

AMENDMENTS TO LB754

(Amendments to Standing Committee amendments, AM906)

Introduced by von Gillern, 4.

1           1. Insert the following new sections:

2           Sec. 14. Section 77-2727, Reissue Revised Statutes of Nebraska, is  
3 amended to read:

4           77-2727 (1) Except as provided in subsection (6) of this section and  
5 subsection (5) of section 77-2775, a A partnership as such shall not be  
6 subject to the income tax imposed by the Nebraska Revenue Act of 1967.  
7 Persons or their authorized representatives carrying on business as  
8 partners shall be liable for the income tax imposed by the Nebraska  
9 Revenue Act of 1967 only in their separate or individual capacities.

10           (2) The partners of such partnership who are residents of this state  
11 or corporations shall include in their incomes their proportionate share  
12 of such partnership's income.

13           (3) If any partner of such partnership is a nonresident individual  
14 during any part of the partnership's reporting year, he or she shall file  
15 a Nebraska income tax return which shall include in Nebraska adjusted  
16 gross income that portion of the partnership's Nebraska income, as  
17 determined under the provisions of sections 77-2728 and 77-2729,  
18 allocable to his or her interest in the partnership and shall execute and  
19 forward to the partnership, on or before the original due date of the  
20 Nebraska partnership return, an agreement which states that he or she  
21 will file a Nebraska income tax return and pay income tax on all income  
22 derived from or attributable to sources in this state, and such agreement  
23 shall be attached to the partnership's Nebraska return for such reporting  
24 year.

25           (4)(a) Except as provided in subdivision (c) of this subsection, in  
26 the absence of the nonresident individual partner's executed agreement

1 being attached to the Nebraska partnership return, the partnership shall  
2 remit a portion of such partner's income which was derived from or  
3 attributable to Nebraska sources with its Nebraska return for the  
4 reporting year. For tax years beginning or deemed to begin before January  
5 1, 2013, the amount of remittance, in such instance, shall be the highest  
6 individual income tax rate determined under section 77-2715.02 multiplied  
7 by the nonresident individual partner's share of the partnership income  
8 which was derived from or attributable to sources within this state. For  
9 tax years beginning or deemed to begin on or after January 1, 2013, the  
10 amount of remittance, in such instance, shall be the highest individual  
11 income tax rate determined under section 77-2715.03 multiplied by the  
12 nonresident individual partner's share of the partnership income which  
13 was derived from or attributable to sources within this state.

14 (b) Any amount remitted on behalf of any partner shall be allowed as  
15 a credit against the Nebraska income tax liability of the partner.

16 (c) Subdivision (a) of this subsection does not apply to a publicly  
17 traded partnership as defined by section 7704(b) of the Internal Revenue  
18 Code of 1986, as amended, that is treated as a partnership for the  
19 purposes of the code and that has agreed to file an annual information  
20 return with the Department of Revenue reporting the name, address,  
21 taxpayer identification number, and other information requested by the  
22 department of each unit holder with an income in the state in excess of  
23 five hundred dollars.

24 (5) The Tax Commissioner may allow a nonresident individual partner  
25 to not file a Nebraska income tax return if the nonresident individual  
26 partner's only source of Nebraska income was his or her share of the  
27 partnership's income which was derived from or attributable to sources  
28 within this state, the nonresident did not file an agreement to file a  
29 Nebraska income tax return, and the partnership has remitted the amount  
30 required by subsection (4) of this section on behalf of such nonresident  
31 individual partner. The amount remitted shall be retained in satisfaction

1 of the Nebraska income tax liability of the nonresident individual  
2 partner.

3 (6) Notwithstanding any provision of this section to the contrary:

4 (a) For tax years beginning or deemed to begin on or after January  
5 1, 2018, a partnership may annually make an irrevocable election to pay  
6 the taxes, interest, or penalties levied by the Nebraska Revenue Act of  
7 1967 at the entity level for the taxable period covered by such return.  
8 For tax years beginning on or after January 1, 2023, such election must  
9 be made on or before the due date for filing the applicable income tax  
10 return, including any extensions that have been granted;

11 (b) An electing partnership with respect to a taxable period shall  
12 pay an income tax equivalent to the highest individual income tax rate  
13 provided in section 77-2715.03 multiplied by the electing partnership's  
14 net income as apportioned or allocated to this state in accordance with  
15 the Nebraska Revenue Act of 1967, for such taxable period;

16 (c) An electing partnership shall be treated as a corporation with  
17 respect to the requirements of section 77-2769 for payments of estimated  
18 tax. The requirement for payment of estimated tax under section 77-2769  
19 shall not apply for tax years beginning prior to January 1, 2024.  
20 Payments of estimated tax made by an eligible partnership that does not  
21 make an election under this subsection shall be treated as income tax  
22 withholding on behalf of the partners;

23 (d) Except as provided in subdivision (e) of this subsection, the  
24 partners of an electing partnership must file a Nebraska return to report  
25 their pro rata or distributive share of the income of the electing  
26 partnership in accordance with the Nebraska Revenue Act of 1967, as  
27 applicable. In determining the sum of its pro rata or distributive share  
28 and computing the tax under this subsection, an electing partnership  
29 shall add back any amount of Nebraska tax imposed under the Nebraska  
30 Revenue Act of 1967 and deducted by the electing partnership for federal  
31 income tax purposes under section 164 of the Internal Revenue Code;

1       (e) A nonresident individual who is a partner of an electing  
2 partnership shall not be required to file a Nebraska tax return for a  
3 taxable year if, for such taxable year, the only source of income derived  
4 from or connected with sources within this state for such partner, or for  
5 the partner and the partner's spouse if a joint federal income tax return  
6 is filed, is from one or more electing partnerships or electing small  
7 business corporations as defined in subdivision (9)(a) of section  
8 77-2734.01 for such taxable year and such nonresident individual  
9 partner's tax under the Nebraska Revenue Act of 1967 would be fully  
10 satisfied by the credit allowed to such partner under subdivision (g) of  
11 this subsection;

12       (f) If the amount calculated under subdivision (a) of this  
13 subsection results in a net operating loss, such net operating loss may  
14 not be carried forward to succeeding taxable years;

15       (g)(i) A refundable credit shall be available to the partners in an  
16 amount equal to their pro rata or distributive share of the Nebraska  
17 income tax paid by the electing partnership;

18       (ii) In the case of a partnership or small business corporation that  
19 is a partner of an electing partnership, the refundable credit under this  
20 subdivision (g) shall (A) be allowed to its partners or shareholders in  
21 accordance with the determination of income and distributive share of the  
22 Nebraska income tax paid by the electing partnership or (B) be applied  
23 against the partner's tax, interest, and penalty. Any excess credit  
24 deemed an overpayment may be refunded or applied to the subsequent tax  
25 year;

26       (iii) If a partnership making the election under this subsection is  
27 a partner of another electing partnership, net income shall be computed  
28 as provided in subsection (1) of this section. The upper tier electing  
29 partnership shall claim a credit for the tax paid by the lower tier  
30 electing partnership. The upper tier electing partnership shall  
31 distribute out the pro rata or distributive share of the credits to its

1 partners for tax paid under this subsection by all tiers of electing  
2 partnerships. As used in this subdivision, the term lower tier electing  
3 partnership means an electing partnership in which some or all of the  
4 partners are an electing partnership. The term upper tier electing  
5 partnership means an electing partnership that is a partner of a lower  
6 tier electing partnership. An electing partnership may have two or more  
7 tiers; and

8 (h)(i) For tax years beginning or deemed to begin on or after  
9 January 1, 2018, but prior to January 1, 2023, the electing partnership  
10 must make the election under this subsection on or after January 1, 2023,  
11 but before December 31, 2025, in the form and manner prescribed by the  
12 Tax Commissioner for all years for which the election under this  
13 subsection is made on behalf of the electing partnership. The Tax  
14 Commissioner shall establish the form and manner, which shall not include  
15 any changes to the past returns other than those that are directly  
16 related to the election under this subsection.

17 (ii) Notwithstanding any other provision of law, if an electing  
18 partnership files in the form and manner as specified in subdivision (h)  
19 (i) of this subsection, the deadline for filing a claim for credit or  
20 refund prescribed in section 77-2793 shall be extended for affected  
21 partners of the electing partnership until the timeframe specified in  
22 section 77-2793 or January 31, 2026, whichever is later. The resulting  
23 claim of refund for tax years beginning prior to January 1, 2023, shall  
24 be submitted in the form and manner as prescribed by the Tax  
25 Commissioner. Neither the electing partnership nor its partners shall  
26 incur any penalties for late filing nor owe interest on such amounts. The  
27 Tax Commissioner shall not be required to pay interest on any amounts  
28 owed to the partners resulting from such refund claims.

29 (iii) Notwithstanding the dates provided in subdivision (h)(i) of  
30 this subsection, the Tax Commissioner shall have one year from the date  
31 an electing partnership files in the form and manner as specified in

1 subdivision (h)(i) of this subsection to review and make a written  
2 proposed deficiency determination in accordance with section 77-2786. Any  
3 notice of deficiency determination made as specified in this subdivision  
4 may be enforced at any time within six years from the date of the notice  
5 of deficiency determination.

6 (7) For purposes of this section:

7 (a) Electing partnership means, with respect to a taxable period, an  
8 eligible partnership that has made an election pursuant to subsection (6)  
9 of this section with respect to such taxable period; and

10 (b) Eligible partnership means any partnership as provided for in  
11 section 7701(a)(2) of the Internal Revenue Code that has a filing  
12 requirement under the Nebraska Revenue Act of 1967 other than a publicly  
13 traded partnership as defined in section 7704 of the Internal Revenue  
14 Code. An eligible partnership includes any entity, including a limited  
15 liability company, treated as a partnership for federal income tax  
16 purposes that otherwise meets the requirements of this subdivision.

17 (8) ~~(6)~~ For purposes of this section, any partner that is a grantor  
18 trust of a nonresident shall be disregarded and this section shall apply  
19 as though the nonresident grantor was the partner.

20 Sec. 15. Section 77-2730, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22 77-2730 (1) A resident individual and a resident estate or trust  
23 shall be allowed a credit against the income tax otherwise due for the  
24 amount of any income tax imposed on him or her for each taxable year  
25 commencing on or after January 1, 1983, by another state of the United  
26 States or a political subdivision thereof or the District of Columbia on  
27 income derived from sources therein and which is also subject to income  
28 tax under sections 77-2714 to 77-27,123.

29 (2) The credit provided under sections 77-2714 to 77-27,135 shall  
30 not exceed the proportion of the income tax otherwise due under such  
31 sections that the amount of the taxpayer's adjusted gross income or total

1 income derived from sources in the other taxing jurisdiction bears to  
2 federal adjusted gross income or total federal income.

3 (3) For purposes of subsection (1) of this section, a resident  
4 individual, estate, or trust shall be deemed to have paid a portion of  
5 the income tax imposed by another state, a political subdivision thereof,  
6 or the District of Columbia on the income of any partnership, trust, or  
7 estate when such resident individual, estate, or trust is a partner, or  
8 beneficiary and (a) the income taxed is included in the federal taxable  
9 income of the resident individual, estate, or trust and (b) the taxation  
10 of such partnership, trust, or estate by the other state is inconsistent  
11 with the taxation of such entity under the Internal Revenue Code,  
12 including any tax similar to the tax imposed under subsection (6) of  
13 section 77-2727 and subsection (8) of section 77-2734.01 for the taxable  
14 year imposed by another state of the United States or a political  
15 subdivision of such a state, or by the District of Columbia, with respect  
16 to the direct and indirect taxable income attributable to the resident  
17 individual, estate, or trust from an entity that is also subject to tax  
18 under sections 77-2714 to 77-2734.16. The amount of income tax deemed  
19 paid by the resident individual, estate, or trust shall be the same  
20 percentage of the total tax paid by the entity as the income included in  
21 federal taxable income of the resident is to the total taxable income of  
22 the entity as computed for the other state.

23 Sec. 17. Section 77-2734.01, Revised Statutes Cumulative Supplement,  
24 2022, is amended to read:

25 77-2734.01 (1) Residents of Nebraska who are shareholders of a small  
26 business corporation having an election in effect under subchapter S of  
27 the Internal Revenue Code or who are members of a limited liability  
28 company organized pursuant to the Nebraska Uniform Limited Liability  
29 Company Act shall include in their Nebraska taxable income, to the extent  
30 includable in federal gross income, their proportionate share of such  
31 corporation's or limited liability company's federal income adjusted

1 pursuant to this section. Income or loss from such corporation or limited  
2 liability company conducting a business, trade, profession, or occupation  
3 shall be included in the Nebraska taxable income of a shareholder or  
4 member who is a resident of this state to the extent of such  
5 shareholder's or member's proportionate share of the net income or loss  
6 from the conduct of such business, trade, profession, or occupation  
7 within this state, determined under subsection (2) of this section. A  
8 resident of Nebraska shall include in Nebraska taxable income fair  
9 compensation for services rendered to such corporation or limited  
10 liability company. Compensation actually paid shall be presumed to be  
11 fair unless it is apparent to the Tax Commissioner that such compensation  
12 is materially different from fair value for the services rendered or has  
13 been manipulated for tax avoidance purposes.

14 (2) The income of any small business corporation having an election  
15 in effect under subchapter S of the Internal Revenue Code or limited  
16 liability company organized pursuant to the Nebraska Uniform Limited  
17 Liability Company Act that is derived from or connected with Nebraska  
18 sources shall be determined in the following manner:

19 (a) If the small business corporation is a member of a unitary  
20 group, the small business corporation shall be deemed to be doing  
21 business within this state if any part of its income is derived from  
22 transactions with other members of the unitary group doing business  
23 within this state, and such corporation shall apportion its income by  
24 using the apportionment factor determined for the entire unitary group,  
25 including the small business corporation, under sections 77-2734.05 to  
26 77-2734.15;

27 (b) If the small business corporation or limited liability company  
28 is not a member of a unitary group and is subject to tax in another  
29 state, it shall apportion its income under sections 77-2734.05 to  
30 77-2734.15; and

31 (c) If the small business corporation or limited liability company



1 is not subject to tax in another state, all of its income is derived from  
2 or connected with Nebraska sources.

3 (3) Nonresidents of Nebraska who are shareholders of such  
4 corporations or members of such limited liability companies shall file a  
5 Nebraska income tax return and shall include in Nebraska adjusted gross  
6 income their proportionate share of the corporation's or limited  
7 liability company's Nebraska income as determined under subsection (2) of  
8 this section.

9 (4) The nonresident shareholder or member shall execute and forward  
10 to the corporation or limited liability company before the filing of the  
11 corporation's or limited liability company's return an agreement which  
12 states he or she will file a Nebraska income tax return and pay the tax  
13 on the income derived from or connected with sources in this state, and  
14 such agreement shall be attached to the corporation's or limited  
15 liability company's Nebraska return for such taxable year.

16 (5) For taxable years beginning or deemed to begin before January 1,  
17 2013, in the absence of the nonresident shareholder's or member's  
18 executed agreement being attached to the Nebraska return, the corporation  
19 or limited liability company shall remit with the return an amount equal  
20 to the highest individual income tax rate determined under section  
21 77-2715.02 multiplied by the nonresident shareholder's or member's share  
22 of the corporation's or limited liability company's income which was  
23 derived from or attributable to this state. For taxable years beginning  
24 or deemed to begin on or after January 1, 2013, in the absence of the  
25 nonresident shareholder's or member's executed agreement being attached  
26 to the Nebraska return, the corporation or limited liability company  
27 shall remit with the return an amount equal to the highest individual  
28 income tax rate determined under section 77-2715.03 multiplied by the  
29 nonresident shareholder's or member's share of the corporation's or  
30 limited liability company's income which was derived from or attributable  
31 to this state. The amount remitted shall be allowed as a credit against

1 the Nebraska income tax liability of the shareholder or member.

2 (6) The Tax Commissioner may allow a nonresident individual  
3 shareholder or member to not file a Nebraska income tax return if the  
4 nonresident individual shareholder's or member's only source of Nebraska  
5 income was his or her share of the small business corporation's or  
6 limited liability company's income which was derived from or attributable  
7 to sources within this state, the nonresident did not file an agreement  
8 to file a Nebraska income tax return, and the small business corporation  
9 or limited liability company has remitted the amount required by  
10 subsection (5) of this section on behalf of such nonresident individual  
11 shareholder or member. The amount remitted shall be retained in  
12 satisfaction of the Nebraska income tax liability of the nonresident  
13 individual shareholder or member.

14 (7) A small business corporation or limited liability company return  
15 shall be filed if the small business corporation or limited liability  
16 company has income derived from Nebraska sources.

17 (8) Notwithstanding any provision of this section to the contrary:

18 (a) For tax years beginning or deemed to begin on or after January  
19 1, 2018, a small business corporation may annually make an irrevocable  
20 election to pay the taxes, interest, or penalties levied by the Nebraska  
21 Revenue Act of 1967 at the entity level for the taxable period covered by  
22 such return. For tax years beginning on or after January 1, 2023, such  
23 election must be made on or before the due date for filing the applicable  
24 income tax return, including any extensions that have been granted;

25 (b) An electing small business corporation with respect to a taxable  
26 period shall pay an income tax equivalent to the highest individual  
27 income tax rate provided in section 77-2715.03 multiplied by the electing  
28 small business corporation's net income as apportioned or allocated to  
29 this state in accordance with the Nebraska Revenue Act of 1967, for such  
30 taxable period;

31 (c) An electing small business corporation shall be treated as a

1 corporation with respect to the requirements of section 77-2769 for  
2 payments of estimated tax. The requirement for payment of estimated tax  
3 under section 77-2769 shall not apply for tax years beginning prior to  
4 January 1, 2024. Payments of estimated tax made by an eligible small  
5 business corporation that does not make an election under this subsection  
6 shall be treated as income tax withholding on behalf of the shareholders;

7 (d) Except as provided in subdivision (e) of this subsection, the  
8 shareholders of an electing small business corporation must file a  
9 Nebraska return to report their pro rata or distributive share of the  
10 income of the electing small business corporation in accordance with the  
11 Nebraska Revenue Act of 1967, as applicable. In determining the sum of  
12 its pro rata or distributive share and computing the tax under this  
13 subsection, an electing small business corporation shall add back any  
14 amount of Nebraska tax imposed under the Nebraska Revenue Act of 1967 and  
15 deducted by the electing small business corporation for federal income  
16 tax purposes under section 164 of the Internal Revenue Code;

17 (e) A nonresident individual who is a shareholder of an electing  
18 small business corporation shall not be required to file a Nebraska tax  
19 return for a taxable year if, for such taxable year, the only source of  
20 income derived from or connected with sources within this state for such  
21 shareholder, or for the shareholder and the shareholder's spouse if a  
22 joint federal income tax return is filed, is from one or more electing  
23 small business corporations or electing partnerships as defined in  
24 subdivision (7)(a) of section 77-2727 for such taxable year and such  
25 nonresident individual shareholder's tax under the Nebraska Revenue Act  
26 of 1967 would be fully satisfied by the credit allowed to such  
27 shareholder under subdivision (g) of this subsection;

28 (f) If the amount calculated under subdivision (a) of this  
29 subsection results in a net operating loss, such net operating loss may  
30 not be carried forward to succeeding taxable years;

31 (g) A refundable credit shall be available to the shareholders in an

1 amount equal to their pro rata or distributive share of the Nebraska  
2 income tax paid by the electing small business corporation; and

3 (h)(i) For tax years beginning or deemed to begin on or after  
4 January 1, 2018, but prior to January 1, 2023, the electing small  
5 business corporation must make the election under this subsection on or  
6 after January 1, 2023, but before December 31, 2025, in the form and  
7 manner prescribed by the Tax Commissioner for all years for which the  
8 election under this subsection is made on behalf of the electing small  
9 business corporation. The Tax Commissioner shall establish the form and  
10 manner, which shall not include any changes to the past returns other  
11 than those that are directly related to the election under this  
12 subsection.

13 (ii) Notwithstanding any other provision of law, if an electing  
14 small business corporation files in the form and manner as specified in  
15 subdivision (h)(i) of this subsection, the deadline for filing a claim  
16 for credit or refund prescribed in section 77-2793 shall be extended for  
17 affected shareholders of the electing small business corporation until  
18 the timeframe specified in section 77-2793 or January 31, 2026, whichever  
19 is later. The resulting claim of refund for tax years beginning prior to  
20 January 1, 2023, shall be submitted in the form and manner as prescribed  
21 by the Tax Commissioner. Neither the electing small business corporation  
22 nor its shareholders shall incur any penalties for late filing nor owe  
23 interest on such amounts. The Tax Commissioner shall not be required to  
24 pay interest on any amounts owed to the shareholders resulting from such  
25 refund claims.

26 (iii) Notwithstanding the dates provided in subdivision (h)(i) of  
27 this subsection, the Tax Commissioner shall have one year from the date  
28 an electing small business corporation files in the form and manner as  
29 specified in subdivision (h)(i) of this subsection to review and make a  
30 written proposed deficiency determination in accordance with section  
31 77-2786. Any notice of deficiency determination made as specified in this

1 subdivision may be enforced at any time within six years from the date of  
2 the notice of deficiency determination.

3 (9) For purposes of this section:

4 (a) Electing small business corporation means, with respect to a  
5 taxable period, an eligible small business corporation having an election  
6 in effect under subchapter S of the Internal Revenue Code that has made  
7 an election pursuant to subsection (8) of this section with respect to  
8 such taxable period; and

9 (b) Eligible small business corporation means an entity subject to  
10 taxation under subchapter S of the Internal Revenue Code and the  
11 regulations thereunder.

12 (10) ~~(8)~~ For purposes of this section, any shareholder or member of  
13 the corporation or limited liability company that is a grantor trust of a  
14 nonresident shall be disregarded and this section shall apply as though  
15 the nonresident grantor was the shareholder or member.

16 Sec. 20. Section 77-2775, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18 77-2775 (1) If the amount of a taxpayer's federal adjusted gross  
19 income, taxable income, or tax liability reported on his or her federal  
20 income tax return for any taxable year is changed or corrected by the  
21 Internal Revenue Service or other competent authority or as the result of  
22 a renegotiation of a contract or subcontract with the United States, the  
23 taxpayer shall report such change or correction in federal adjusted gross  
24 income, taxable income, or tax liability within sixty days after the  
25 final determination of such change, correction, or renegotiation.

26 (2) Whenever the amount of a taxpayer's income which is taxable in  
27 any state for any taxable year or any tax credits allowable in such state  
28 are changed or corrected in a way material to the tax liability owed to  
29 this state by the agency having authority to examine returns filed with  
30 such state or any other competent authority or whenever an amended return  
31 is filed by any taxpayer with a change or correction material to the tax

1 liability owed to this state with another state, such change or  
2 correction shall be reported to the Tax Commissioner within sixty days  
3 after the final change or correction or filing of the amended return. The  
4 Tax Commissioner shall by rule and regulation provide the nature of any  
5 change or correction which must be reported.

6 (3) The taxpayer shall report all changes or corrections required to  
7 be reported under this section by filing an amended income tax return and  
8 shall give such information as the Tax Commissioner may require. The  
9 taxpayer shall concede the accuracy of any change or correction or state  
10 why it is erroneous.

11 (4) Any taxpayer filing an amended federal income tax return shall  
12 also file within sixty days thereafter an amended income tax return under  
13 the Nebraska Revenue Act of 1967 and shall give such information as the  
14 Tax Commissioner may require. For any amended federal income tax return  
15 requesting a credit or refund, the amended Nebraska income tax return  
16 shall be filed within sixty days after the taxpayer has received proof of  
17 federal acceptance of the credit or refund or within the time for filing  
18 an amended Nebraska income tax return that would otherwise be applicable  
19 notwithstanding the amended federal income tax return, whichever is  
20 later.

21 (5) Notwithstanding the foregoing, any partnership that is required  
22 to file an amended return pursuant to this section shall be allowed, at  
23 the partnership's election, to file an amended Nebraska income tax return  
24 and to pay all Nebraska income tax, penalties, or interest associated  
25 with such amended return, determined after taking into consideration  
26 offsetting positive and negative adjustments of partnership items, at the  
27 top individual tax rate set forth in section 77-2715.03 as if the  
28 partnership were an individual. For a partnership making an election  
29 pursuant to this subsection and paying the tax, penalties, or interest  
30 arising from the amended return, (a) the partners of such electing  
31 partnership shall not be required to file amended Nebraska income tax

1 returns for the year of the election and shall not be required to pay  
2 Nebraska income tax, penalties, or interest arising as a result of such  
3 amended return and (b) the basis, and other tax items in the hands of the  
4 partner, arising from the partner's interest in the partnership shall be  
5 determined as if the election under this subsection had not been made and  
6 shall be determined in a similar manner as set forth for federal income  
7 tax purposes.

8       2. Renumber the remaining sections and correct the repealer  
9 accordingly.