

AMENDMENTS TO LB754

(Amendments to Standing Committee amendments, AM906)

Introduced by Hunt, 8.

1 1. Insert the following new sections:

2 Section 1. Sections 1 to 5 of this act shall be known and may be
3 cited as the Child Tax Credit Act.

4 Sec. 2. For purposes of the Child Tax Credit Act:

5 (1) Department means the Department of Revenue;

6 (2) Qualifying child means an individual who:

7 (a) Is under eighteen years of age at the end of the taxable year;

8 (b) Is claimed as a dependent on the taxpayer's federal income tax
9 return; and

10 (c) Has been issued either a social security number or an individual
11 taxpayer identification number; and

12 (3) Taxpayer means an individual who is subject to the income tax
13 imposed by the Nebraska Revenue Act of 1967.

14 Sec. 3. (1) For taxable years beginning or deemed to begin on or
15 after January 1, 2023, under the Internal Revenue Code of 1986, as
16 amended, any taxpayer with a qualifying child shall be eligible to
17 receive a credit against the income tax imposed by the Nebraska Revenue
18 Act of 1967.

19 (2) The credit provided in this section shall be a refundable credit
20 in an amount calculated as follows:

21 (a) For taxpayers with a filing status of married filing jointly,
22 the credit shall be equal to one thousand dollars per qualifying child,
23 except that the credit amount shall be reduced, but not below zero, by
24 five percent for each two thousand dollars, or fraction thereof, by which
25 the taxpayer's federal adjusted gross income exceeds one hundred ten
26 thousand dollars;

1 (b) For taxpayers with a filing status of head of household, the
2 credit shall be equal to one thousand dollars per qualifying child,
3 except that the credit amount shall be reduced, but not below zero, by
4 five percent for each one thousand five hundred dollars, or fraction
5 thereof, by which the taxpayer's federal adjusted gross income exceeds
6 ninety-two thousand five hundred dollars; and

7 (c) For taxpayers with any other filing status, the credit shall be
8 equal to one thousand dollars per qualifying child, except that the
9 credit amount shall be reduced, but not below zero, by five percent for
10 each one thousand dollars, or fraction thereof, by which the taxpayer's
11 federal adjusted gross income exceeds seventy-five thousand dollars.

12 (3) For taxable years beginning or deemed to begin on or after
13 January 1, 2024, under the Internal Revenue Code of 1986, as amended, the
14 department shall adjust the amounts in subsection (2) of this section for
15 inflation by the same percentage used to adjust individual income tax
16 brackets under section 77-2715.03. Such adjustment shall be made to:

17 (a) The tax credit amounts;

18 (b) The threshold amounts at which the tax credit amounts begin to
19 be reduced; and

20 (c) The increments at which the tax credit amounts are reduced.

21 Sec. 4. Beginning in 2024, the department shall submit an annual
22 report to the Legislature on the usage of credits under the Child Tax
23 Credit Act. The report shall be submitted no later than July 15 of each
24 year and shall include the following information for the most recently
25 completed tax year:

26 (1) The number of taxpayers who claimed the credit;

27 (2) The number of taxpayers who claimed the credit disaggregated by
28 race and ethnicity, to the extent possible by the department;

29 (3) The number of taxpayers who were eligible for the credit but did
30 not claim it;

31 (4) The income levels of the taxpayers who claimed the credit;

1 (5) The income levels of the taxpayers who were eligible for the
2 credit but did not claim it;

3 (6) The total amount of credits claimed;

4 (7) The effectiveness of the credits in lifting children out of
5 poverty; and

6 (8) Any problems that exist with taxpayers being able to claim the
7 credit.

8 Sec. 5. The department may adopt and promulgate rules and
9 regulations to carry out the Child Tax Credit Act.

10 Sec. 11. Section 25-1553, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 25-1553 In bankruptcy and in the collection of a money judgment, the
13 full amount of (1) any federal or state earned income tax credit refund
14 and (2) any tax credit refund received under the Child Tax Credit Act
15 shall be exempt from attachment, garnishment, or other legal or equitable
16 process and from all claims of creditors.

17 2. On page 15, line 12, after "in" insert "the Child Tax Credit
18 Act,".

19 3. Renumber the remaining sections, correct internal references, and
20 correct the repealer accordingly.