

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1085

Introduced by Davis, 43.

Read first time January 20, 2016

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
2 77-2717 and 77-2734.03, Revised Statutes Cumulative Supplement,
3 2014, and sections 77-2715.07 and 77-27,235, Revised Statutes
4 Supplement, 2015; to change a renewable energy tax credit; to define
5 a term; to harmonize provisions; and to repeal the original
6 sections.

7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2715.07, Revised Statutes Supplement, 2015, is
2 amended to read:

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

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

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

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

12 (a) For returns filed reporting federal adjusted gross incomes of
13 greater than twenty-nine thousand dollars, a nonrefundable credit equal
14 to twenty-five percent of the federal credit allowed under section 21 of
15 the Internal Revenue Code of 1986, as amended, except that for taxable
16 years beginning or deemed to begin on or after January 1, 2015, such
17 nonrefundable credit shall be allowed only if the individual would have
18 received the federal credit allowed under section 21 of the code after
19 adding back in any carryforward of a net operating loss that was deducted
20 pursuant to such section in determining eligibility for the federal
21 credit;

22 (b) For returns filed reporting federal adjusted gross income of
23 twenty-nine thousand dollars or less, a refundable credit equal to a
24 percentage of the federal credit allowable under section 21 of the
25 Internal Revenue Code of 1986, as amended, whether or not the federal
26 credit was limited by the federal tax liability. The percentage of the
27 federal credit shall be one hundred percent for incomes not greater than
28 twenty-two thousand dollars, and the percentage shall be reduced by ten
29 percent for each one thousand dollars, or fraction thereof, by which the
30 reported federal adjusted gross income exceeds twenty-two thousand
31 dollars, except that for taxable years beginning or deemed to begin on or

1 after January 1, 2015, such refundable credit shall be allowed only if
2 the individual would have received the federal credit allowed under
3 section 21 of the code after adding back in any carryforward of a net
4 operating loss that was deducted pursuant to such section in determining
5 eligibility for the federal credit;

6 (c) A refundable credit as provided in section 77-5209.01 for
7 individuals who qualify for an income tax credit as a qualified beginning
8 farmer or livestock producer under the Beginning Farmer Tax Credit Act
9 for all taxable years beginning or deemed to begin on or after January 1,
10 2006, under the Internal Revenue Code of 1986, as amended;

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

15 (e) A refundable credit equal to ten percent of the federal credit
16 allowed under section 32 of the Internal Revenue Code of 1986, as
17 amended, except that for taxable years beginning or deemed to begin on or
18 after January 1, 2015, such refundable credit shall be allowed only if
19 the individual would have received the federal credit allowed under
20 section 32 of the code after adding back in any carryforward of a net
21 operating loss that was deducted pursuant to such section in determining
22 eligibility for the federal credit.

23 (3) There shall be allowed to all individuals as a nonrefundable
24 credit against the income tax imposed by the Nebraska Revenue Act of
25 1967:

26 (a) A credit for personal exemptions allowed under section
27 77-2716.01;

28 (b) A credit for contributions to certified community betterment
29 programs as provided in the Community Development Assistance Act. Each
30 partner, each shareholder of an electing subchapter S corporation, each
31 beneficiary of an estate or trust, or each member of a limited liability

1 company shall report his or her share of the credit in the same manner
2 and proportion as he or she reports the partnership, subchapter S
3 corporation, estate, trust, or limited liability company income;

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

6 (d) A credit as provided in the New Markets Job Growth Investment
7 Act;~~and~~

8 (e) A credit as provided in the Nebraska Job Creation and Mainstreet
9 Revitalization Act; and -

10 (f) A credit as provided in section 77-27,235.

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

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

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

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

29 (5)(a) For all taxable years beginning on or after January 1, 2007,
30 and before January 1, 2009, under the Internal Revenue Code of 1986, as
31 amended, there shall be allowed to each partner, shareholder, member, or

1 beneficiary of a partnership, subchapter S corporation, limited liability
2 company, or estate or trust a nonrefundable credit against the income tax
3 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the
4 partner's, shareholder's, member's, or beneficiary's portion of the
5 amount of franchise tax paid to the state under sections 77-3801 to
6 77-3807 by a financial institution.

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

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

21 Sec. 2. Section 77-2717, Revised Statutes Cumulative Supplement,
22 2014, is amended to read:

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

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

13 (ii) For taxable years beginning or deemed to begin on or after
14 January 1, 2014, the tax imposed on all resident estates and trusts shall
15 be a percentage of the federal taxable income of such estates and trusts
16 as modified in section 77-2716, plus a percentage of the federal tax on
17 premature or lump-sum distributions from qualified retirement plans. The
18 additional taxes shall be recomputed by substituting Nebraska taxable
19 income for federal taxable income and applying Nebraska rates to the
20 result. The credits provided in the Nebraska Advantage Microenterprise
21 Tax Credit Act and the Nebraska Advantage Research and Development Act
22 shall be allowed as a reduction in the income tax due. A refundable
23 income tax credit shall be allowed for all resident estates and trusts
24 under the Angel Investment Tax Credit Act, the Nebraska Advantage
25 Microenterprise Tax Credit Act, and the Nebraska Advantage Research and
26 Development Act. A nonrefundable income tax credit shall be allowed for
27 all resident estates and trusts as provided in the Nebraska Job Creation
28 and Mainstreet Revitalization Act, ~~and~~ the New Markets Job Growth
29 Investment Act, and section 77-27,235.

30 (b) The tax imposed on all nonresident estates and trusts shall be
31 the portion of the tax imposed on resident estates and trusts which is

1 attributable to the income derived from sources within this state. The
2 tax which is attributable to income derived from sources within this
3 state shall be determined by multiplying the liability to this state for
4 a resident estate or trust with the same total income by a fraction, the
5 numerator of which is the nonresident estate's or trust's Nebraska income
6 as determined by sections 77-2724 and 77-2725 and the denominator of
7 which is its total federal income after first adjusting each by the
8 amounts provided in section 77-2716. The federal credit for prior year
9 minimum tax, after the recomputations required by the Nebraska Revenue
10 Act of 1967, reduced by the percentage of the total income which is
11 attributable to income from sources outside this state, and the credits
12 provided in the Nebraska Advantage Microenterprise Tax Credit Act and the
13 Nebraska Advantage Research and Development Act shall be allowed as a
14 reduction in the income tax due. A refundable income tax credit shall be
15 allowed for all nonresident estates and trusts under the Angel Investment
16 Tax Credit Act, the Nebraska Advantage Microenterprise Tax Credit Act,
17 and the Nebraska Advantage Research and Development Act. A nonrefundable
18 income tax credit shall be allowed for all nonresident estates and trusts
19 as provided in the Nebraska Job Creation and Mainstreet Revitalization
20 Act, ~~and~~ the New Markets Job Growth Investment Act, and section
21 77-27,235.

22 (2) In all instances wherein a fiduciary income tax return is
23 required under the provisions of the Internal Revenue Code, a Nebraska
24 fiduciary return shall be filed, except that a fiduciary return shall not
25 be required to be filed regarding a simple trust if all of the trust's
26 beneficiaries are residents of the State of Nebraska, all of the trust's
27 income is derived from sources in this state, and the trust has no
28 federal tax liability. The fiduciary shall be responsible for making the
29 return for the estate or trust for which he or she acts, whether the
30 income be taxable to the estate or trust or to the beneficiaries thereof.
31 The fiduciary shall include in the return a statement of each

1 beneficiary's distributive share of net income when such income is
2 taxable to such beneficiaries.

3 (3) The beneficiaries of such estate or trust who are residents of
4 this state shall include in their income their proportionate share of
5 such estate's or trust's federal income and shall reduce their Nebraska
6 tax liability by their proportionate share of the credits as provided in
7 the Angel Investment Tax Credit Act, the Nebraska Advantage
8 Microenterprise Tax Credit Act, the Nebraska Advantage Research and
9 Development Act, the Nebraska Job Creation and Mainstreet Revitalization
10 Act, ~~and~~ the New Markets Job Growth Investment Act, and section
11 77-27,235. There shall be allowed to a beneficiary a refundable income
12 tax credit under the Beginning Farmer Tax Credit Act for all taxable
13 years beginning or deemed to begin on or after January 1, 2001, under the
14 Internal Revenue Code of 1986, as amended.

15 (4) If any beneficiary of such estate or trust is a nonresident
16 during any part of the estate's or trust's taxable year, he or she shall
17 file a Nebraska income tax return which shall include (a) in Nebraska
18 adjusted gross income that portion of the estate's or trust's Nebraska
19 income, as determined under sections 77-2724 and 77-2725, allocable to
20 his or her interest in the estate or trust and (b) a reduction of the
21 Nebraska tax liability by his or her proportionate share of the credits
22 as provided in the Angel Investment Tax Credit Act, the Nebraska
23 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
24 and Development Act, the Nebraska Job Creation and Mainstreet
25 Revitalization Act, ~~and~~ the New Markets Job Growth Investment Act, and
26 section 77-27,235 and shall execute and forward to the fiduciary, on or
27 before the original due date of the Nebraska fiduciary return, an
28 agreement which states that he or she will file a Nebraska income tax
29 return and pay income tax on all income derived from or connected with
30 sources in this state, and such agreement shall be attached to the
31 Nebraska fiduciary return for such taxable year.

1 (5) In the absence of the nonresident beneficiary's executed
2 agreement being attached to the Nebraska fiduciary return, the estate or
3 trust shall remit a portion of such beneficiary's income which was
4 derived from or attributable to Nebraska sources with its Nebraska return
5 for the taxable year. For taxable years beginning or deemed to begin
6 before January 1, 2013, the amount of remittance, in such instance, shall
7 be the highest individual income tax rate determined under section
8 77-2715.02 multiplied by the nonresident beneficiary's share of the
9 estate or trust income which was derived from or attributable to sources
10 within this state. For taxable years beginning or deemed to begin on or
11 after January 1, 2013, the amount of remittance, in such instance, shall
12 be the highest individual income tax rate determined under section
13 77-2715.03 multiplied by the nonresident beneficiary's share of the
14 estate or trust income which was derived from or attributable to sources
15 within this state. The amount remitted shall be allowed as a credit
16 against the Nebraska income tax liability of the beneficiary.

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

26 (7) For purposes of this section, unless the context otherwise
27 requires, simple trust shall mean any trust instrument which (a) requires
28 that all income shall be distributed currently to the beneficiaries, (b)
29 does not allow amounts to be paid, permanently set aside, or used in the
30 tax year for charitable purposes, and (c) does not distribute amounts
31 allocated in the corpus of the trust. Any trust which does not qualify as

1 a simple trust shall be deemed a complex trust.

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

6 Sec. 3. Section 77-2734.03, Revised Statutes Cumulative Supplement,
7 2014, is amended to read:

8 77-2734.03 (1)(a) For taxable years commencing prior to January 1,
9 1997, any (i) insurer paying a tax on premiums and assessments pursuant
10 to section 77-908 or 81-523, (ii) electric cooperative organized under
11 the Joint Public Power Authority Act, or (iii) credit union shall be
12 credited, in the computation of the tax due under the Nebraska Revenue
13 Act of 1967, with the amount paid during the taxable year as taxes on
14 such premiums and assessments and taxes in lieu of intangible tax.

15 (b) For taxable years commencing on or after January 1, 1997, any
16 insurer paying a tax on premiums and assessments pursuant to section
17 77-908 or 81-523, any electric cooperative organized under the Joint
18 Public Power Authority Act, or any credit union shall be credited, in the
19 computation of the tax due under the Nebraska Revenue Act of 1967, with
20 the amount paid during the taxable year as (i) taxes on such premiums and
21 assessments included as Nebraska premiums and assessments under section
22 77-2734.05 and (ii) taxes in lieu of intangible tax.

23 (c) For taxable years commencing or deemed to commence prior to, on,
24 or after January 1, 1998, any insurer paying a tax on premiums and
25 assessments pursuant to section 77-908 or 81-523 shall be credited, in
26 the computation of the tax due under the Nebraska Revenue Act of 1967,
27 with the amount paid during the taxable year as assessments allowed as an
28 offset against premium and related retaliatory tax liability pursuant to
29 section 44-4233.

30 (2) There shall be allowed to corporate taxpayers a tax credit for
31 contributions to community betterment programs as provided in the

1 Community Development Assistance Act.

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

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

10 (5) There shall be allowed to corporate taxpayers refundable income
11 tax credits under the Nebraska Advantage Microenterprise Tax Credit Act
12 and the Nebraska Advantage Research and Development Act.

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

16 (7) There shall be allowed to corporate taxpayers a nonrefundable
17 income tax credit as provided in the Nebraska Job Creation and Mainstreet
18 Revitalization Act and the New Markets Job Growth Investment Act.

19 (8) There shall be allowed to corporate taxpayers a nonrefundable
20 income tax credit as provided in section 77-27,235.

21 Sec. 4. Section 77-27,235, Revised Statutes Supplement, 2015, is
22 amended to read:

23 77-27,235 (1) For purposes of this section, renewable electric
24 generation facility means an electrical generating facility that is
25 located in a county with a population of less than seven thousand
26 inhabitants and is approved by the Department of Revenue as a community-
27 based energy development project as defined in section 70-1903.

28 (2) Any producer of electricity generated by a new renewable
29 electric generation facility placed into commercial operation on or after
30 the effective date of this act may claim ~~shall earn~~ a renewable energy
31 tax credit as provided in this section. The credit may be used to offset

1 up to one hundred percent of the producer's income tax due under the
2 Nebraska Revenue Act of 1967 or any tax due under sections 77-907 to
3 77-918 or 77-3801 to 77-3807 in the year the renewable electric
4 generation facility is placed into commercial operation and in subsequent
5 years until all credits have been utilized, subject to the limitations in
6 subsection (7) of this section. The credit shall be calculated under one
7 of the following two methods: For electricity generated on or after July
8 14, 2006, and before October 1, 2007, the credit shall be .075 cent for
9 each kilowatt-hour of electricity generated by a new renewable electric
10 generation facility. For electricity generated on or after October 1,
11 2007, and before January 1, 2010, the credit shall be .1 cent for each
12 kilowatt-hour of electricity generated by a new renewable electric
13 generation facility. For electricity generated on or after January 1,
14 2010, and before January 1, 2013, the credit shall be .075 cent per
15 kilowatt-hour for electricity generated by a new renewable electric
16 generation facility. For electricity generated on or after January 1,
17 2013, the credit shall be .05 cent per kilowatt-hour for electricity
18 generated by a new renewable electric generation facility. The credit may
19 be earned for production of electricity for ten years after the date that
20 the facility is placed in operation on or after July 14, 2006.

21 (a) A credit based on each kilowatt-hour of electricity generated by
22 a renewable electric generation facility that begins commercial operation
23 on or after the effective date of this act. The credit allowed under this
24 subdivision shall be earned for electricity generated during the first
25 ten years of commercial operation of the facility and shall be calculated
26 as follows:

27 (i) For the first two years of commercial operation, the credit
28 shall be equal to one cent for each kilowatt-hour of electricity
29 generated by the facility;

30 (ii) For the next two years of commercial operation, the credit
31 shall be equal to 0.9 cent for each kilowatt-hour of electricity

1 generated by the facility;

2 (iii) For the next two years of commercial operation, the credit
3 shall be equal to 0.8 cent for each kilowatt-hour of electricity
4 generated by the facility;

5 (iv) For the next two years of commercial operation, the credit
6 shall be equal to 0.7 cent for each kilowatt-hour of electricity
7 generated by the facility; and

8 (v) For the next two years of commercial operation, the credit shall
9 be equal to 0.6 cent for each kilowatt-hour of electricity generated by
10 the facility; or

11 (b) A one-time credit equal to thirty percent of the total cost of
12 construction of any renewable electric generation facility that begins
13 commercial operation on or after the effective date of this act. The
14 credit allowed under this subdivision shall not exceed two million
15 dollars.

16 (3) A renewable electric generation facility may generate
17 electricity using fuel sources other than those listed in subdivision (1)
18 of section 70-1903, but only electricity generated from the fuel sources
19 listed in such subdivision shall be eligible for the credit allowed under
20 subdivision (2)(a) of this section.

21 (4) The producer earning the credit shall select which of the
22 methods described in subsection (2) of this section will be used to
23 calculate the credit prior to placing the renewable electric generation
24 facility into commercial operation. The producer shall notify the
25 Department of Revenue in writing of its selection.

26 (5) On or before February 15 of each year after placing the
27 renewable electric generation facility into commercial operation, the
28 operator of a facility seeking credits under subdivision (2)(a) of this
29 section shall file with the Department of Revenue a report on the actual
30 production of the facility for the previous year from January 1 through
31 December 31.

1 (6)(a) If the renewable electric generation facility has a nameplate
2 capacity of twenty megawatts or less, the credit allowed under this
3 section may be transferred, sold, pledged, or assigned one or more times,
4 either in whole or in part, by or to any person or legal entity. For
5 purposes of the nameplate capacity limitation in this subsection, all
6 generating equipment located within one mile of any other generating
7 equipment using the same fuel source and interconnecting to such other
8 generating equipment shall be considered part of a single facility.

9 (b) The person transferring, selling, pledging, or assigning the
10 credit under this subsection shall notify the Department of Revenue in
11 writing within fifteen calendar days following the effective date of the
12 transfer, sale, pledge, or assignment.

13 (c) The person acquiring the credit under this subsection may claim
14 the credit against up to one hundred percent of the person's income tax
15 due under the Nebraska Revenue Act of 1967 or any tax due under sections
16 77-907 to 77-918 or 77-3801 to 77-3807 in the year the renewable electric
17 generation facility is placed into commercial operation and in subsequent
18 years until all credits have been utilized, subject to the limitations in
19 subsection (7) of this section.

20 (7) Any credits under this section which are unused may be carried
21 forward for up to five years after the first tax year in which the
22 credits may be claimed.

23 (8) If the recipient of the credit under this section is a
24 corporation having an election in effect under subchapter S of the
25 Internal Revenue Code of 1986, as amended, a partnership, or a limited
26 liability company, the credit may be distributed to the shareholders of
27 the subchapter S corporation, the partners of the partnership, or the
28 members of the limited liability company in the same manner as those
29 shareholders, partners, or members account for their proportionate shares
30 of the income or losses of the subchapter S corporation, partnership, or
31 limited liability company, or as provided in the bylaws or other executed

1 agreement of the subchapter S corporation, partnership, or limited
2 liability company.

3 (9) The Department of Revenue shall develop a system to track the
4 transfer, sale, pledge, and assignment of credits and to certify the
5 ownership of the credits.

6 (10) Credits allowed under this section may be claimed for tax years
7 beginning or deemed to begin on or after January 1, 2018, under the
8 Internal Revenue Code of 1986, as amended.

9 (11) Any tax credit claimed under this section shall be considered a
10 payment of tax for purposes of subsection (1) of section 77-2734.03.

11 ~~(2) For purposes of this section:~~

12 ~~(a) Electricity generated by a new renewable electric generation~~
13 ~~facility means electricity that is exclusively produced by a new~~
14 ~~renewable electric generation facility;~~

15 ~~(b) Eligible renewable resources means wind, moving water, solar,~~
16 ~~geothermal, fuel cell, methane gas, or photovoltaic technology; and~~

17 ~~(c) New renewable electric generation facility means an electrical~~
18 ~~generating facility located in this state that is first placed into~~
19 ~~service on or after July 14, 2006, which utilizes eligible renewable~~
20 ~~resources as its fuel source.~~

21 ~~(3) The credit allowed under this section may be used to reduce the~~
22 ~~producer's Nebraska income tax liability or to obtain a refund of state~~
23 ~~sales and use taxes paid by the producer of electricity generated by a~~
24 ~~new renewable electric generation facility. A claim to use the credit for~~
25 ~~refund of the state sales and use taxes paid, either directly or~~
26 ~~indirectly, by the producer may be filed quarterly for electricity~~
27 ~~generated during the previous quarter by the twentieth day of the month~~
28 ~~following the end of the calendar quarter. The credit may be used to~~
29 ~~obtain a refund of state sales and use taxes paid during the quarter~~
30 ~~immediately preceding the quarter in which the claim for refund is made,~~
31 ~~except that the amount refunded under this subsection shall not exceed~~

1 ~~the amount of the state sales and use taxes paid during the quarter.~~

2 (12 4) The Department of Revenue may adopt and promulgate rules and
3 regulations to carry out this section and to permit verification of the
4 validity and timeliness of any renewable energy tax credit claimed.

5 ~~(5) The total amount of renewable energy tax credits that may be~~
6 ~~used by all taxpayers shall be limited to fifty thousand dollars without~~
7 ~~further authorization from the Legislature.~~

8 ~~(6) The credit allowed under this section may not be claimed by a~~
9 ~~producer who received a sales tax exemption under section 77-2704.57 for~~
10 ~~the new renewable electric generation facility.~~

11 (13 7) Interest shall not be allowed on any refund paid under this
12 section.

13 (14) The Department of Revenue shall have, with respect to the
14 credits authorized under this section, all authority granted to it in
15 section 77-27,119.

16 (15) The Department of Revenue shall provide an annual report to the
17 Legislature beginning on July 1, 2018, and each July 1 thereafter. The
18 report shall include (a) the number of facilities receiving credits under
19 this section, (b) the amount of credits earned, (c) the amount of credits
20 claimed, and (d) the amount of credits outstanding.

21 (16) This section terminates on December 31, 2022, unless extended
22 by the Legislature.

23 Sec. 5. Original sections 77-2717 and 77-2734.03, Revised Statutes
24 Cumulative Supplement, 2014, and sections 77-2715.07 and 77-27,235,
25 Revised Statutes Supplement, 2015, are repealed.