

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 983

Introduced by Cornett, 45.

Read first time January 12, 2012

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section
2 77-5803, Reissue Revised Statutes of Nebraska; to change
3 provisions relating to a research tax credit; to provide
4 an operative date; and to repeal the original section.
5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-5803, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 77-5803 (1)(a) Except as provided in subdivision (1)(b)
4 of this section, any business firm which makes expenditures in
5 research and experimental activities as defined in section 174 of the
6 Internal Revenue Code of 1986, as amended, in this state shall be
7 allowed a research tax credit as provided in the Nebraska Advantage
8 Research and Development Act. The credit amount under this
9 subdivision shall equal fifteen percent of the federal credit allowed
10 under section 41 of the Internal Revenue Code of 1986, as amended, or
11 as apportioned to this state under subsection (2) of this section.
12 ~~The credit shall be allowed for the first tax year it is claimed and~~
13 ~~for the four tax years immediately following.~~

14 (b) Any business firm which makes expenditures in
15 research and experimental activities as defined in section 174 of the
16 Internal Revenue Code of 1986, as amended, on the campus of a college
17 or university in this state or at a facility owned by a college or
18 university in this state shall be allowed a research tax credit as
19 provided in the Nebraska Advantage Research and Development Act. The
20 credit amount under this subdivision shall equal thirty-five percent
21 of the federal credit allowed under section 41 of the Internal
22 Revenue Code of 1986, as amended, or as apportioned to this state
23 under subsection (2) of this section. ~~The credit shall be allowed for~~
24 ~~the first tax year it is claimed and for the four tax years~~
25 ~~immediately following.~~

1 (2) For any business firm doing business both within and
2 without this state, the amount of the federal credit may be
3 determined either by dividing the amount expended in research and
4 experimental activities in this state in any tax year by the total
5 amount expended in research and experimental activities or by
6 apportioning the amount of the credit on the federal income tax
7 return to the state based on the average of the property factor as
8 determined in section 77-2734.12 and the payroll factor as determined
9 in section 77-2734.13.

10 Sec. 2. This act becomes operative for all taxable years
11 beginning or deemed to begin on or after January 1, 2012, under the
12 Internal Revenue Code of 1986, as amended.

13 Sec. 3. Original section 77-5803, Reissue Revised
14 Statutes of Nebraska, is repealed.