  
6 Nebraska Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive  
7 Act, the Renewable Chemical Production Tax Credit Act, and section  
8 77-27,238 and shall execute and forward to the fiduciary, on or before  
9 the original due date of the Nebraska fiduciary return, an agreement  
10 which states that he or she will file a Nebraska income tax return and  
11 pay income tax on all income derived from or connected with sources in  
12 this state, and such agreement shall be attached to the Nebraska  
13 fiduciary return for such taxable year.

14 (5) In the absence of the nonresident beneficiary's executed  
15 agreement being attached to the Nebraska fiduciary return, the estate or  
16 trust shall remit a portion of such beneficiary's income which was  
17 derived from or attributable to Nebraska sources with its Nebraska return  
18 for the taxable year. For taxable years beginning or deemed to begin  
19 before January 1, 2013, the amount of remittance, in such instance, shall  
20 be the highest individual income tax rate determined under section  
21 77-2715.02 multiplied by the nonresident beneficiary's share of the  
22 estate or trust income which was derived from or attributable to sources  
23 within this state. For taxable years beginning or deemed to begin on or  
24 after January 1, 2013, the amount of remittance, in such instance, shall  
25 be the highest individual income tax rate determined under section  
26 77-2715.03 multiplied by the nonresident beneficiary's share of the  
27 estate or trust income which was derived from or attributable to sources  
28 within this state. The amount remitted shall be allowed as a credit  
29 against the Nebraska income tax liability of the beneficiary.

30 (6) The Tax Commissioner may allow a nonresident beneficiary to not  
31 file a Nebraska income tax return if the nonresident beneficiary's only

1 source of Nebraska income was his or her share of the estate's or trust's  
2 income which was derived from or attributable to sources within this  
3 state, the nonresident did not file an agreement to file a Nebraska  
4 income tax return, and the estate or trust has remitted the amount  
5 required by subsection (5) of this section on behalf of such nonresident  
6 beneficiary. The amount remitted shall be retained in satisfaction of the  
7 Nebraska income tax liability of the nonresident beneficiary.

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

15 (8) For purposes of this section, any beneficiary of an estate or  
16 trust that is a grantor trust of a nonresident shall be disregarded and  
17 this section shall apply as though the nonresident grantor was the  
18 beneficiary.

19 Sec. 12. Section 77-2734.03, Revised Statutes Cumulative Supplement,  
20 2020, is amended to read:

21 77-2734.03 (1)(a) For taxable years commencing prior to January 1,  
22 1997, any (i) insurer paying a tax on premiums and assessments pursuant  
23 to section 77-908 or 81-523, (ii) electric cooperative organized under  
24 the Joint Public Power Authority Act, or (iii) credit union shall be  
25 credited, in the computation of the tax due under the Nebraska Revenue  
26 Act of 1967, with the amount paid during the taxable year as taxes on  
27 such premiums and assessments and taxes in lieu of intangible tax.

28 (b) For taxable years commencing on or after January 1, 1997, any  
29 insurer paying a tax on premiums and assessments pursuant to section  
30 77-908 or 81-523, any electric cooperative organized under the Joint  
31 Public Power Authority Act, or any credit union shall be credited, in the

1 computation of the tax due under the Nebraska Revenue Act of 1967, with  
2 the amount paid during the taxable year as (i) taxes on such premiums and  
3 assessments included as Nebraska premiums and assessments under section  
4 77-2734.05 and (ii) taxes in lieu of intangible tax.

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

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

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

19 (4) The changes made to this section by Laws 2004, LB 983, apply to  
20 motor fuels purchased during any tax year ending or deemed to end on or  
21 after January 1, 2005, under the Internal Revenue Code of 1986, as  
22 amended.

23 (5) There shall be allowed to corporate taxpayers refundable income  
24 tax credits under the Nebraska Advantage Microenterprise Tax Credit Act,  
25 the Nebraska Advantage Research and Development Act, the Nebraska Higher  
26 Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, and the  
27 Renewable Chemical Production Tax Credit Act.

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

31 (7) There shall be allowed to corporate taxpayers a nonrefundable



1 income tax credit as provided in the Nebraska Job Creation and Mainstreet  
2 Revitalization Act, the New Markets Job Growth Investment Act, the School  
3 Readiness Tax Credit Act, the Affordable Housing Tax Credit Act, and  
4 section 77-27,238.

5 Sec. 13. Section 77-3806, Revised Statutes Cumulative Supplement,  
6 2020, is amended to read:

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

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

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

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

1 Credit Act, the Nebraska Job Creation and Mainstreet Revitalization Act,  
2 the Nebraska Property Tax Incentive Act, and the New Markets Job Growth  
3 Investment Act.

4       Sec. 14. Original section 77-908, Reissue Revised Statutes of  
5 Nebraska, and sections 77-2715.07, 77-2717, 77-2734.03, and 77-3806,  
6 Revised Statutes Cumulative Supplement, 2020, are repealed.