

AMENDMENTS TO LB191

Introduced by Nordquist

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

3           Section 1. Sections 1 to 12 of this act shall be known  
4 and may be cited as the Nebraska Job Creation and Mainstreet  
5 Revitalization Act.

6           Sec. 2. For purposes of the Nebraska Job Creation and  
7 Mainstreet Revitalization Act:

8           (1) Department means the Department of Revenue;

9           (2) Eligible expenditure means any cost incurred for the  
10 improvement of historically significant real property located in  
11 the State of Nebraska, including, but not limited to, qualified  
12 rehabilitation expenditures as defined in section 47(c)(2) of  
13 the Internal Revenue Code of 1986, as amended, and the related  
14 regulations thereunder, if such improvement is in conformance with  
15 the standards;

16           (3) Historically significant real property means a  
17 building or structure used for any purpose, except for a  
18 single-family detached residence, which, at the time of final  
19 approval of the work by the officer pursuant to section 6 of this  
20 act, is:

21           (a) Individually listed in the National Register of  
22 Historic Places;

23           (b) (i) Located within a district listed in the National

1 Register of Historic Places; and

2 (ii) Determined by the officer as being historically  
3 significant to such district;

4 (c) (i) Individually designated pursuant to a landmark  
5 ordinance or resolution enacted by a political subdivision of the  
6 state, which ordinance or resolution has been approved by the  
7 officer; and

8 (ii) Determined by the officer as being historically  
9 significant; or

10 (d) (i) Located within a district designated pursuant  
11 to a preservation ordinance or resolution enacted by a county,  
12 city, or village of the state or political body comprised thereof  
13 providing for the rehabilitation, preservation, or restoration  
14 of historically significant real property, which ordinance or  
15 resolution has been approved by the officer; and

16 (ii) Determined by the officer as contributing to the  
17 historical significance of such district or to its economic  
18 viability;

19 (4) Improvement means a rehabilitation, preservation, or  
20 restoration project that contributes to the basis, functionality,  
21 or value of the historically significant real property and has a  
22 total cost which equals or exceeds the following:

23 (a) For historically significant real property that is  
24 not located in a city of the metropolitan or primary class,  
25 twenty-five thousand dollars; or

26 (b) For historically significant real property that is  
27 located in a city of the metropolitan or primary class, the greater

1 of (i) twenty-five thousand dollars or (ii) twenty-five percent of  
2 the historically significant real property's assessed value;

3 (5) Officer means the State Historic Preservation  
4 Officer;

5 (6) Person means any natural person, political  
6 subdivision, limited liability company, partnership, private  
7 domestic or private foreign corporation, or domestic or foreign  
8 nonprofit corporation certified pursuant to section 501(c)(3) of  
9 the Internal Revenue Code of 1986, as amended;

10 (7) Placed in service means that either (a) a temporary  
11 or final certificate of occupancy has been issued for the  
12 improvement or (b) the improvement is sufficiently complete to  
13 allow for the intended use of the improvement; and

14 (8) Standards means (a) the Secretary of the Interior's  
15 Standards for the Treatment of Historic Properties as promulgated  
16 by the United States Department of the Interior or (b) specific  
17 standards for the rehabilitation, preservation, and restoration of  
18 historically significant real property contained in a duly adopted  
19 local preservation ordinance or resolution that has been approved  
20 by the officer pursuant to section 3 of this act.

21 Sec. 3. For purposes of establishing standards under  
22 subdivision (8)(b) of section 2 of this act, the officer shall  
23 approve a duly adopted local preservation ordinance or resolution  
24 if such ordinance or resolution meets the following requirements:

25 (1) The ordinance or resolution provides for specific  
26 standards and requirements that reflect the heritage, values, and  
27 character of the political subdivision adopting such ordinance or

1 resolution; and

2 (2) The ordinance or resolution requires that any  
3 building to be rehabilitated, preserved, or restored shall  
4 have been originally constructed at least fifty years prior to  
5 the proposed rehabilitation, preservation, or restoration and  
6 the facade of such building shall not have undergone material  
7 structural alteration since its original construction, unless  
8 the rehabilitation, preservation, or restoration to be performed  
9 proposes to restore the facade to substantially its original  
10 condition.

11 Sec. 4. (1) Any person incurring eligible expenditures  
12 may receive a nonrefundable credit against any income tax imposed  
13 by the Nebraska Revenue Act of 1967 or any tax imposed pursuant to  
14 sections 77-907 to 77-918 or 77-3801 to 77-3807 for the year the  
15 historically significant real property is placed in service. The  
16 amount of the credit shall be equal to twenty percent of eligible  
17 expenditures up to a maximum credit of one million dollars.

18 (2) To claim the credit authorized under this section, a  
19 person must first apply and receive an allocation of credits and  
20 application approval under section 5 of this act and then request  
21 and receive final approval under section 6 of this act.

22 Sec. 5. (1) Prior to commencing work on the historically  
23 significant real property, a person shall file an application  
24 for credits under the Nebraska Job Creation and Mainstreet  
25 Revitalization Act containing all required information with the  
26 officer on a form prescribed by the officer and shall include an  
27 application fee established by the officer pursuant to section 7

1 of this act. The officer shall not accept any application for  
2 credits prior to January 1, 2015. The application shall include  
3 plans and specifications, an estimate of the cost of the project  
4 prepared by a licensed architect, licensed engineer, or licensed  
5 contractor, and a request for a specific amount of credits based on  
6 such estimate. The officer shall review the application and, within  
7 twenty-one days after receiving the application, shall determine  
8 whether the information contained therein is complete. The officer  
9 shall notify the applicant in writing of the determination within  
10 five business days after making the determination. If the officer  
11 fails to provide such notification as required, the application  
12 shall be deemed complete as of the twenty-first day after the  
13 application is received by the officer. If the officer determines  
14 the application is complete or if the application is deemed  
15 complete pursuant to this section, the officer shall reserve for  
16 the benefit of the applicant an allocation of credits in the  
17 amount specified in the application and determined by the officer  
18 to be reasonable and shall notify the applicant in writing of  
19 the amount of the allocation. The allocation does not entitle the  
20 applicant to an issuance of credits until the applicant complies  
21 with all other requirements of the Nebraska Job Creation and  
22 Mainstreet Revitalization Act for the issuance of credits. The date  
23 the officer determines the application is complete or the date  
24 the application is deemed complete pursuant to this section shall  
25 constitute the applicant's priority date for purposes of allocating  
26 credits under this section. For complete applications receiving an  
27 allocation under this section, the officer shall determine whether

1 the application conforms to the standards, and, if so, the officer  
2 shall approve such application or approve such application with  
3 conditions. If the application does not conform to the standards,  
4 the officer shall deny such application. The officer shall promptly  
5 provide the person filing the application and the department with  
6 written notice of the officer's determination. If the officer does  
7 not provide a written notice of his or her determination within  
8 thirty days after the date the application is determined or deemed  
9 to be complete pursuant to this section, the application shall be  
10 deemed approved. The officer shall notify the department of any  
11 applications that are deemed approved pursuant to this section. If  
12 the officer denies the application, the credits allocated to the  
13 applicant under this subsection shall be added to the annual amount  
14 available for allocation under subsection (2) of this section. Any  
15 denial of an application by the officer pursuant to this section  
16 may be appealed, and the appeal shall be in accordance with the  
17 Administrative Procedure Act.

18 (2) The total amount of credits that may be allocated  
19 by the officer under this section in any calendar year shall  
20 be limited to fifteen million dollars. If the amount of credits  
21 allocated in any calendar year is less than fifteen million  
22 dollars, the unused amount shall be carried forward to subsequent  
23 years and shall be available for allocation in subsequent years  
24 until fully utilized, except as otherwise provided in section 12  
25 of this act. The officer shall allocate credits based on priority  
26 date, from earliest to latest. If the officer determines that  
27 the complete applications for credits in any calendar year exceed

1 the maximum amount of credits available under this section for  
2 that year, only those applications with a priority date on or  
3 before the date on which the officer makes that determination may  
4 receive an allocation in that year, and the officer shall not  
5 make additional allocations until sufficient credits are available.  
6 If the officer suspends allocations of credits pursuant to this  
7 section, applications with priority dates on or before the date of  
8 such suspension shall retain their priority dates. Once additional  
9 credits are available for allocation, the officer shall once again  
10 allocate credits based on priority date, from earliest to latest,  
11 even if the priority dates are from a prior calendar year.

12 (3) Prior to December 1 of any year, the holder of an  
13 allocation of credits under this section who has not commenced the  
14 improvements in his or her approved application shall notify the  
15 officer of his or her intent to retain or release the allocation.  
16 Any released allocation shall be added to the aggregate amount of  
17 credits available for allocation in the following year. Any holder  
18 of an allocation who fails to timely notify the officer of such  
19 intent shall be deemed to have released the allocation.

20 (4) The holder of an allocation of credits whose  
21 application was approved under this section shall start substantial  
22 work pursuant to the approved application within twenty-four months  
23 after receiving notice of approval of the application or, if no  
24 notice of approval is sent by the officer, within twenty-four  
25 months after the application is deemed approved pursuant to this  
26 section. Failure to comply with this subsection shall result  
27 in forfeiture of the allocation of credits received under this

1 section. Any such forfeited allocation shall be added to the  
2 aggregate amount of credits available for allocation for the year  
3 in which the forfeiture occurred.

4 (5) Notwithstanding subsection (1) of this section, the  
5 person applying for the credit under this section may, at its own  
6 risk, incur eligible expenditures up to six months prior to the  
7 submission of the application required under subsection (1) of this  
8 section if such eligible expenditures are limited to architectural  
9 fees, accounting and legal fees, and any costs related to the  
10 protection of the historically significant real property from  
11 deterioration.

12 Sec. 6. (1) Within twelve months after the date on which  
13 the historically significant real property is placed in service, a  
14 person whose application was approved under section 5 of this act  
15 shall file a request for final approval containing all required  
16 information with the officer on a form prescribed by the officer  
17 and shall include a fee established by the officer pursuant to  
18 section 7 of this act. The officer shall then determine whether  
19 the work substantially conforms to the application approved under  
20 section 5 of this act. If the work substantially conforms and no  
21 other significant improvements have been made to the historically  
22 significant real property that do not substantially comply with  
23 the standards, the officer shall approve the request for final  
24 approval and refer the application to the department to determine  
25 the amount of eligible expenditures, calculate the amount of  
26 the credit, and issue a certificate to the person evidencing  
27 the credit. If the work does not substantially conform to the



1 approved application or if other significant improvements have  
2 been made to the historically significant real property that do  
3 not substantially comply with the standards, the officer shall  
4 deny the request for final approval and provide the person with  
5 a written explanation of the decision. The officer shall make a  
6 determination on the request for final approval in writing within  
7 thirty days after the filing of the request. If the officer does  
8 not make a determination within thirty days after the filing of  
9 the request, the request shall be deemed approved and the person  
10 may petition the department directly to determine the amount of  
11 eligible expenditures, calculate the amount of the credit, and  
12 issue a certificate evidencing the credit. Any denial of a request  
13 for final approval by the officer pursuant to this section may  
14 be appealed, and the appeal shall be in accordance with the  
15 Administrative Procedure Act.

16 (2) The department shall divide the credit and issue  
17 multiple certificates to a person who qualifies for the credit upon  
18 reasonable request.

19 (3) In calculating the amount of the credits to be issued  
20 pursuant to this section, the department may issue credits in an  
21 amount that differs from the amount of credits allocated by the  
22 officer under section 5 of this act if such credits are supported  
23 by eligible expenditures as determined by the department, except  
24 that the department shall not issue credits in an amount exceeding  
25 one hundred ten percent of the amount of credits allocated by the  
26 officer under section 5 of this act. If the amount of credits to  
27 be issued under this section is more than the amount of credits

1 allocated by the officer pursuant to section 5 of this act, the  
2 department shall notify the officer of the difference and such  
3 amount shall be subtracted from the annual amount available for  
4 allocation under section 5 of this act. If the amount of credits  
5 to be issued under this section is less than the amount of credits  
6 allocated by the officer pursuant to section 5 of this act, the  
7 department shall notify the officer of the difference and such  
8 amount shall be added to the annual amount available for allocation  
9 under section 5 of this act.

10 (4) The department shall not issue any certificates for  
11 credits under this section until the recipient of the credit  
12 has paid to the department a fee equal to the lesser of either  
13 one-quarter of one percent of the credit amount or twenty-five  
14 thousand dollars. The department shall remit such fees to the State  
15 Treasurer for credit to the Civic and Community Center Financing  
16 Fund.

17 (5) If the recipient of the credit is (a) a corporation  
18 having an election in effect under subchapter S of the Internal  
19 Revenue Code of 1986, as amended, (b) a partnership, or (c)  
20 a limited liability company, the credit may be claimed by the  
21 shareholders of the corporation, the partners of the partnership,  
22 or the members of the limited liability company in the same manner  
23 as those shareholders, partners, or members account for their  
24 proportionate shares of the income or losses of the corporation,  
25 partnership, or limited liability company, or as provided in the  
26 bylaws or other executed agreement of the corporation, partnership,  
27 or limited liability company. Credits granted to a partnership, a

1 limited liability company taxed as a partnership, or other multiple  
2 owners of property shall be passed through to the partners,  
3 members, or owners, respectively, on a pro rata basis or pursuant  
4 to an executed agreement among the partners, members, or owners  
5 documenting any alternate distribution method.

6 (6) Subject to section 12 of this act, any credit amount  
7 that is unused may be carried forward to subsequent tax years until  
8 fully utilized.

9 (7) Credits allowed under this section may be claimed for  
10 taxable years beginning or deemed to begin on or after January 1,  
11 2015, under the Internal Revenue Code of 1986, as amended.

12 Sec. 7. The officer shall establish and collect the  
13 application fee required under section 5 of this act and the fee  
14 for the request for final approval required under section 6 of this  
15 act. Such fees shall be in amounts sufficient to offset the costs  
16 of processing and monitoring applications filed under the Nebraska  
17 Job Creation and Mainstreet Revitalization Act. Such fees shall be  
18 remitted by the officer to the State Treasurer for credit to the  
19 Nebraska Job Creation and Mainstreet Revitalization Fund.

20 Sec. 8. All or a portion of the credits received under  
21 the Nebraska Job Creation and Mainstreet Revitalization Act shall  
22 be subject to recapture by the department from the foreclosure of a  
23 lien which shall, as a condition of the department issuing credits  
24 under the act, be imposed on the historically significant real  
25 property as a lien having the priority of a tax lien. Credits shall  
26 be subject to recapture from the person owning the historically  
27 significant real property on the date the officer determines the

1 recapture event occurred if at any time during the five years after  
2 the historically significant real property is placed into service  
3 the officer determines the historically significant real property  
4 has been the subject of work not in substantial conformance with  
5 the approved application or the documents from which the credit  
6 was calculated. If the person owning the historically significant  
7 real property on the date the officer determines the recapture  
8 event occurred is a corporation having an election in effect under  
9 subchapter S of the Internal Revenue Code of 1986, as amended,  
10 a partnership, or a limited liability company, the liability of  
11 the shareholders, partners, or members for recapture shall be  
12 proportionate to their ownership in the applicable corporation,  
13 partnership, or limited liability company. Any action to recapture  
14 credits under this section may proceed only after a written notice  
15 is given to the person owning the historically significant real  
16 property on the date the officer determines the recapture event  
17 occurred and that person is allowed a six-month cure period.  
18 Thereafter, the credit shall be subject to recapture as follows:

19 (1) If the event causing recapture occurs during the  
20 first year after the historically significant real property is  
21 placed into service, one hundred percent of the credit may be  
22 recaptured;

23 (2) If the event causing recapture occurs during the  
24 second year after the historically significant real property  
25 is placed into service, eighty percent of the credit may be  
26 recaptured;

27 (3) If the event causing recapture occurs during the

1 third year after the historically significant real property is  
2 placed into service, sixty percent of the credit may be recaptured;

3 (4) If the event causing recapture occurs during the  
4 fourth year after the historically significant real property is  
5 placed into service, forty percent of the credit may be recaptured;  
6 and

7 (5) If the event causing recapture occurs during the  
8 fifth year after the historically significant real property  
9 is placed into service, twenty percent of the credit may be  
10 recaptured.

11 Sec. 9. (1) Persons who receive the original issuance  
12 of credits from the department under section 6 of this act may  
13 transfer, sell, or assign up to fifty percent of such credits to  
14 any person or legal entity. If the person who receives the original  
15 issuance of credits from the department is a political subdivision  
16 or a tax-exempt entity under section 501(c)(3) of the Internal  
17 Revenue Code of 1986, as amended, such fifty-percent limitation  
18 shall not apply.

19 (2) The credits allowed to be transferred, sold, or  
20 assigned pursuant to subsection (1) of this section may thereafter  
21 be transferred, sold, or assigned multiple times, either in whole  
22 or in part, by or to any person or legal entity.

23 (3) Any person acquiring credits under this section may  
24 use such credits to offset up to one hundred percent of such  
25 person's income tax due under the Nebraska Revenue Act of 1967 or  
26 any tax due under sections 77-907 to 77-918 or 77-3801 to 77-3807  
27 in the year the historically significant real property is placed

1 in service and in subsequent years until all credits have been  
2 utilized, except as otherwise provided in section 12 of this act.

3 (4) The person transferring, selling, or assigning the  
4 credits shall notify the officer and the department in writing  
5 within fifteen calendar days following the effective date of the  
6 transfer, sale, or assignment and shall remit to the department  
7 the certificate issued for the credits that were transferred, sold,  
8 or assigned. The department shall then issue new certificates as  
9 necessary to effectuate the transfer, sale, or assignment. The  
10 issuance of the new credits by the department shall perfect the  
11 transfer, sale, or assignment of credits.

12 (5) The department shall develop a system to track the  
13 transfer, sale, and assignment of credits and to certify the  
14 ownership of the credits.

15 (6) The department shall have, with respect to the  
16 Nebraska Job Creation and Mainstreet Revitalization Act, all  
17 authority granted to it in section 77-27,119.

18 Sec. 10. (1) The Nebraska State Historical Society  
19 and the department may each adopt and promulgate rules and  
20 regulations to carry out the Nebraska Job Creation and Mainstreet  
21 Revitalization Act.

22 (2) The Nebraska State Historical Society and the  
23 department shall issue a joint report electronically to the Revenue  
24 Committee of the Legislature no later than December 31, 2017.  
25 The report shall include, but not be limited to, (a) the total  
26 number of applications submitted under the Nebraska Job Creation  
27 and Mainstreet Revitalization Act, (b) the number of applications

1 approved or conditionally approved, (c) the number of applications  
2 outstanding, if any, (d) the number of applications denied and the  
3 basis for denial, (e) the total amount of eligible expenditures  
4 approved, (f) the total amount of credits issued, claimed, and  
5 still available for use, (g) the total amount of fees collected,  
6 (h) the name and address location of each historically significant  
7 real property identified in each application, whether approved or  
8 denied, (i) the total amount of credits transferred, sold, and  
9 assigned and a certification of the ownership of the credits,  
10 (j) the total amount of credits claimed against each tax type by  
11 category, and (k) the total amount of credits recaptured, if any.  
12 No information shall be provided in the report that is protected by  
13 state or federal confidentiality laws.

14           Sec. 11. The Nebraska Job Creation and Mainstreet  
15 Revitalization Fund is created. The fund shall be administered by  
16 the Nebraska State Historical Society and shall consist of all fees  
17 credited to the fund pursuant to section 7 of this act. The fund  
18 shall be used to administer and enforce the Nebraska Job Creation  
19 and Mainstreet Revitalization Act. Any money in the fund available  
20 for investment shall be invested by the state investment officer  
21 pursuant to the Nebraska Capital Expansion Act and the Nebraska  
22 State Funds Investment Act.

23           Sec. 12. There shall be no new applications filed under  
24 the Nebraska Job Creation and Mainstreet Revitalization Act after  
25 December 31, 2018. All applications and all credits pending or  
26 approved before such date shall continue in full force and effect,  
27 except that no credits shall be allocated under section 5 of this

1 act, issued under section 6 of this act, or used on any tax return  
2 or similar filing after December 31, 2024.

3           Sec. 13. Section 49-801.01, Revised Statutes Supplement,  
4 2013, is amended to read:

5           49-801.01 Except as provided by Article VIII, section 1B,  
6 of the Constitution of Nebraska and in sections 77-1106, 77-1108,  
7 77-1109, 77-1117, 77-1119, 77-2701.01, 77-2714 to 77-27,123,  
8 77-27,191, 77-4103, 77-4104, 77-4108, 77-5509, 77-5515, 77-5527 to  
9 77-5529, 77-5539, 77-5717 to 77-5719, 77-5728, 77-5802, 77-5803,  
10 77-5806, 77-5903, 77-6302, and 77-6306 and sections 2, 6, 8, and 9  
11 of this act, any reference to the Internal Revenue Code refers to  
12 the Internal Revenue Code of 1986 as it exists on March 8, 2013.

13           Sec. 14. Section 77-908, Revised Statutes Cumulative  
14 Supplement, 2012, is amended to read:

15           77-908 Every insurance company organized under the stock,  
16 mutual, assessment, or reciprocal plan, except fraternal benefit  
17 societies, which is transacting business in this state shall, on  
18 or before March 1 of each year, pay a tax to the director of one  
19 percent of the gross amount of direct writing premiums received by  
20 it during the preceding calendar year for business done in this  
21 state, except that (1) for group sickness and accident insurance  
22 the rate of such tax shall be five-tenths of one percent and (2)  
23 for property and casualty insurance, excluding individual sickness  
24 and accident insurance, the rate of such tax shall be one percent.  
25 A captive insurer authorized under the Captive Insurers Act that is  
26 transacting business in this state shall, on or before March 1 of  
27 each year, pay to the director a tax of one-fourth of one percent



1 of the gross amount of direct writing premiums received by such  
2 insurer during the preceding calendar year for business transacted  
3 in the state. The taxable premiums shall include premiums paid  
4 on the lives of persons residing in this state and premiums  
5 paid for risks located in this state whether the insurance was  
6 written in this state or not, including that portion of a group  
7 premium paid which represents the premium for insurance on Nebraska  
8 residents or risks located in Nebraska included within the group  
9 when the number of lives in the group exceeds five hundred. The  
10 tax shall also apply to premiums received by domestic companies  
11 for insurance written on individuals residing outside this state  
12 or risks located outside this state if no comparable tax is paid  
13 by the direct writing domestic company to any other appropriate  
14 taxing authority. Companies whose scheme of operation contemplates  
15 the return of a portion of premiums to policyholders, without such  
16 policyholders being claimants under the terms of their policies,  
17 may deduct such return premiums or dividends from their gross  
18 premiums for the purpose of tax calculations. Any such insurance  
19 company shall receive a credit on the tax imposed as provided in  
20 the Community Development Assistance Act, the Nebraska Job Creation  
21 and Mainstreet Revitalization Act, and ~~in~~ the New Markets Job  
22 Growth Investment Act.

23           Sec. 15. Section 77-2715.07, Revised Statutes Cumulative  
24 Supplement, 2012, is amended to read:

25           77-2715.07 (1) There shall be allowed to qualified  
26 resident individuals as a nonrefundable credit against the income  
27 tax imposed by the Nebraska Revenue Act of 1967:

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

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

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

8           (a) For returns filed reporting federal adjusted  
9 gross incomes of greater than twenty-nine thousand dollars, a  
10 nonrefundable credit equal to twenty-five percent of the federal  
11 credit allowed under section 21 of the Internal Revenue Code of  
12 1986, as amended;

13           (b) For returns filed reporting federal adjusted gross  
14 income of twenty-nine thousand dollars or less, a refundable credit  
15 equal to a percentage of the federal credit allowable under section  
16 21 of the Internal Revenue Code of 1986, as amended, whether or  
17 not the federal credit was limited by the federal tax liability.  
18 The percentage of the federal credit shall be one hundred percent  
19 for incomes not greater than twenty-two thousand dollars, and  
20 the percentage shall be reduced by ten percent for each one  
21 thousand dollars, or fraction thereof, by which the reported  
22 federal adjusted gross income exceeds twenty-two thousand dollars;

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

1 1986, as amended;

2 (d) A refundable credit for individuals who qualify for  
3 an income tax credit under the Angel Investment Tax Credit Act, the  
4 Nebraska Advantage Microenterprise Tax Credit Act, or the Nebraska  
5 Advantage Research and Development Act; and

6 (e) A refundable credit equal to ten percent of the  
7 federal credit allowed under section 32 of the Internal Revenue  
8 Code of 1986, as amended.

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

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

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

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

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

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

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

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

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

8           (c) A refundable credit for individuals who qualify for  
9 an income tax credit as an owner of agricultural assets under the  
10 Beginning Farmer Tax Credit Act for all taxable years beginning  
11 or deemed to begin on or after January 1, 2009, under the  
12 Internal Revenue Code of 1986, as amended. The credit allowed  
13 for each partner, shareholder, member, or beneficiary of a  
14 partnership, corporation, limited liability company, or estate  
15 or trust qualifying for an income tax credit as an owner of  
16 agricultural assets under the Beginning Farmer Tax Credit Act  
17 shall be equal to the partner's, shareholder's, member's, or  
18 beneficiary's portion of the amount of tax credit distributed  
19 pursuant to subsection (4) of section 77-5211.

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

1 amount of franchise tax paid to the state under sections 77-3801 to  
2 77-3807 by a financial institution.

3 (b) For all taxable years beginning on or after January  
4 1, 2009, under the Internal Revenue Code of 1986, as amended,  
5 there shall be allowed to each partner, shareholder, member, or  
6 beneficiary of a partnership, subchapter S corporation, limited  
7 liability company, or estate or trust a nonrefundable credit  
8 against the income tax imposed by the Nebraska Revenue Act of 1967  
9 equal to the partner's, shareholder's, member's, or beneficiary's  
10 portion of the amount of franchise tax paid to the state under  
11 sections 77-3801 to 77-3807 by a financial institution.

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

19 Sec. 16. Section 77-2717, Revised Statutes Supplement,  
20 2013, is amended to read:

21 77-2717 (1)(a)(i) For taxable years beginning or deemed  
22 to begin before January 1, 2014, the tax imposed on all resident  
23 estates and trusts shall be a percentage of the federal taxable  
24 income of such estates and trusts as modified in section 77-2716,  
25 plus a percentage of the federal alternative minimum tax and the  
26 federal tax on premature or lump-sum distributions from qualified  
27 retirement plans. The additional taxes shall be recomputed by (A)

1 substituting Nebraska taxable income for federal taxable income,  
2 (B) calculating what the federal alternative minimum tax would  
3 be on Nebraska taxable income and adjusting such calculations for  
4 any items which are reflected differently in the determination of  
5 federal taxable income, and (C) applying Nebraska rates to the  
6 result. The federal credit for prior year minimum tax, after the  
7 recomputations required by the Nebraska Revenue Act of 1967, and  
8 the credits provided in the Nebraska Advantage Microenterprise Tax  
9 Credit Act and the Nebraska Advantage Research and Development  
10 Act shall be allowed as a reduction in the income tax due. A  
11 refundable income tax credit shall be allowed for all resident  
12 estates and trusts under the Angel Investment Tax Credit Act, the  
13 Nebraska Advantage Microenterprise Tax Credit Act, and the Nebraska  
14 Advantage Research and Development Act. A nonrefundable income tax  
15 credit shall be allowed for all resident estates and trusts as  
16 provided in the New Markets Job Growth Investment Act.

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

1 refundable income tax credit shall be allowed for all resident  
2 estates and trusts under the Angel Investment Tax Credit Act, the  
3 Nebraska Advantage Microenterprise Tax Credit Act, and the Nebraska  
4 Advantage Research and Development Act. A nonrefundable income tax  
5 credit shall be allowed for all resident estates and trusts as  
6 provided in the Nebraska Job Creation and Mainstreet Revitalization  
7 Act and the New Markets Job Growth Investment Act.

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

1 Advantage Research and Development Act. A nonrefundable income tax  
2 credit shall be allowed for all nonresident estates and trusts as  
3 provided in the Nebraska Job Creation and Mainstreet Revitalization  
4 Act and the New Markets Job Growth Investment Act.

5 (2) In all instances wherein a fiduciary income tax  
6 return is required under the provisions of the Internal Revenue  
7 Code, a Nebraska fiduciary return shall be filed, except that a  
8 fiduciary return shall not be required to be filed regarding a  
9 simple trust if all of the trust's beneficiaries are residents of  
10 the State of Nebraska, all of the trust's income is derived from  
11 sources in this state, and the trust has no federal tax liability.  
12 The fiduciary shall be responsible for making the return for the  
13 estate or trust for which he or she acts, whether the income be  
14 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  
19 residents of this state shall include in their income their  
20 proportionate share of such estate's or trust's federal income and  
21 shall reduce their Nebraska tax liability by their proportionate  
22 share of the credits as provided in the Angel Investment Tax Credit  
23 Act, the Nebraska Advantage Microenterprise Tax Credit Act, the  
24 Nebraska Advantage Research and Development Act, the Nebraska Job  
25 Creation and Mainstreet Revitalization Act, and the New Markets Job  
26 Growth Investment Act. There shall be allowed to a beneficiary a  
27 refundable income tax credit under the Beginning Farmer Tax Credit



1 Act for all taxable years beginning or deemed to begin on or  
2 after January 1, 2001, under the Internal Revenue Code of 1986, as  
3 amended.

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

22 (5) In the absence of the nonresident beneficiary's  
23 executed agreement being attached to the Nebraska fiduciary return,  
24 the estate or trust shall remit a portion of such beneficiary's  
25 income which was derived from or attributable to Nebraska sources  
26 with its Nebraska return for the taxable year. For taxable years  
27 beginning or deemed to begin before January 1, 2013, the amount

1 of remittance, in such instance, shall be the highest individual  
2 income tax rate determined under section 77-2715.02 multiplied by  
3 the nonresident beneficiary's share of the estate or trust income  
4 which was derived from or attributable to sources within this  
5 state. For taxable years beginning or deemed to begin on or after  
6 January 1, 2013, the amount of remittance, in such instance, shall  
7 be the highest individual income tax rate determined under section  
8 77-2715.03 multiplied by the nonresident beneficiary's share of the  
9 estate or trust income which was derived from or attributable to  
10 sources within this state. The amount remitted shall be allowed  
11 as a credit against the Nebraska income tax liability of the  
12 beneficiary.

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

23 (7) For purposes of this section, unless the context  
24 otherwise requires, simple trust shall mean any trust instrument  
25 which (a) requires that all income shall be distributed currently  
26 to the beneficiaries, (b) does not allow amounts to be paid,  
27 permanently set aside, or used in the tax year for charitable

1 purposes, and (c) does not distribute amounts allocated in the  
2 corpus of the trust. Any trust which does not qualify as a simple  
3 trust shall be deemed a complex trust.

4 (8) For purposes of this section, any beneficiary of an  
5 estate or trust that is a grantor trust of a nonresident shall be  
6 disregarded and this section shall apply as though the nonresident  
7 grantor was the beneficiary.

8 Sec. 17. Section 77-2734.03, Revised Statutes Cumulative  
9 Supplement, 2012, is amended to read:

10 77-2734.03 (1)(a) For taxable years commencing prior to  
11 January 1, 1997, any (i) insurer paying a tax on premiums and  
12 assessments pursuant to section 77-908 or 81-523, (ii) electric  
13 cooperative organized under the Joint Public Power Authority Act,  
14 or (iii) credit union shall be credited, in the computation of  
15 the tax due under the Nebraska Revenue Act of 1967, with the  
16 amount paid during the taxable year as taxes on such premiums and  
17 assessments and taxes in lieu of intangible tax.

18 (b) For taxable years commencing on or after January 1,  
19 1997, any insurer paying a tax on premiums and assessments pursuant  
20 to section 77-908 or 81-523, any electric cooperative organized  
21 under the Joint Public Power Authority Act, or any credit union  
22 shall be credited, in the computation of the tax due under the  
23 Nebraska Revenue Act of 1967, with the amount paid during the  
24 taxable year as (i) taxes on such premiums and assessments included  
25 as Nebraska premiums and assessments under section 77-2734.05 and  
26 (ii) taxes in lieu of intangible tax.

27 (c) For taxable years commencing or deemed to commence

1 prior to, on, or after January 1, 1998, any insurer paying a tax on  
2 premiums and assessments pursuant to section 77-908 or 81-523 shall  
3 be credited, in the computation of the tax due under the Nebraska  
4 Revenue Act of 1967, with the amount paid during the taxable year  
5 as assessments allowed as an offset against premium and related  
6 retaliatory tax liability pursuant to section 44-4233.

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

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

15 (4) The changes made to this section by Laws 2004, LB  
16 983, apply to motor fuels purchased during any tax year ending  
17 or deemed to end on or after January 1, 2005, under the Internal  
18 Revenue Code of 1986, as amended.

19 (5) There shall be allowed to corporate taxpayers  
20 refundable income tax credits under the Nebraska Advantage  
21 Microenterprise Tax Credit Act and the Nebraska Advantage Research  
22 and Development Act.

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

26 (7) There shall be allowed to corporate taxpayers a  
27 nonrefundable income tax credit as provided in the Nebraska Job

1 Creation and Mainstreet Revitalization Act and the New Markets Job  
2 Growth Investment Act.

3           Sec. 18. Section 77-3806, Revised Statutes Cumulative  
4 Supplement, 2012, is amended to read:

5           77-3806 (1) The tax return shall be filed and the total  
6 amount of the franchise tax shall be due on the fifteenth day of  
7 the third month after the end of the taxable year. No extension  
8 of time to pay the tax shall be granted. If the Tax Commissioner  
9 determines that the amount of tax can be computed from available  
10 information filed by the financial institutions with either state  
11 or federal regulatory agencies, the Tax Commissioner may, by  
12 regulation, waive the requirement for the financial institutions to  
13 file returns.

14           (2) Sections 77-2714 to 77-27,135 relating to  
15 deficiencies, penalties, interest, the collection of delinquent  
16 amounts, and appeal procedures for the tax imposed by section  
17 77-2734.02 shall also apply to the tax imposed by section 77-3802.  
18 If the filing of a return is waived by the Tax Commissioner, the  
19 payment of the tax shall be considered the filing of a return for  
20 purposes of sections 77-2714 to 77-27,135.

21           (3) No refund of the tax imposed by section 77-3802 shall  
22 be allowed unless a claim for such refund is filed within ninety  
23 days of the date on which (a) the tax is due or was paid, whichever  
24 is later, or (b) a change is made to the amount of deposits or  
25 the net financial income of the financial institution by a state or  
26 federal regulatory agency.

27           (4) Any such financial institution shall receive a

1 credit on the franchise tax as provided under the Community  
2 Development Assistance Act, the Nebraska Job Creation and  
3 Mainstreet Revitalization Act, and ~~under~~ the New Markets Job Growth  
4 Investment Act.

5           Sec. 19. Original sections 77-908, 77-2715.07,  
6 77-2734.03, and 77-3806, Revised Statutes Cumulative Supplement,  
7 2012, and sections 49-801.01 and 77-2717, Revised Statutes  
8 Supplement, 2013, are repealed.