

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 322

Introduced by Bolz, 29.

Read first time January 15, 2015

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend section
- 2 77-2715.07, Revised Statutes Cumulative Supplement, 2014; to
- 3 increase child and dependent care tax credits as prescribed; to
- 4 provide 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 77-2715.07, Revised Statutes Cumulative
2 Supplement, 2014, is 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 ~~fifty-two~~ ~~twenty-nine~~ thousand dollars, a nonrefundable
14 credit equal to ~~thirty~~ ~~twenty-five~~ percent of the federal credit allowed
15 under section 21 of the Internal Revenue Code of 1986, as amended;

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

27 (c) A refundable credit as provided in section 77-5209.01 for
28 individuals who qualify for an income tax credit as a qualified beginning
29 farmer or livestock producer under the Beginning Farmer Tax Credit Act
30 for all taxable years beginning or deemed to begin on or after January 1,
31 2006, under the Internal Revenue Code of 1986, as amended;

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

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

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

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

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

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

22 (d) A credit as provided in the New Markets Job Growth Investment
23 Act; and

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

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

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

30 (b) A credit to all estates and trusts for contributions to
31 certified community betterment programs as provided in the Community

1 Development Assistance Act; and

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

13 (5)(a) For all taxable years beginning on or after January 1, 2007,
14 and before January 1, 2009, under the Internal Revenue Code of 1986, as
15 amended, there shall be allowed to each partner, shareholder, member, or
16 beneficiary of a partnership, subchapter S corporation, limited liability
17 company, or estate or trust a nonrefundable credit against the income tax
18 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the
19 partner's, shareholder's, member's, or beneficiary's portion of the
20 amount of franchise tax paid to the state under sections 77-3801 to
21 77-3807 by a financial institution.

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

30 (c) Each partner, shareholder, member, or beneficiary shall report
31 his or her share of the credit in the same manner and proportion as he or

1 she reports the partnership, subchapter S corporation, limited liability
2 company, or estate or trust income. If any partner, shareholder, member,
3 or beneficiary cannot fully utilize the credit for that year, the credit
4 may not be carried forward or back.

5 Sec. 2. This act becomes operative for all taxable years beginning
6 or deemed to begin on or after January 1, 2016, under the Internal
7 Revenue Code of 1986, as amended.

8 Sec. 3. Original section 77-2715.07, Revised Statutes Cumulative
9 Supplement, 2014, is repealed.