

AMENDMENTS TO LB753

Introduced by Revenue.

1 1. Strike the original sections and insert the following new
2 sections:

3 Section 1. Sections 1 to 13 of this act shall be known and may be
4 cited as the Opportunity Scholarships Act.

5 Sec. 2. The Legislature finds that:

6 (1) Enabling the greatest number of parents and legal guardians to
7 choose among quality educational opportunities for children will improve
8 the quality of education available to all children;

9 (2) Privately operated elementary and secondary schools in Nebraska
10 satisfy the state's requirements for legal operation and provide quality
11 educational opportunities for children;

12 (3) Parents and legal guardians of limited means are less able to
13 choose among quality educational opportunities for their children;

14 (4) Making it possible for more parents and legal guardians to be
15 able to choose privately operated schools benefits Nebraska parents and
16 taxpayers; and

17 (5) It is in the best interests of the State of Nebraska and its
18 citizens to encourage individuals and businesses to support organizations
19 that financially assist parents and legal guardians who want to enroll
20 their children in privately operated elementary and secondary schools,
21 and such encouragement can be accomplished through the use of tax
22 credits.

23 Sec. 3. For purposes of the Opportunity Scholarships Act:

24 (1) Department means the Department of Revenue;

25 (2) Education scholarship means a financial grant-in-aid to be used
26 to pay all or part of the tuition and fees for attending a qualified
27 school and includes any tuition grants;

1 (3) Eligible student means a resident of Nebraska who:

2 (a) Is receiving an education scholarship for the first time and is
3 (i) entering kindergarten or ninth grade in a qualified school or (ii)
4 transferring from a public school at which the student was enrolled for
5 at least one semester immediately preceding the first semester for which
6 the student receives an education scholarship to a qualified school and
7 is entering any of grades kindergarten through twelve;

8 (b) Has previously received an education scholarship and is
9 continuing education at a qualified school until such student graduates
10 from high school or reaches twenty-one years of age, whichever comes
11 first; or

12 (c) Is the sibling of a student who is receiving an education
13 scholarship and resides in the same household as such student;

14 (4) Qualified school means any nongovernmental, privately operated
15 elementary or secondary school located in this state that (a) is operated
16 not for profit, (b) complies with the antidiscrimination provisions of 42
17 U.S.C. 1981 as such section existed on January 1, 2023, (c) complies with
18 all health and life safety laws or codes that apply to privately operated
19 schools, and (d) fulfills the applicable accreditation or approval
20 requirements established by the State Board of Education pursuant to
21 section 79-318;

22 (5) Scholarship-granting organization means a charitable
23 organization in this state that is (a) exempt from federal income
24 taxation pursuant to section 501(c)(3) of the Internal Revenue Code of
25 1986, as amended, and (b) certified pursuant to section 4 of this act to
26 provide tax-credit-supported education scholarships to eligible students
27 to assist them in attending qualified schools; and

28 (6) Tuition means any amount charged by a qualified school for
29 enrollment in its instructional program. Tuition shall not exceed the
30 full cost of educating an eligible student at such qualified school.

31 Sec. 4. (1) An organization may apply to the department to become

1 certified as a scholarship-granting organization under the Opportunity
2 Scholarships Act. An organization shall obtain such certification prior
3 to providing any education scholarships to eligible students under the
4 act. The applicant shall provide the department with sufficient
5 information to show:

6 (a) That the applicant is exempt from federal income taxation under
7 section 501(c)(3) of the Internal Revenue Code of 1986, as amended;

8 (b) That the applicant will offer one or more education scholarship
9 programs for eligible students;

10 (c) That the applicant will be able to comply with the requirements
11 of section 10 of this act;

12 (d) That the applicant will provide education scholarships for
13 eligible students without limiting education scholarship availability to
14 only one qualified school;

15 (e) That the applicant will:

16 (i) Give first priority to:

17 (A) Eligible students who received an education scholarship from a
18 scholarship-granting organization during the previous school year; and

19 (B) The sibling of a student who is receiving an education
20 scholarship, so long as the sibling resides in the same household as such
21 student;

22 (ii) Give second priority to:

23 (A) Eligible students whose household income levels do not exceed
24 one hundred percent of the federal poverty level;

25 (B) Eligible students whose application for the enrollment option
26 program established in section 79-234 has been denied;

27 (C) Eligible students who have an individualized education plan;

28 (D) Eligible students who are experiencing bullying, harassment,
29 hazing, assault, battery, kidnapping, robbery, sexual offenses, threat or
30 intimidation, or fighting at school;

31 (E) Eligible students who are in foster care; and

1 (F) Eligible students who are in a family with a parent or guardian
2 actively serving in a branch of the armed forces of the United States or
3 in the National Guard, or whose parent or guardian was killed serving in
4 the line of duty;

5 (iii) Give third priority to eligible students whose household
6 income levels exceed one hundred percent of the federal poverty level but
7 do not exceed one hundred eighty-five percent of the federal poverty
8 level;

9 (iv) Give fourth priority to eligible students whose household
10 income levels exceed one hundred eighty-five percent of the federal
11 poverty level but do not exceed two hundred thirteen percent of the
12 federal poverty level; and

13 (v) Give fifth priority to eligible students whose household income
14 levels exceed two hundred thirteen percent of the federal poverty level
15 but do not exceed three hundred percent of the income indicated in the
16 income eligibility guidelines for reduced price meals under the National
17 School Lunch Program in 7 C.F.R. part 210;

18 (f) That the applicant will limit the maximum scholarship amount
19 awarded to any student to the cost of tuition and fees at the qualified
20 school such student attends; and

21 (g) That the applicant will limit scholarship amounts awarded to
22 students in a manner that assures that the average of the scholarship
23 amounts awarded per student does not exceed seventy-five percent of the
24 statewide average general fund operating expenditures per formula student
25 for the most recently available complete data year as such terms are
26 defined in section 79-1003.

27 (2) If the applicant meets the requirements of this section, the
28 department shall certify it as a scholarship-granting organization for
29 tax-credit purposes under the Opportunity Scholarships Act. Such
30 certification is subject to revocation by the department if the
31 scholarship-granting organization subsequently fails to fulfill the

1 requirements of this section or section 10 of this act.

2 Sec. 5. (1) An individual taxpayer who makes one or more cash
3 contributions to one or more scholarship-granting organizations during a
4 tax year shall be eligible for a credit against the income tax due under
5 the Nebraska Revenue Act of 1967. Except as otherwise provided in the
6 Opportunity Scholarships Act, the amount of the credit shall be equal to
7 whichever of the following amounts is the lowest: (a) The total amount of
8 such contributions made during the tax year; (b) fifty percent of the
9 income tax liability of such taxpayer for the tax year; or (c) one
10 hundred thousand dollars. A taxpayer may only claim a credit pursuant to
11 this section for the portion of the contribution that was not claimed as
12 a charitable contribution under the Internal Revenue Code.

13 (2) Taxpayers who are married but file separate returns for a tax
14 year in which they could have filed a joint return may each claim only
15 one-half of the tax credit that would otherwise have been allowed for a
16 joint return.

17 (3) The tax credit allowed under this section shall be a
18 nonrefundable credit. Any amount of the credit that is unused may be
19 carried forward and applied against the taxpayer's income tax liability
20 for the next five years immediately following the tax year in which the
21 credit is first allowed. The tax credit cannot be carried back.

22 (4) The taxpayer may not designate all or any part of the
23 contribution to a scholarship-granting organization for the benefit of
24 any eligible student specifically identified by the taxpayer.

25 (5) The tax credit allowed under this section is subject to section
26 9 of this act.

27 Sec. 6. (1) Any partnership, limited liability company, or
28 corporation having an election in effect under subchapter S of the
29 Internal Revenue Code of 1986, as amended, that is carrying on any trade
30 or business for which deductions would be allowed under section 162 of
31 the Internal Revenue Code of 1986, as amended, or is carrying on any

1 rental activity and that makes one or more cash contributions to one or
2 more scholarship-granting organizations during a tax year shall be
3 eligible for a credit against the income tax due under the Nebraska
4 Revenue Act of 1967. Except as otherwise provided in the Opportunity
5 Scholarships Act, the amount of the credit shall be equal to whichever of
6 the following amounts is the lowest: (a) The total amount of such
7 contributions made during the tax year; (b) fifty percent of the income
8 tax liability of such taxpayer for the tax year; or (c) one hundred
9 thousand dollars. A taxpayer may only claim a credit pursuant to this
10 section for the portion of the contribution that was not claimed as a
11 charitable contribution under the Internal Revenue Code. The credit shall
12 be attributed to each partner, member, or shareholder in the same
13 proportion used to report the partnership's, limited liability company's,
14 or subchapter S corporation's income or loss for income tax purposes.

15 (2) The tax credit allowed under this section shall be a
16 nonrefundable credit. Any amount of the tax credit that is unused may be
17 carried forward and applied against the taxpayer's income tax liability
18 for the next five years immediately following the tax year in which the
19 credit is first allowed. The tax credit cannot be carried back.

20 (3) The taxpayer may not designate all or any part of the
21 contribution to a scholarship-granting organization for the benefit of
22 any eligible student specifically identified by the taxpayer.

23 (4) The tax credit allowed under this section is subject to section
24 9 of this act.

25 Sec. 7. (1) An estate or trust which makes one or more cash
26 contributions to one or more scholarship-granting organizations during a
27 tax year shall be eligible for a credit against the income tax due under
28 the Nebraska Revenue Act of 1967. Except as otherwise provided in the
29 Opportunity Scholarships Act, the amount of the credit shall be equal to
30 whichever of the following amounts is the lowest: (a) The total amount of
31 such contributions made during the tax year; (b) fifty percent of the

1 income tax liability of such taxpayer for the tax year; or (c) one
2 million dollars. A taxpayer may only claim a credit pursuant to this
3 section for the portion of the contribution that was not claimed as a
4 charitable contribution under the Internal Revenue Code. Any credit not
5 used by the estate or trust may be attributed to each beneficiary of the
6 estate or trust in the same proportion used to report the beneficiary's
7 income from the estate or trust for income tax purposes.

8 (2) The tax credit allowed under this section shall be a
9 nonrefundable credit. Any amount of the tax credit that is unused may be
10 carried forward and applied against the taxpayer's income tax liability
11 for the next five years immediately following the tax year in which the
12 credit is first allowed. The tax credit cannot be carried back.

13 (3) The taxpayer may not designate all or any part of the
14 contribution to a scholarship-granting organization for the benefit of
15 any eligible student specifically identified by the taxpayer.

16 (4) The tax credit allowed under this section is subject to section
17 9 of this act.

18 Sec. 8. (1) A corporate taxpayer as defined in section 77-2734.04
19 which makes one or more cash contributions to one or more scholarship-
20 granting organizations during a tax year shall be eligible for a credit
21 against the income tax due under the Nebraska Revenue Act of 1967. Except
22 as otherwise provided in the Opportunity Scholarships Act, the amount of
23 the credit shall be equal to whichever of the following amounts is the
24 lowest: (a) The total amount of such contributions made during the tax
25 year; (b) fifty percent of the income tax liability of such taxpayer for
26 the tax year; or (c) one hundred thousand dollars. A taxpayer may only
27 claim a credit pursuant to this section for the portion of the
28 contribution that was not claimed as a charitable contribution under the
29 Internal Revenue Code.

30 (2) The tax credit allowed under this section shall be a
31 nonrefundable credit. Any amount of the tax credit that is unused may be

1 carried forward and applied against the taxpayer's income tax liability
2 for the next five years immediately following the tax year in which the
3 credit is first allowed. The tax credit cannot be carried back.

4 (3) The taxpayer may not designate all or any part of the
5 contribution to a scholarship-granting organization for the benefit of
6 any eligible student specifically identified by the taxpayer.

7 (4) The tax credit allowed under this section is subject to section
8 9 of this act.

9 Sec. 9. (1) Prior to making a contribution to a scholarship-
10 granting organization, any taxpayer desiring to claim a tax credit under
11 the Opportunity Scholarships Act shall notify the scholarship-granting
12 organization of the taxpayer's intent to make a contribution and the
13 amount to be claimed as a tax credit. Upon receiving each such
14 notification, the scholarship-granting organization shall notify the
15 department of the intended tax credit amount. If the department
16 determines that the intended tax credit amount in the notification would
17 exceed the limit specified in subsection (3) of this section, the
18 department shall notify the scholarship-granting organization of its
19 determination within thirty days after receipt of the notification. The
20 scholarship-granting organization shall then promptly notify the taxpayer
21 of the department's determination that the intended tax credit amount in
22 the notification is not available. If an amount less than the amount
23 indicated in the notification is available for a tax credit, the
24 department shall notify the scholarship-granting organization of the
25 available amount and the scholarship-granting organization shall notify
26 the taxpayer of the available amount within three business days.

27 (2) In order to be allowed a tax credit as provided by the act, the
28 taxpayer shall make its contribution between thirty-one and sixty days
29 after notifying the scholarship-granting organization of the taxpayer's
30 intent to make a contribution. If the scholarship-granting organization
31 does not receive the contribution within the required time period, it

1 shall notify the department of such fact and the department shall no
2 longer include such amount when calculating whether the limit prescribed
3 in subsection (3) of this section has been exceeded. If the scholarship-
4 granting organization receives the contribution within the required time
5 period, it shall provide the taxpayer with a receipt for the
6 contribution. The receipt shall show the name and address of the
7 scholarship-granting organization, the date the scholarship-granting
8 organization was certified by the department in accordance with section 4
9 of this act, the name, address, and, if available, tax identification
10 number of the taxpayer making the contribution, the amount of the
11 contribution, and the date the contribution was received.

12 (3) The department shall consider notifications regarding intended
13 tax credit amounts in the order in which they are received to ascertain
14 whether the intended tax credit amounts are within the annual limit
15 provided in this subsection. The annual limit on the total amount of tax
16 credits for calendar years 2024, 2025, and 2026 shall be twenty-five
17 million dollars. The annual limit on the total amount of tax credits for
18 calendar year 2027 and each calendar year thereafter shall be calculated
19 by taking the annual limit from the prior calendar year and then
20 multiplying such amount by (a) one hundred twenty-five percent if the
21 intended tax credit amounts in the prior calendar year exceeded ninety
22 percent of the annual limit applicable to that calendar year or (b) one
23 hundred percent if the intended tax credit amounts in the prior calendar
24 year did not exceed ninety percent of the annual limit applicable to that
25 calendar year. The annual limit may be increased as provided in this
26 subsection until it reaches one hundred million dollars. Thereafter, no
27 further increases shall be allowed.

28 (4) The State Department of Education and the Department of Revenue
29 shall publish on their respective websites information identifying the
30 annual limit when it is increased pursuant to subsection (3) of this
31 section.

1 (5) Once credits have reached the designated annual limit for any
2 calendar year, no additional credits shall be allowed for such calendar
3 year. Credits shall be prorated among the notifications received on the
4 day the annual limit is exceeded.

5 Sec. 10. (1) In order for a scholarship-granting organization to
6 remain certified under the Opportunity Scholarships Act, the scholarship-
7 granting organization shall allocate its revenue as follows:

8 (a) If the annual limit on tax credits under section 9 of this act
9 is less than thirty-five million dollars, the scholarship-granting
10 organization shall allocate at least ninety percent of its revenue for
11 education scholarships and no more than ten percent of its revenue shall
12 be used or reserved for administrative costs; or

13 (b) If the annual limit on tax credits under section 9 of this act
14 is thirty-five million dollars or more, the scholarship-granting
15 organization shall allocate at least ninety-five percent of its revenue
16 for education scholarships, and no more than five percent of its revenue
17 shall be used or reserved for administrative costs.

18 (2) For purposes of this section, revenue is allocated when it is
19 expended or otherwise irrevocably encumbered for expenditure. The
20 percentage of funds allocated for education scholarships shall be
21 measured as a monthly average over the most recent twenty-four-month
22 period or, for a scholarship-granting organization that has been
23 certified for less than twenty-four months, over the period of time that
24 the scholarship-granting organization has been certified.

25 Sec. 11. (1) Each scholarship-granting organization shall annually
26 submit to the department no later than December 1 of each year an audited
27 financial information report for its most recent fiscal year certified by
28 an independent public accountant.

29 (2) Each scholarship-granting organization shall include with the
30 report submitted under subsection (1) of this section a summary
31 description of (a) its policies and procedures for awarding education

1 scholarships, (b) the number of eligible students receiving education
2 scholarships in the most recent fiscal year, (c) the total amount of
3 contributions received for education scholarships in the most recent
4 fiscal year, and (d) the total amount of education scholarships awarded
5 in the most recent fiscal year.

6 (3) The department shall electronically forward such reports and
7 summary descriptions to the Governor and the Legislature no later than
8 December 31 of each year.

9 Sec. 12. The Opportunity Scholarships Act shall not be construed as
10 granting any expanded or additional authority to the State of Nebraska to
11 control or influence the governance or policies of any qualified school
12 due to the fact that the qualified school admits and enrolls students who
13 receive education scholarships or as requiring any such qualified school
14 to admit or, once admitted, to continue the enrollment of any student
15 receiving an education scholarship.

16 Sec. 13. The department may adopt and promulgate rules and
17 regulations to carry out the Opportunity Scholarships Act.

18 Sec. 14. Section 77-2715.07, Revised Statutes Cumulative Supplement,
19 2022, is amended to read:

20 77-2715.07 (1) There shall be allowed to qualified resident
21 individuals as a nonrefundable credit against the income tax imposed by
22 the Nebraska Revenue Act of 1967:

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

25 (b) A credit for taxes paid to another state as provided in section
26 77-2730.

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

29 (a) For returns filed reporting federal adjusted gross incomes of
30 greater than twenty-nine thousand dollars, a nonrefundable credit equal
31 to twenty-five percent of the federal credit allowed under section 21 of

1 the Internal Revenue Code of 1986, as amended, except that for taxable
2 years beginning or deemed to begin on or after January 1, 2015, such
3 nonrefundable credit shall be allowed only if the individual would have
4 received the federal credit allowed under section 21 of the code after
5 adding back in any carryforward of a net operating loss that was deducted
6 pursuant to such section in determining eligibility for the federal
7 credit;

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

23 (c) A refundable credit as provided in section 77-5209.01 for
24 individuals who qualify for an income tax credit as a qualified beginning
25 farmer or livestock producer under the Beginning Farmer Tax Credit Act
26 for all taxable years beginning or deemed to begin on or after January 1,
27 2006, under the Internal Revenue Code of 1986, as amended;

28 (d) A refundable credit for individuals who qualify for an income
29 tax credit under the Angel Investment Tax Credit Act, the Nebraska
30 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
31 and Development Act, or the Volunteer Emergency Responders Incentive Act;

1 and

2 (e) A refundable credit equal to ten percent of the federal credit
3 allowed under section 32 of the Internal Revenue Code of 1986, as
4 amended, except that for taxable years beginning or deemed to begin on or
5 after January 1, 2015, such refundable credit shall be allowed only if
6 the individual would have received the federal credit allowed under
7 section 32 of the code after adding back in any carryforward of a net
8 operating loss that was deducted pursuant to such section in determining
9 eligibility for the federal credit.

10 (3) There shall be allowed to all individuals as a nonrefundable
11 credit against the income tax imposed by the Nebraska Revenue Act of
12 1967:

13 (a) A credit for personal exemptions allowed under section
14 77-2716.01;

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

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

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

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

28 (f) A credit to employers as provided in sections 77-27,238 and
29 77-27,240; ~~and~~

30 (g) A credit as provided in the Affordable Housing Tax Credit Act;
31 and -

1 (h) A credit as provided in the Opportunity Scholarships Act.

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

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

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

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

20 (5)(a) For all taxable years beginning on or after January 1, 2007,
21 and before January 1, 2009, under the Internal Revenue Code of 1986, as
22 amended, there shall be allowed to each partner, shareholder, member, or
23 beneficiary of a partnership, subchapter S corporation, limited liability
24 company, or estate or trust a nonrefundable credit against the income tax
25 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the
26 partner's, shareholder's, member's, or beneficiary's portion of the
27 amount of franchise tax paid to the state under sections 77-3801 to
28 77-3807 by a financial institution.

29 (b) For all taxable years beginning on or after January 1, 2009,
30 under the Internal Revenue Code of 1986, as amended, there shall be
31 allowed to each partner, shareholder, member, or beneficiary of a

1 partnership, subchapter S corporation, limited liability company, or
2 estate or trust a nonrefundable credit against the income tax imposed by
3 the Nebraska Revenue Act of 1967 equal to the partner's, shareholder's,
4 member's, or beneficiary's portion of the amount of franchise tax paid to
5 the state under sections 77-3801 to 77-3807 by a financial institution.

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

12 (6) There shall be allowed to all individuals nonrefundable credits
13 against the income tax imposed by the Nebraska Revenue Act of 1967 as
14 provided in section 77-3604 and refundable credits against the income tax
15 imposed by the Nebraska Revenue Act of 1967 as provided in section
16 77-3605.

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

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

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

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

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

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

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

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

11 (8) There shall be allowed to all individuals refundable credits
12 against the income tax imposed by the Nebraska Revenue Act of 1967 as
13 provided in the Nebraska Higher Blend Tax Credit Act, the Nebraska
14 Property Tax Incentive Act, and the Renewable Chemical Production Tax
15 Credit Act.

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

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

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

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

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

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

29 Sec. 15. Section 77-2717, Revised Statutes Cumulative Supplement,
30 2022, is amended to read:

31 77-2717 (1)(a)(i) For taxable years beginning or deemed to begin

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

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

1 under the Angel Investment Tax Credit Act, the Nebraska Advantage
2 Microenterprise Tax Credit Act, the Nebraska Advantage Research and
3 Development Act, the Nebraska Higher Blend Tax Credit 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 resident estates and trusts as provided in the Nebraska Job Creation and
7 Mainstreet Revitalization Act, the New Markets Job Growth Investment Act,
8 the School Readiness Tax Credit Act, the Affordable Housing Tax Credit
9 Act, the Opportunity Scholarships Act, and sections 77-27,238 and
10 77-27,240.

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

1 credit shall be allowed for all nonresident estates and trusts as
2 provided in the Nebraska Job Creation and Mainstreet Revitalization Act,
3 the New Markets Job Growth Investment Act, the School Readiness Tax
4 Credit Act, the Affordable Housing Tax Credit Act, the Opportunity
5 Scholarships Act, and sections 77-27,238 and 77-27,240.

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

18 (3) The beneficiaries of such estate or trust who are residents of
19 this state shall include in their income their proportionate share of
20 such estate's or trust's federal income and shall reduce their Nebraska
21 tax liability by their proportionate share of the credits as provided in
22 the Angel Investment Tax Credit Act, the Nebraska Advantage
23 Microenterprise Tax Credit Act, the Nebraska Advantage Research and
24 Development Act, the Nebraska Job Creation and Mainstreet Revitalization
25 Act, the New Markets Job Growth Investment Act, the School Readiness Tax
26 Credit Act, the Affordable Housing Tax Credit Act, the Nebraska Higher
27 Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, the
28 Renewable Chemical Production Tax Credit Act, the Opportunity
29 Scholarships Act, and sections 77-27,238 and 77-27,240. There shall be
30 allowed to a beneficiary a refundable income tax credit under the
31 Beginning Farmer Tax Credit Act for all taxable years beginning or deemed

1 to begin on or after January 1, 2001, under the Internal Revenue Code of
2 1986, as amended.

3 (4) If any beneficiary of such estate or trust is a nonresident
4 during any part of the estate's or trust's taxable year, he or she shall
5 file a Nebraska income tax return which shall include (a) in Nebraska
6 adjusted gross income that portion of the estate's or trust's Nebraska
7 income, as determined under sections 77-2724 and 77-2725, allocable to
8 his or her interest in the estate or trust and (b) a reduction of the
9 Nebraska tax liability by his or her proportionate share of the credits
10 as provided in the Angel Investment Tax Credit Act, the Nebraska
11 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
12 and Development Act, 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, the
15 Nebraska Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive
16 Act, the Renewable Chemical Production Tax Credit Act, the Opportunity
17 Scholarships Act, and sections 77-27,238 and 77-27,240 and shall execute
18 and forward to the fiduciary, on or before the original due date of the
19 Nebraska fiduciary return, an agreement which states that he or she will
20 file a Nebraska income tax return and pay income tax on all income
21 derived from or connected with sources in this state, and such agreement
22 shall be attached to the Nebraska fiduciary return for such taxable year.

23 (5) In the absence of the nonresident beneficiary's executed
24 agreement being attached to the Nebraska fiduciary return, the estate or
25 trust shall remit a portion of such beneficiary's income which was
26 derived from or attributable to Nebraska sources with its Nebraska return
27 for the taxable year. For taxable years beginning or deemed to begin
28 before January 1, 2013, the amount of remittance, in such instance, shall
29 be the highest individual income tax rate determined under section
30 77-2715.02 multiplied by the nonresident beneficiary's share of the
31 estate or trust income which was derived from or attributable to sources

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

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

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

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

28 Sec. 16. Section 77-2734.03, Revised Statutes Cumulative Supplement,
29 2022, is amended to read:

30 77-2734.03 (1)(a) For taxable years commencing prior to January 1,
31 1997, any (i) insurer paying a tax on premiums and assessments pursuant

1 to section 77-908 or 81-523, (ii) electric cooperative organized under
2 the Joint Public Power Authority Act, or (iii) credit union shall be
3 credited, in the computation of the tax due under the Nebraska Revenue
4 Act of 1967, with the amount paid during the taxable year as taxes on
5 such premiums and assessments and taxes in lieu of intangible tax.

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

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

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

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

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

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

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

9 (7) There shall be allowed to corporate taxpayers a nonrefundable
10 income tax credit as provided in the Nebraska Job Creation and Mainstreet
11 Revitalization Act, the New Markets Job Growth Investment Act, the School
12 Readiness Tax Credit Act, the Affordable Housing Tax Credit Act, the
13 Opportunity Scholarships Act, and sections 77-27,238 and 77-27,240.

14 Sec. 17. This act becomes operative for all taxable years beginning
15 or deemed to begin on or after January 1, 2024, under the Internal
16 Revenue Code of 1986, as amended.

17 Sec. 18. If any section in this act or any part of any section is
18 declared invalid or unconstitutional, the declaration shall not affect
19 the validity or constitutionality of the remaining portions.

20 Sec. 19. Original sections 77-2715.07, 77-2717, and 77-2734.03,
21 Revised Statutes Cumulative Supplement, 2022, are repealed.