

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 920

Introduced by Bolz, 29.

Read first time January 09, 2018

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend section
- 2 77-2715.07, Revised Statutes Cumulative Supplement, 2016; to change
- 3 provisions relating to a child and dependent care tax credit; 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, 2016, 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 but less than one
14 hundred fifty thousand dollars, a nonrefundable credit equal to thirty
15 ~~twenty-five~~ percent of the federal credit allowed under section 21 of the
16 Internal Revenue Code of 1986, as amended, except that for taxable years
17 beginning or deemed to begin on or after January 1, 2015, such
18 nonrefundable credit shall be allowed only if the individual would have
19 received the federal credit allowed under section 21 of the code after
20 adding back in any carryforward of a net operating loss that was deducted
21 pursuant to such section in determining eligibility for the federal
22 credit;

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

1 exceeds thirty-two ~~twenty-two~~ thousand dollars, except that for taxable
2 years beginning or deemed to begin on or after January 1, 2015, such
3 refundable credit shall be allowed only if the individual would have
4 received the federal credit allowed under section 21 of the code after
5 adding back in any carryforward of a net operating loss that was deducted
6 pursuant to such section in determining eligibility for the federal
7 credit;

8 (c) A refundable credit as provided in section 77-5209.01 for
9 individuals who qualify for an income tax credit as a qualified beginning
10 farmer or livestock producer under the Beginning Farmer Tax Credit Act
11 for all taxable years beginning or deemed to begin on or after January 1,
12 2006, under the Internal Revenue Code of 1986, as amended;

13 (d) A refundable credit for individuals who qualify for an income
14 tax credit under the Angel Investment Tax Credit Act, the Nebraska
15 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
16 and Development Act, or the Volunteer Emergency Responders Incentive Act;
17 and

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

26 (3) There shall be allowed to all individuals as a nonrefundable
27 credit against the income tax imposed by the Nebraska Revenue Act of
28 1967:

29 (a) A credit for personal exemptions allowed under section
30 77-2716.01;

31 (b) A credit for contributions to certified community betterment

1 programs as provided in the Community Development Assistance Act. Each
2 partner, each shareholder of an electing subchapter S corporation, each
3 beneficiary of an estate or trust, or each member of a limited liability
4 company shall report his or her share of the credit in the same manner
5 and proportion as he or she reports the partnership, subchapter S
6 corporation, estate, trust, or limited liability company income;

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

9 (d) A credit as provided in the New Markets Job Growth Investment
10 Act;

11 (e) A credit as provided in the Nebraska Job Creation and Mainstreet
12 Revitalization Act;

13 (f) A credit to employers as provided in section 77-27,238; and

14 (g) A credit as provided in the Affordable Housing Tax Credit Act.

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

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

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

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

1 section 77-5211.

2 (5)(a) For all taxable years beginning on or after January 1, 2007,
3 and before January 1, 2009, under the Internal Revenue Code of 1986, as
4 amended, there shall be allowed to each partner, shareholder, member, or
5 beneficiary of a partnership, subchapter S corporation, limited liability
6 company, or estate or trust a nonrefundable credit against the income tax
7 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the
8 partner's, shareholder's, member's, or beneficiary's portion of the
9 amount of franchise tax paid to the state under sections 77-3801 to
10 77-3807 by a financial institution.

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

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

25 (6) There shall be allowed to all individuals nonrefundable credits
26 against the income tax imposed by the Nebraska Revenue Act of 1967 as
27 provided in section 77-3604 and refundable credits against the income tax
28 imposed by the Nebraska Revenue Act of 1967 as provided in section
29 77-3605.

30 Sec. 2. This act becomes operative for all taxable years beginning
31 or deemed to begin on or after January 1, 2019, under the Internal

1 Revenue Code of 1986, as amended.

2 Sec. 3. Original section 77-2715.07, Revised Statutes Cumulative

3 Supplement, 2016, is repealed.