

AMENDMENTS TO LB937

(Amendments to E&R amendments, ER115)

Introduced by Bostar, 29.

1 1. Strike sections 1 to 13, 16, 32, 40, 51, 52, 58, 62, 70, 71, 79,
2 and 81 and insert the following new sections:

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

5 Sec. 2. (1) The Legislature finds that:

6 (a) Film and television production in Nebraska not only provides
7 jobs for residents of Nebraska and dollars for Nebraska businesses but
8 also enhances the state's image nationwide;

9 (b) The high cost of film and television production is driving such
10 production to other states, and the industry is always seeking attractive
11 locations that can help cut the costs of production;

12 (c) The retention of Nebraska's youth is one of the top priorities
13 in growing the state's economy. Film studies and creative arts students
14 from the universities and colleges in Nebraska are taking their talents
15 to other states due to the lack of strongly developed media production
16 facilities within the state;

17 (d) The State of Nebraska, with a competitive incentive, can build
18 on past success as an attractive site for film and television production;

19 (e) Nebraska is presently among several states with minimal
20 incentives to attract the film and television industry; and

21 (f) A new and attractive film incentive should be used in
22 conjunction with the Local Option Municipal Economic Development Act,
23 passed by the Ninety-Second Legislature, First Session, 1991, as
24 Legislative Bill 840, for municipalities that have included production of
25 films or television programs as a qualifying business expense.

26 (2) It is the intent of the Legislature to provide an incentive that

1 will allow the state to compete with other states and increase film and
2 television production in this state.

3 Sec. 3. For purposes of the Cast and Crew Nebraska Act:

4 (1) Above-the-line employee means production company employees
5 involved in the creative development, direct production, and direction of
6 a production activity including screenwriters, producers, directors,
7 casting directors, and cast;

8 (2) Below-the-line employee means production company employees that
9 are responsible for keeping production operations on schedule and
10 preparing all lights, sets, props, and other aspects for production;

11 (3) Department means the Department of Economic Development;

12 (4)(a) Expatriate means a person that previously resided in Nebraska
13 for at least one year but does not currently reside in Nebraska.

14 (b) The Nebraska Film Office shall partner with other instate film
15 offices, production companies, chambers of commerce, and convention and
16 visitors bureaus in the state to maintain a roster of cast and crew who
17 are expatriates and shall make such roster available to any production
18 company upon request;

19 (5) Film office means a specialized office under the authority of a
20 government entity or an administrative office with the purpose of
21 promoting the local region through the development of film, video, and
22 multimedia productions;

23 (6) Full-length means a production at least sixty minutes in length
24 including credits;

25 (7) Loan out means payments to a loan out company by a production
26 company if the production company withheld and remitted Nebraska
27 applicable income tax on all payments to the loan out company for
28 services performed in this state. The amount withheld is considered to
29 have been withheld by the loan out company on wages paid to its employees
30 for services performed in this state. Loan out company nonresident
31 employees performing services in this state must be considered taxable

1 nonresidents, and the loan out company is subject to income taxation in
2 the taxable year in which the loan out company's employees perform
3 services in this state;

4 (8) Loan out company means a United States business entity in which
5 the creator is an employee whose services are loaned out by the corporate
6 body;

7 (9) Nebraska Film Office means the Nebraska Film Office within the
8 Department of Economic Development or its successor;

9 (10) Nebraska supplier means a brick and mortar Nebraska-based
10 corporation or limited liability company registered, licensed, and in
11 good standing with the Secretary of State;

12 (11) Post-production means the time period after the production is
13 completed and the editing of the visual and audio materials begins. Post-
14 production includes, but is not limited to, all of the tasks associated
15 with cutting raw footage, assembling that footage, and adding and dubbing
16 music, sound effects, and visual effects;

17 (12) Pre-production means the planning process and execution of
18 every task that must take place before production begins;

19 (13) Principal photography means the creative execution phase of
20 film production between pre-production and post-production;

21 (14)(a) Production activity means production of a new film, video,
22 or digital project in this state. This includes the scouting, pre-
23 production, principal photography, and post-production of projects filmed
24 or recorded in this state, in whole or in part and in short or long form
25 and animation, fixed on a delivery system, including film, videotape,
26 computer disc, laser disc, and any element of the digital domain, from
27 which the program is viewed or reproduced and which is intended for
28 multimarket commercial distribution via a theater, video on demand,
29 digital or fiber optic distribution platforms, digital video recording, a
30 digital platform designed for distribution of interactive games,
31 licensing for exhibition by individual television stations, groups of

1 stations, networks, advertiser-supported sites, cable television
2 stations, streaming services, or public broadcasting stations.

3 (b) Production activity includes full-length films, animation
4 projects, documentaries, short-length films, and over-the-air and
5 streaming television programming, except those television programs that
6 are exclusively for news, weather, sports, financial market reports, or
7 instructional videos, and also includes commercial advertisements, except
8 commercials containing political promotions, infomercials, or commercials
9 distributed only on the Internet.

10 (c) Production activity does not include any project with sexually
11 explicit or obscene material;

12 (15) Production company means a corporation, partnership, limited
13 liability company, or other business entity engaged in the business of
14 creating productions and registered with the Secretary of State to engage
15 in business in Nebraska;

16 (16)(a) Production expenditure report means a report issued and
17 submitted by a certified public accountant that verifies all expenses of
18 a production activity and ensures all expenses have been paid in full.

19 (b) The production company shall pay the certified public accountant
20 for preparation of the report and such payment is a qualifying
21 expenditure under section 4 of this act;

22 (17) Qualified production activity means any production activity
23 approved by the department after application for qualification;

24 (18) Resident means any individual domiciled in the State of
25 Nebraska and any other individual who maintains a permanent place of
26 residence within the state even though temporarily absent from the state
27 and who has not established a residence elsewhere;

28 (19) Scouting means finding places to shoot commercials, television
29 shows, or movies and searching for interior and exterior venues to serve
30 as the setting for scenes depicted in a script during pre-production;

31 (20) Screen credit means a logo developed by the Nebraska Film

1 Office and mentioned in the production credits and end titles declaring
2 the production activity was filmed in Nebraska;

3 (21) Screenplay means a film, movie, television show, or other
4 motion picture in written form; and

5 (22) Short-length means a production more than thirty seconds and
6 less than forty minutes including credits.

7 Sec. 4. (1) For purposes of the Cast and Crew Nebraska Act,
8 qualifying expenditure includes:

9 (a) Pre-production, production, and post-production expenditures
10 made in Nebraska that are subject to taxation by the state;

11 (b) Scouting and spending related to the production activity in the
12 state prior to application for qualification;

13 (c)(i) Above-the-line employee wages for residents of Nebraska or
14 paid through a Nebraska loan out company.

15 (ii) Loan out companies will be required to pay applicable Nebraska
16 income taxes.

17 (iii) The total above-the-line employee wages and related expenses
18 shall be not more than twenty-five percent of the total instate
19 expenditures of a production activity;

20 (d) Below-the-line employee wages;

21 (e) Per diems of up to thirty dollars per day per employee; and

22 (f) Expenditures not otherwise available for rental or purchase
23 within Nebraska and paid for via a Nebraska supplier.

24 (2) Qualifying expenditures do not include:

25 (a) Wages paid to independent contractors, or self-employed
26 individuals, except that wages shown to be paid by a Nebraska-based
27 production company for a commercial production activity and wages the
28 taxes of which are shown to be withheld by the employer may be approved
29 by the department on the application for the tax credit;

30 (b) Above-the-line employee per diems or living allowance expenses;

31 (c) Taxes imposed pursuant to the Federal Insurance Contributions

1 Act and other payroll taxes;

2 (d) Contributions under the Federal Unemployment Tax Act and the
3 Employment Security Law; and

4 (e) Union dues and benefits.

5 Sec. 5. (1) For taxable years beginning or deemed to begin on or
6 after January 1, 2025, a production company shall be eligible to receive
7 tax credits under the Cast and Crew Nebraska Act for qualifying
8 expenditures incurred by the production company in Nebraska directly
9 attributable to a qualified production activity.

10 (2) The tax credit under the Cast and Crew Nebraska Act shall be a
11 refundable tax credit allowed against the income tax imposed by the
12 Nebraska Revenue Act of 1967 in an amount equal to twenty percent of the
13 qualifying expenditures incurred by the production company directly
14 attributable to a qualified production activity.

15 (3) The amount of the tax credit may be increased by any or all of
16 the following amounts:

17 (a) An additional five percent of the qualifying expenditures
18 incurred by the production company directly attributable to a qualified
19 production activity if the qualified production activity films Nebraska
20 as Nebraska in Nebraska, contains a minimum of seventy percent of the
21 principal photography from the original submitted screenplay based in
22 Nebraska, and uses a screen credit;

23 (b) An additional five percent of the qualifying expenditures
24 incurred by the production company directly attributable to a full-length
25 qualified production activity if the qualified production activity films
26 entirely in areas at least thirty miles from the corporate limits of a
27 city of the metropolitan class or city of the primary class; and

28 (c)(i) An additional five percent of qualified expenditures incurred
29 by the production company directly attributable to a full-length
30 qualified production activity that are wages paid, at a rate of at least
31 the Nebraska minimum wage, to Nebraska residents who are employed as

1 first-time actors or first-time below-the-line employees.

2 (ii) For purposes of subdivision (3)(c)(i) of this section, first-
3 time means the individual's first-time receiving compensation and wages
4 as either an actor or as a below-the-line employee on a full-length film
5 in the State of Nebraska.

6 (iii) The wages of a maximum of ten first-time actors and below-the-
7 line employees per full-length film can be used in calculating the tax
8 credit in subdivision (3)(c)(i) of this section.

9 Sec. 6. (1) The total amount of tax credits allowed in any fiscal
10 year under the Cast and Crew Nebraska Act shall not exceed five hundred
11 thousand dollars in fiscal year 2025-26 and one million dollars in any
12 fiscal year thereafter.

13 (2) The maximum allowable tax credit claimed under the act in any
14 single taxable year for any qualified production activity that is a full-
15 length film, made-for-television movie, television series of at least
16 five episodes, or streaming television series shall not exceed five
17 hundred thousand dollars in fiscal year 2025-26 and one million dollars
18 in any fiscal year thereafter.

19 Sec. 7. (1) For a production activity to qualify as a qualified
20 production activity under the Cast and Crew Nebraska Act, a production
21 company must file an application for qualification of a production
22 activity to the department at least:

23 (a) Thirty days prior to the start of principal photography for a
24 full-length film, documentary, or television programming; and

25 (b) Ten days prior to the start of filming for a short-length film,
26 animation project, or commercial.

27 (2) The application shall be submitted on a form prescribed by the
28 department and shall include the following:

29 (a) A nonrefundable fee of five hundred dollars;

30 (b) A detailed description of the production activity;

31 (c) An estimate of expected qualifying expenditures for the

1 production activity;

2 (d) A certificate of general liability insurance with a minimum
3 coverage of one million dollars;

4 (e) A worker's compensation policy;

5 (f)(i) Except as provided in subdivision (2)(f)(ii) of this section,
6 documentation that shows the production activity is fully funded other
7 than post-production expenditures.

8 (ii) If a production activity is a commercial production activity,
9 documentation showing full funding for post-production expenditures shall
10 be included; and

11 (g) Any other information or documentation required by the
12 department.

13 Sec. 8. (1) If the department determines that an application for
14 qualification is complete and that the production activity qualifies
15 under the Cast and Crew Nebraska Act, the department shall approve the
16 application, notify the production company of the approval, and issue a
17 screen credit to the production company that can be used to meet the
18 requirements for the tax credit increase under subdivision (3)(a) of
19 section 5 of this act.

20 (2) The department shall consider and approve applications for
21 qualification under the act in the order in which the applications are
22 received.

23 Sec. 9. To receive tax credits under the Cast and Crew Nebraska
24 Act, the production company shall submit an application to the department
25 on a form prescribed by the department after the completion of the
26 qualified production activity. Such application shall contain the
27 following information:

28 (1) The total amount of qualifying expenditures for the qualified
29 production activity;

30 (2) The production expenditure report for the qualified production
31 activity;

1 (3) Documentation showing the total expenditures for the qualified
2 production activity are greater than or equal to:

3 (a) Five hundred thousand dollars for a full-length film or made-
4 for-television movie;

5 (b) Five hundred thousand dollars per over-the-air and streaming
6 television programing episode; or

7 (c) Twenty-five thousand dollars per short-length film, documentary,
8 animation project, or commercial;

9 (4) Documentation showing the total amount of individual or loan out
10 company wages or earnings paid during the qualified production activity
11 is five hundred thousand dollars or less;

12 (5) Documentation showing at least forty percent of the production
13 days for the qualified production activity were in Nebraska and, for
14 full-length films only, at least ten days of production were in Nebraska;

15 (6) Documentation showing at least forty percent of the below-the-
16 line employees of the qualified production activity were Nebraska
17 residents with expatriates included in the percentage but not exceeding
18 fifteen percent of the total below-the-line employees;

19 (7) Documentation showing at least fifteen percent of the cast of
20 the qualified production activity were Nebraska residents with
21 expatriates included in the percentage;

22 (8) If applying for the tax credit under subdivision (3)(c)(i) of
23 section 5 of this act, proof of Nebraska residency for all employees
24 whose wages will be part of the calculation of such credit for the
25 qualified production activity; and

26 (9) Any other information or documentation required by the
27 department.

28 Sec. 10. (1) If the department determines that an application is
29 complete and that the production company qualifies for tax credits under
30 the Cast and Crew Nebraska Act, the department shall approve the
31 application, notify the production company of the approval, and conduct

1 an audit of each qualified production activity.

2 (2) Each audit shall:

3 (a) Be completed in accordance with this section and the procedures
4 developed by the department;

5 (b) Use sampling methods that the department may adopt;

6 (c) Follow rules and regulations adopted and promulgated by the
7 department;

8 (d) Verify each reported qualifying expenditure and identify and
9 exclude each such expenditure that does not fully meet the conditions of
10 the act; and

11 (e) Exclude any expenditure not submitted with or that was incurred
12 after the application required by section 9 of this act was submitted.

13 (3) Upon completion of the audit, the department shall adjust the
14 value of the tax credit as necessary and issue a tax credit certification
15 to the production company. The certificate shall include the following
16 information:

17 (a) An identification number for the certificate;

18 (b) The date of issuance for the certificate; and

19 (c) The amount of the tax credit allowed under the act for the
20 production company.

21 (4) The department shall consider and approve applications for tax
22 credits under the act in the order in which the applications are
23 received.

24 Sec. 11. (1) A taxpayer shall claim the tax credit under the Cast
25 and Crew Nebraska Act by attaching the tax credit certification received
26 from the department under section 10 of this act to its tax return for
27 the taxable year in which the tax credit certification was issued or in
28 the three taxable years immediately following the taxable year in which
29 the tax credit certification was issued.

30 (2) The tax credits allowed under the Cast and Crew Nebraska Act may
31 be transferred by the production company to any Nebraska taxpayer at any

1 time during the taxable year in which the tax credit certification was
2 issued to the transferor or in the three taxable years immediately
3 following the taxable year in which the tax credit certification was
4 issued to the transferor. The transferee shall pay the transferor at
5 least eighty-five percent of the value of the transferred tax credits in
6 order to acquire such credits.

7 Sec. 12. A production company that receives tax credits under the
8 Cast and Crew Nebraska Act shall not be eligible for a grant under
9 subsection (3) of section 81-1220.

10 Sec. 13. The department shall adopt and promulgate rules and
11 regulations to carry out the Cast and Crew Nebraska Act.

12 Sec. 16. (1) For taxable years beginning or deemed to begin on or
13 after January 1, 2025, under the Internal Revenue Code of 1986, as
14 amended, an eligible taxpayer shall be allowed a credit against the
15 income tax imposed by the Nebraska Revenue Act of 1967 or any tax imposed
16 by sections 77-907 to 77-918 or 77-3801 to 77-3807 for qualified
17 shortline railroad maintenance expenditures.

18 (2) The credit provided in this section shall be a nonrefundable tax
19 credit equal to fifty percent of the qualified shortline railroad
20 maintenance expenditures incurred during the taxable year by the eligible
21 taxpayer. The amount of the credit may not exceed an amount equal to one
22 thousand five hundred dollars multiplied by the number of miles of
23 railroad track owned or leased in the state by the eligible taxpayer at
24 the end of the taxable year.

25 (3) The total amount of tax credits allowed in a fiscal year under
26 the Nebraska Shortline Rail Modernization Act shall not exceed five
27 hundred thousand dollars for fiscal year 2025-26 and one million dollars
28 for any fiscal year thereafter.

29 Sec. 32. (1) Prior to making a contribution to an eligible
30 charitable organization, any taxpayer desiring to claim a tax credit
31 under the Nebraska Pregnancy Help Act shall notify the eligible

1 charitable organization of the taxpayer's intent to make a contribution
2 and the amount to be claimed as a tax credit. Upon receiving each such
3 notification, the eligible charitable organization shall notify the
4 department of the intended tax credit amount. If the department
5 determines that the intended tax credit amount in the notification would
6 exceed the limit specified in subsection (3) of this section, the
7 department shall notify the eligible charitable organization of its
8 determination within thirty days after receipt of the notification. The
9 eligible charitable organization shall then promptly notify the taxpayer
10 of the department's determination that the intended tax credit amount in
11 the notification is not available. If an amount less than the amount
12 indicated in the notification is available for a tax credit, the
13 department shall notify the eligible charitable organization of the
14 available amount and the eligible charitable organization shall notify
15 the taxpayer of the available amount within three business days.

16 (2) In order to be allowed a tax credit as provided by the act, the
17 taxpayer shall make its contribution between thirty-one and sixty days
18 after notifying the eligible charitable organization of the taxpayer's
19 intent to make a contribution. If the eligible charitable organization
20 does not receive the contribution within the required time period, it
21 shall notify the department of such fact and the department shall no
22 longer include such amount when calculating whether the limit prescribed
23 in subsection (3) of this section has been exceeded. If the eligible
24 charitable organization receives the contribution within the required
25 time period, it shall provide the taxpayer with a receipt for the
26 contribution. The receipt shall show the name and address of the eligible
27 charitable organization, the name, address, and, if available, tax
28 identification number of the taxpayer making the contribution, the amount
29 of the contribution, and the date the contribution was received.

30 (3) The department shall consider notifications regarding intended
31 tax credit amounts in the order in which they are received to ascertain

1 whether the intended tax credit amounts are within the annual limit
2 provided in this subsection. The annual limit on the total amount of tax
3 credits for fiscal year 2025-26 shall be five hundred thousand dollars.
4 The annual limit on the total amount of tax credits for fiscal year
5 2026-27 and each fiscal year thereafter shall be one million dollars.
6 Once credits have reached the annual limit for any fiscal year, no
7 additional credits shall be allowed for such fiscal year. Credits shall
8 be prorated among the notifications received on the day the annual limit
9 is exceeded. No more than fifty percent of the credits allowed for any
10 fiscal year shall be for contributions to a single eligible charitable
11 organization.

12 Sec. 40. The department may approve tax credits under the
13 Individuals with Intellectual and Developmental Disabilities Support Act
14 each fiscal year until the total amount of credits approved for the
15 fiscal year reaches one million dollars for fiscal year 2025-26, one
16 million five hundred thousand dollars for fiscal year 2026-27, and two
17 million dollars for any fiscal year thereafter.

18 Sec. 51. For purposes of the Sustainable Aviation Fuel Tax Credit
19 Act:

20 (1) Applicable material means:

21 (a) Monoglycerides, diglycerides, and triglycerides;

22 (b) Free fatty acids; and

23 (c) Fatty acid esters;

24 (2) Applicable supplementary amount means an amount equal to one
25 cent for each percentage point by which the lifecycle greenhouse gas
26 emissions reduction percentage of the sustainable aviation fuel exceeds
27 fifty percent. In no event shall the applicable supplementary amount
28 determined under this subdivision exceed fifty cents;

29 (3) Biomass has the same meaning as in 26 U.S.C. 45K(c)(3), as such
30 section existed on January 1, 2024;

31 (4) Department means the Department of Revenue;

1 (5) Lifecycle greenhouse gas emissions reduction percentage means
2 the percentage reduction in lifecycle greenhouse gas emissions achieved
3 by sustainable aviation fuel as compared with petroleum-based jet fuel,
4 as defined in accordance with:

5 (a) The most recent Carbon Offsetting and Reduction Scheme for
6 International Aviation which has been adopted by the International Civil
7 Aviation Organization with the agreement of the United States; or

8 (b) Any similar methodology which satisfies the criteria under 42
9 U.S.C. 7545(o)(1)(H), as such section existed on January 1, 2024;

10 (6) Qualified mixture means a mixture of sustainable aviation fuel
11 and kerosene if:

12 (a) Such mixture is produced by the taxpayer in the United States;

13 (b) Such mixture is used by the taxpayer or sold by the taxpayer for
14 use in an aircraft;

15 (c) Such sale or use is in the ordinary course of a trade or
16 business of the taxpayer; and

17 (d) The transfer of such mixture to the fuel tank of such aircraft
18 occurs in the United States; and

19 (7) Sustainable aviation fuel means liquid fuel, the portion of
20 which is not kerosene, which:

21 (a) Meets the requirements of:

22 (i) The American Society for Testing and Materials International
23 Standard D7566; or

24 (ii) The Fischer-Tropsch provisions of the American Society for
25 Testing and Materials International Standard D1655, Annex A1;

26 (b) Is not derived from coprocessing an applicable material or
27 materials derived from an applicable material with a feedstock which is
28 not biomass;

29 (c) Is not derived from palm or palm derivatives; and

30 (d) Has been certified as having a lifecycle greenhouse gas
31 emissions reduction percentage of at least fifty percent, as determined

1 by a test that shows that:

2 (i) The fuel production pathway achieves at least a fifty percent
3 reduction of the aggregate attributional core lifecycle emissions and the
4 positive induced land use change values under the lifecycle methodology
5 for sustainable aviation fuels adopted by the International Civil
6 Aviation Organization with the agreement of the United States; or

7 (ii) The fuel production pathway achieves at least a fifty percent
8 reduction of the aggregate attributional core lifecycle greenhouse gas
9 emissions values utilizing the most recent version of Argonne National
10 Laboratory's GREET model, inclusive of agricultural practices and carbon
11 capture and sequestration.

12 Sec. 52. (1) For taxable years beginning or deemed to begin on or
13 after January 1, 2027, under the Internal Revenue Code of 1986, as
14 amended, there shall be allowed a credit against the income tax imposed
15 by the Nebraska Revenue Act of 1967 or any tax imposed pursuant to
16 sections 77-907 to 77-918 or 77-3801 to 77-3807 to any producer of
17 sustainable aviation fuel for any sale or use of a qualified mixture.

18 (2) The credit shall be a nonrefundable credit and the amount of the
19 credit shall be equal to the number of gallons of sustainable aviation
20 fuel in all sold or used qualified mixtures multiplied by the sum of
21 seventy-five cents plus the applicable supplementary amount.

22 (3) In order to qualify for the credit under this section, a
23 producer of sustainable aviation fuel shall:

24 (a) Register with the department as a producer of sustainable
25 aviation fuel; and

26 (b) Provide:

27 (i) Certification in such form and manner as prescribed by the
28 department from an unrelated party demonstrating compliance with:

29 (A) Any general requirements, supply chain traceability
30 requirements, and information transmission requirements established under
31 the Carbon Offsetting and Reduction Scheme for International Aviation

1 described in subdivision (5)(a) of section 51 of this act; or

2 (B) In the case of any methodology described in subdivision (5)(b)
3 of section 51 of this act, requirements similar to the requirements
4 described in subdivision (3)(b)(i)(A) of this section; and

5 (ii) Any other information the department may require.

6 (4) A producer of sustainable aviation fuel shall only claim the
7 credit under this section in a total of five taxable years.

8 (5) A producer of sustainable aviation fuel shall apply for the
9 credit provided in this section by submitting an application to the
10 department on a form prescribed by the department. Subject to subsection
11 (6) of this section, if the department determines that the producer of
12 sustainable aviation fuel qualifies for tax credits under this section,
13 the department shall approve the application and certify the amount of
14 credits approved to the producer of sustainable aviation fuel.

15 (6) The department shall consider applications in the order in which
16 they are received and may approve tax credits under this section in any
17 fiscal year until the aggregate limit allowed under subsection (7) of
18 this section has been reached.

19 (7) The department may approve tax credits under this section each
20 fiscal year until the total amount of credits approved for the fiscal
21 year reaches five hundred thousand dollars.

22 (8) A producer of sustainable aviation fuel shall claim any tax
23 credits granted under this section by attaching the tax credit
24 certification received from the department under subsection (5) of this
25 section to the producer's tax return.

26 Sec. 58. (1) For all taxable years beginning on or after January 1,
27 2025, there shall be allowed a credit against the income tax imposed by
28 the Nebraska Revenue Act of 1967 to any family caregiver who incurs
29 eligible expenditures for the care and support of an eligible family
30 member.

31 (2) The amount of the credit shall be equal to fifty percent of the

1 eligible expenditures incurred during the taxable year by a family
2 caregiver for the care and support of an eligible family member.

3 (3) The tax credit allowed under this section shall be a
4 nonrefundable credit. Any amount of the credit that is unused may not be
5 carried forward.

6 (4) The maximum allowable credit in any single taxable year for a
7 family caregiver shall be two thousand dollars unless the eligible family
8 member is a veteran or has a diagnosis of dementia in which case the
9 maximum allowable credit shall be three thousand dollars. If two or more
10 family caregivers claim the tax credit allowed by this section for the
11 same eligible family member, the maximum allowable credit shall be
12 allocated in equal amounts between each of the family caregivers.

13 (5) A family caregiver shall apply for the tax credit allowed under
14 this section by submitting an application to the Department of Revenue,
15 on a form prescribed by the department, with the following information:

16 (a) Documentation of the eligible expenditures incurred for the care
17 and support of an eligible family member; and

18 (b) Any other documentation required by the department.

19 (6) If the Department of Revenue determines that the family
20 caregiver qualifies for the tax credit under this section, the department
21 shall approve the application and certify the amount of the approved
22 credit to the family caregiver.

23 (7) The Department of Revenue shall consider applications in the
24 order in which they are received and may approve tax credits under this
25 section each fiscal year until the total amount of credits approved for
26 the fiscal year equals one million five hundred thousand dollars for
27 fiscal years 2025-26 and 2026-27 and two million five hundred thousand
28 dollars for any fiscal year thereafter.

29 Sec. 62. (1) For taxable years beginning or deemed to begin on or
30 after January 1, 2024, under the Internal Revenue Code of 1986, as
31 amended, a taxpayer shall be eligible to receive a one-time credit

1 against the income tax imposed by the Nebraska Revenue Act of 1967 for
2 the cost of installation of a reverse osmosis system at the primary
3 residence of the taxpayer if test results for the following in the
4 drinking water for such residence are above:

5 (a) Ten parts per million for nitrate nitrogen;

6 (b) Four parts per trillion for perfluorooctanoic acid or
7 perfluorooctanesulfonic acid;

8 (c) Thirty micrograms per liter or thirty parts per billion for
9 uranium; or

10 (d) One on the Hazard Index for perfluorononanoic acid,
11 perfluorohexanesulfonic acid, hexafluoropropylene oxide dimer acid and
12 its ammonium salt, or perfluorobutanesulfonic acid.

13 (2) Only one taxpayer per residence may be a recipient of the
14 credit.

15 (3) The credit provided in this section shall be a refundable tax
16 credit equal to fifty percent of the cost incurred by the taxpayer during
17 the taxable year for installation of the reverse osmosis system, up to a
18 maximum of one thousand dollars.

19 (4) A taxpayer shall apply for the credit provided in this section
20 by submitting an application to the department with the following
21 information:

22 (a) Documentation of the test results of the drinking water for the
23 taxpayer's primary residence;

24 (b) Documentation of the cost of the reverse osmosis system
25 installed at such residence; and

26 (c) Any other documentation required by the department.

27 (5) If the department determines that the taxpayer qualifies for the
28 tax credit under this section, the department shall approve the
29 application and certify the amount of the approved credit to the
30 taxpayer.

31 (6) The department shall consider applications in the order in which

1 they are received and may approve tax credits under this section each
2 fiscal year until the aggregate limit allowed under subsection (7) of
3 this section has been reached.

4 (7) The department may approve tax credits for each fiscal year
5 until the total amount of credits approved reaches five hundred thousand
6 dollars for fiscal years 2024-25, 2025-26, and 2026-27 and one million
7 dollars for any fiscal year thereafter.

8 (8) A taxpayer shall claim any tax credits granted under this
9 section by attaching the tax credit certification received from the
10 department under subsection (5) of this section to the taxpayer's tax
11 return.

12 Sec. 70. Section 77-2704.12, Revised Statutes Supplement, 2023, is
13 amended to read:

14 77-2704.12 (1) Sales and use taxes shall not be imposed on the gross
15 receipts from the sale, lease, or rental of and the storage, use, or
16 other consumption in this state of purchases by (a) any nonprofit
17 organization created exclusively for religious purposes, (b) any
18 nonprofit organization providing services exclusively to the blind, (c)
19 any nonprofit private educational institution established under sections
20 79-1601 to 79-1607, (d) any accredited, nonprofit, privately controlled
21 college or university with its primary campus physically located in
22 Nebraska, (e) any nonprofit (i) hospital, (ii) health clinic when one or
23 more hospitals or the parent corporations of the hospitals own or control
24 the health clinic for the purpose of reducing the cost of health services
25 or when the health clinic receives federal funds through the United
26 States Public Health Service for the purpose of serving populations that
27 are medically underserved, (iii) skilled nursing facility, (iv)
28 intermediate care facility, (v) assisted-living facility, (vi)
29 intermediate care facility for persons with developmental disabilities,
30 (vii) nursing facility, (viii) home health agency, (ix) hospice or
31 hospice service, (x) respite care service, (xi) mental health substance

1 use treatment center licensed under the Health Care Facility Licensure
2 Act, or (xii) center for independent living as defined in 29 U.S.C. 796a,
3 (f) any nonprofit licensed residential child-caring agency, (g) any
4 nonprofit licensed child-placing agency, (h) any nonprofit organization
5 certified by the Department of Health and Human Services to provide
6 community-based services for persons with developmental disabilities, ~~or~~
7 (i) any nonprofit organization certified or contracted by a regional
8 behavioral health authority or the Division of Behavioral Health of the
9 Department of Health and Human Services to provide community-based mental
10 health or substance use services, or (j) any nonprofit organization for
11 purchases of property that will be transferred to an organization listed
12 in subdivisions (a) through (i) of this subsection until the property is
13 transferred or the contract is completed, provided that the nonprofit
14 organization (i) acquires property that will be transferred to an
15 organization listed in subdivisions (a) through (i) of this subsection or
16 (ii) enters into a contract of construction, improvement, or repair upon
17 property annexed to real estate if the property will be transferred to an
18 organization listed in subdivisions (a) through (i) of this subsection.

19 (2) Any organization listed in subsection (1) of this section shall
20 apply for an exemption on forms provided by the Tax Commissioner. The
21 application shall be approved and a numbered certificate of exemption
22 received by the applicant organization in order to be exempt from the
23 sales and use tax.

24 (3) The appointment of purchasing agents shall be recognized for the
25 purpose of altering the status of the construction contractor as the
26 ultimate consumer of building materials which are physically annexed to
27 the structure and which subsequently belong to the owner of the
28 organization or institution. The appointment of purchasing agents shall
29 be in writing and occur prior to having any building materials annexed to
30 real estate in the construction, improvement, or repair. The contractor
31 who has been appointed as a purchasing agent may apply for a refund of or

1 use as a credit against a future use tax liability the tax paid on
2 inventory items annexed to real estate in the construction, improvement,
3 or repair of a project for a licensed not-for-profit institution.

4 (4) Any organization listed in subsection (1) of this section which
5 enters into a contract of construction, improvement, or repair upon
6 property annexed to real estate without first issuing a purchasing agent
7 authorization to a contractor or repairperson prior to the building
8 materials being annexed to real estate in the project may apply to the
9 Tax Commissioner for a refund of any sales and use tax paid by the
10 contractor or repairperson on the building materials physically annexed
11 to real estate in the construction, improvement, or repair.

12 (5) Any person purchasing, storing, using, or otherwise consuming
13 building materials in the performance of any construction, improvement,
14 or repair by or for any institution enumerated in subsection (1) of this
15 section which is licensed upon completion although not licensed at the
16 time of construction or improvement, which building materials are annexed
17 to real estate and which subsequently belong to the owner of the
18 institution, shall pay any applicable sales or use tax thereon. Upon
19 becoming licensed and receiving a numbered certificate of exemption, the
20 institution organized not for profit shall be entitled to a refund of the
21 amount of taxes so paid in the performance of such construction,
22 improvement, or repair and shall submit whatever evidence is required by
23 the Tax Commissioner sufficient to establish the total sales and use tax
24 paid upon the building materials physically annexed to real estate in the
25 construction, improvement, or repair.

26 Sec. 71. (1) Beginning July 1, 2027, sales and use taxes shall not
27 be imposed on the gross receipts from the sale, storage, use, or other
28 consumption in this state of diapers.

29 (2) For purposes of this section, diapers means absorbent garments
30 worn by humans who are incapable of or have difficulty controlling their
31 bladder or bowel movements.

1 Sec. 79. Section 77-27,241, Revised Statutes Supplement, 2023, is
2 amended to read:

3 77-27,241 (1) For purposes of this section:

4 (a) Agricultural producer means an individual or entity whose income
5 is primarily attributable to crop or livestock production in the State of
6 Nebraska;

7 (b) Department means the Department of Revenue;

8 (c) Food bank means an organization in this state that:

9 (i) Is exempt from federal income taxation under section 501(c)(3)
10 of the Internal Revenue Code of 1986, as amended; and

11 (ii) Distributes food in ten or more counties in Nebraska and
12 qualifies for the Emergency Food Assistance Program administered by the
13 United States Department of Agriculture;

14 (d) Food pantry means an organization in this state that:

15 (i) Is exempt from federal income taxation under section 501(c)(3)
16 of the Internal Revenue Code of 1986, as amended; and

17 (ii) Distributes emergency food supplies to low-income individuals
18 in this state who would otherwise not have access to such food supplies;

19 (e) Food rescue means an organization in this state that:

20 (i) Is exempt from federal income taxation under section 501(c)(3)
21 of the Internal Revenue Code of 1986, as amended; and

22 (ii) Accepts donations of food and delivers such food to food banks
23 or food pantries so that such food may be distributed to low-income
24 individuals in this state;

25 (f) Grocery store retailer means a retailer located in this state
26 that is primarily engaged in business activities classified as code
27 445110 under the North American Industry Classification System;

28 (g) Qualifying agricultural food donation means a donation made by
29 an agricultural producer to a food bank, food pantry, or food rescue of
30 fresh or frozen fruits, vegetables, eggs, dairy products, or meat
31 products grown or produced in the State of Nebraska which meets all

1 applicable quality and labeling standards, along with any other
2 applicable requirements of the food bank, food pantry, or food rescue to
3 which the qualifying agricultural food donation is made; and

4 (h) Restaurant means a business located in this state that is
5 primarily engaged in business activities classified as code 722511,
6 722513, 722514, or 722515 under the North American Industry
7 Classification System.

8 (2) For taxable years beginning or deemed to begin on or after
9 January 1, 2025 ~~2024~~, under the Internal Revenue Code of 1986, as
10 amended, a credit against the income tax imposed by the Nebraska Revenue
11 Act of 1967 shall be allowed to:

12 (a) Any grocery store retailer or restaurant that donates food to a
13 food bank, food pantry, or food rescue during the taxable year; and

14 (b) Any agricultural producer that makes a qualifying agricultural
15 food donation to a food bank, food pantry, or food rescue during the
16 taxable year.

17 (3) Subject to subsection (7) of this section, the credit provided
18 in this section shall be a nonrefundable credit in an amount equal to
19 fifty percent of the value of the food donations or qualifying
20 agricultural food donations made during the taxable year, not to exceed
21 two thousand five hundred dollars. Any amount of the credit that the
22 taxpayer is prohibited from claiming in a taxable year may be carried
23 forward to any of the three subsequent taxable years.

24 (4) For purposes of this section, food donated by a grocery store
25 retailer or restaurant shall be valued at its wholesale value. A
26 qualifying agricultural food donation shall be valued at the prevailing
27 market value of the product at the time of donation, plus the direct cost
28 incurred by the agricultural producer for processing the product.

29 (5) To receive a credit under this section, a taxpayer shall submit
30 an application to the department in a form and manner prescribed by the
31 department. The application shall include the amount of food donated

1 during the taxable year and any other information required by the
2 department.

3 (6) If the department determines that an application is complete and
4 that the taxpayer qualifies for credits, the department shall approve the
5 application within the limits set forth in this section and shall certify
6 the amount of credits approved to the taxpayer.

7 (7) The department may approve up to five hundred thousand zero
8 dollars of credits in fiscal year 2025-26 and each fiscal year thereafter
9 ~~each year~~. If the amount of credits requested by qualified taxpayers in
10 any year exceeds such limit, the department shall allocate credits
11 proportionally based on the amounts requested so that the limit is not
12 exceeded.

13 (8) A taxpayer shall claim the credit by attaching the tax credit
14 certification received from the department under subsection (6) of this
15 section to the taxpayer's tax return.

16 (9) Any amount relating to such food donations or qualifying
17 agricultural food donations that was deducted as a charitable
18 contribution on the taxpayer's federal income tax return ~~subtracted from~~
19 ~~the taxpayer's federal adjusted gross income or federal taxable income~~
20 must be added back in the determination of Nebraska ~~adjusted gross income~~
21 ~~or~~ taxable income before the credit provided in this section may be
22 claimed.

23 (10) No credit granted under this section shall be transferred,
24 sold, or assigned. No taxpayer shall be eligible to receive a credit
25 under this section if such taxpayer employs persons who are not
26 authorized to work in the United States under federal law. No taxpayer
27 shall be able to claim more than one credit under this section for a
28 single donation.

29 (11) A food bank, food pantry, or food rescue may accept or reject
30 any food donated under this section for any reason. Any food that is
31 rejected shall not qualify for a credit under this section.

1 (12) The department may adopt and promulgate rules and regulations
2 to carry out this section.

3 Sec. 81. Section 77-7012, Revised Statutes Supplement, 2023, is
4 amended to read:

5 77-7012 (1) If the department determines that an application is
6 complete and that the taxpayer qualifies for tax credits, the department
7 shall approve the application within the limits set forth in this section
8 and shall certify the amount of tax credits approved to the taxpayer.

9 (2) The department may approve up to one million dollars in tax
10 credits in fiscal ~~any calendar~~ year 2024-25 and up to one million five
11 hundred thousand dollars in tax credits in any fiscal year thereafter. If
12 the total amount of tax credits requested in any fiscal ~~calendar~~ year
13 exceeds such limit, the department shall allocate the tax credits
14 proportionally based upon amounts requested.