

LEGISLATURE OF NEBRASKA  
ONE HUNDRED THIRD LEGISLATURE  
SECOND SESSION  
**LEGISLATIVE BILL 913**

Introduced by Kolowski, 31.

Read first time January 15, 2014

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section  
2 77-2715.07, Revised Statutes Cumulative Supplement, 2012;  
3 to provide for an income tax credit for property 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 77-2715.07, Revised Statutes  
2 Cumulative Supplement, 2012, is amended to read:

3                   77-2715.07 (1) There shall be allowed to qualified  
4 resident individuals as a nonrefundable credit against the income tax  
5 imposed by the Nebraska Revenue Act of 1967:

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

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

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

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

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

1 gross income exceeds twenty-two thousand dollars;

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

8 (d) A refundable credit for individuals who qualify for  
9 an income tax credit under the Angel Investment Tax Credit Act, the  
10 Nebraska Advantage Microenterprise Tax Credit Act, or the Nebraska  
11 Advantage Research and Development Act; and

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

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

18 (a) A credit for personal exemptions allowed under  
19 section 77-2716.01;

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

1 reports the partnership, subchapter S corporation, estate, trust, or  
2 limited liability company income;

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

5 (d) A credit as provided in the New Markets Job Growth  
6 Investment Act.

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

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

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

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

25 (5)(a) For all taxable years beginning on or after

1 January 1, 2007, and before January 1, 2009, under the Internal  
2 Revenue Code of 1986, as amended, there shall be allowed to each  
3 partner, shareholder, member, or beneficiary of a partnership,  
4 subchapter S corporation, limited liability company, or estate or  
5 trust a nonrefundable credit against the income tax imposed by the  
6 Nebraska Revenue Act of 1967 equal to fifty percent of the partner's,  
7 shareholder's, member's, or beneficiary's portion of the amount of  
8 franchise tax paid to the state under sections 77-3801 to 77-3807 by  
9 a financial institution.

10 (b) For all taxable years beginning on or after January  
11 1, 2009, under the Internal Revenue Code of 1986, as amended, there  
12 shall be allowed to each partner, shareholder, member, or beneficiary  
13 of a partnership, subchapter S corporation, limited liability  
14 company, or estate or trust a nonrefundable credit against the income  
15 tax imposed by the Nebraska Revenue Act of 1967 equal to the  
16 partner's, shareholder's, member's, or beneficiary's portion of the  
17 amount of franchise tax paid to the state under sections 77-3801 to  
18 77-3807 by a financial institution.

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

1           (6)(a) For all taxable years beginning or deemed to begin  
2 on or after January 1, 2014, under the Internal Revenue Code of 1986,  
3 as amended, there shall be allowed to resident individuals against  
4 the income tax imposed by the Nebraska Revenue Act of 1967 a  
5 nonrefundable credit for property taxes paid on the primary residence  
6 of such individual. The amount of the credit shall be the property  
7 taxes paid on the primary residence during the tax year, but not to  
8 exceed two hundred fifty dollars or, for married persons filing a  
9 joint return, not to exceed five hundred dollars.

10           (b) The credit provided under this subsection shall not  
11 be allowed if federal adjusted gross income exceeds:

12           (i) For married persons filing a joint return, two  
13 hundred thousand dollars; or

14           (ii) For all other returns, one hundred thousand dollars.

15           (c) The Tax Commissioner shall develop a form for use by  
16 the taxpayer and the Department of Revenue which provides sufficient  
17 proof of ownership, residence, and taxes paid in the tax year.

18           (d) Every biennium, the Legislature shall reexamine the  
19 amount of such credit based on economic conditions, fiscal  
20 conditions, and other relevant factors.

21           Sec. 2. Original section 77-2715.07, Revised Statutes  
22 Cumulative Supplement, 2012, is repealed.