

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 689

Introduced by Linehan, 39.

Read first time January 18, 2023

Committee: Revenue

- 1 A BILL FOR AN ACT relating to the Nebraska Property Tax Incentive Act; to
- 2 amend section 77-6706, Revised Statutes Cumulative Supplement, 2022;
- 3 to change provisions relating to credits for community college taxes
- 4 paid; and to repeal the original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-6706, Revised Statutes Cumulative Supplement,
2 2022, is amended to read:

3 77-6706 (1) For taxable years beginning or deemed to begin on or
4 after January 1, 2022, under the Internal Revenue Code of 1986, as
5 amended, there shall be allowed to each eligible taxpayer a refundable
6 credit against the income tax imposed by the Nebraska Revenue Act of 1967
7 or against the franchise tax imposed by sections 77-3801 to 77-3807.

8 (2) For taxable years beginning or deemed to begin prior to January
9 1, 2026, the ~~The~~ credit shall be equal to the credit percentage for the
10 taxable year, ~~as set by the department under subsection (2) of this~~
11 ~~section,~~ multiplied by the amount of community college taxes paid by the
12 eligible taxpayer during such taxable year. The department shall set the
13 credit percentage as follows:

14 (a) ~~(2)(a)~~ For taxable years beginning or deemed to begin during
15 calendar year 2022, the department shall set the credit percentage so
16 that the total amount of credits for such taxable years shall be fifty
17 million dollars;

18 (b) For taxable years beginning or deemed to begin during calendar
19 year 2023, the department shall set the credit percentage so that the
20 total amount of credits for such taxable years shall be one hundred
21 million dollars;

22 (c) For taxable years beginning or deemed to begin during calendar
23 year 2024, the department shall set the credit percentage so that the
24 total amount of credits for such taxable years shall be one hundred
25 twenty-five million dollars; and

26 (d) For taxable years beginning or deemed to begin during calendar
27 year 2025, the department shall set the credit percentage so that the
28 total amount of credits for such taxable years shall be one hundred fifty
29 million dollars. ;

30 (3) For taxable years beginning or deemed to begin on or after
31 January 1, 2026, the credit shall be equal to one hundred percent of the

1 community college taxes paid by the eligible taxpayer during the taxable
2 year.

3 ~~(e) For taxable years beginning or deemed to begin during calendar~~
4 ~~year 2026, the department shall set the credit percentage so that the~~
5 ~~total amount of credits for such taxable years shall be one hundred~~
6 ~~ninety-five million dollars; and~~

7 ~~(f) For taxable years beginning or deemed to begin during calendar~~
8 ~~year 2027 and each calendar year thereafter, the department shall set the~~
9 ~~credit percentage so that the total amount of credits for such taxable~~
10 ~~years shall be the maximum amount of credits allowed in the prior year~~
11 ~~increased by the allowable growth percentage.~~

12 ~~(4) (3)~~ If the community college taxes are paid by a corporation
13 having an election in effect under subchapter S of the Internal Revenue
14 Code, a partnership, a limited liability company, a trust, or an estate,
15 the refundable credit shall be claimed by such corporation, partnership,
16 limited liability company, trust, or estate.

17 ~~(5) (4)~~ For any fiscal year or short year taxpayer, a the credit
18 under subsection (2) of this section may be claimed in the first taxable
19 year that begins following the calendar year for which the credit
20 percentage was determined. The credit shall be taken for the community
21 college taxes paid by the taxpayer during the immediately preceding
22 calendar year.

23 Sec. 2. Original section 77-6706, Revised Statutes Cumulative
24 Supplement, 2022, is repealed.