

E AND R AMENDMENTS TO LB 86

Introduced by Slama, 1, Chairman Enrollment and Review

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

3 Section 1. Section 18-2101, Revised Statutes Cumulative Supplement,
4 2018, is amended to read:

5 18-2101 Sections 18-2101 to 18-2154 and section 2 of this act shall
6 be known and may be cited as the Community Development Law.

7 Sec. 2. (1) For any city that (a) intends to carry out a
8 redevelopment project which will involve the construction of workforce
9 housing in an extremely blighted area as authorized under subdivision
10 (28)(g) of section 18-2103, (b) intends to declare an area as an
11 extremely blighted area for purposes of funding decisions under
12 subdivision (1)(b) of section 58-708, or (c) intends to declare an area
13 as an extremely blighted area in order for individuals purchasing
14 residences in such area to qualify for the income tax credit authorized
15 in subsection (7) of section 77-2715.07, the governing body of such city
16 shall first declare, by resolution adopted after the public hearings
17 required under this section, such area to be an extremely blighted area.

18 (2) Prior to making such declaration, the governing body of the city
19 shall conduct or cause to be conducted a study or an analysis on whether
20 the area is extremely blighted and shall submit the question of whether
21 such area is extremely blighted to the planning commission or board of
22 the city for its review and recommendation. The planning commission or
23 board shall hold a public hearing on the question after giving notice of
24 the hearing as provided in section 18-2115.01. Such notice shall include
25 a map of sufficient size to show the area to be declared extremely
26 blighted or information on where to find such map and shall provide
27 information on where to find copies of the study or analysis conducted

1 pursuant to this subsection. The planning commission or board shall
2 submit its written recommendations to the governing body of the city
3 within thirty days after the public hearing.

4 (3) Upon receipt of the recommendations of the planning commission
5 or board, or if no recommendations are received within thirty days after
6 the public hearing required under subsection (2) of this section, the
7 governing body shall hold a public hearing on the question of whether the
8 area is extremely blighted after giving notice of the hearing as provided
9 in section 18-2115.01. Such notice shall include a map of sufficient size
10 to show the area to be declared extremely blighted or information on
11 where to find such map and shall provide information on where to find
12 copies of the study or analysis conducted pursuant to subsection (2) of
13 this section. At the public hearing, all interested parties shall be
14 afforded a reasonable opportunity to express their views respecting the
15 proposed declaration. After such hearing, the governing body of the city
16 may make its declaration.

17 (4) Copies of each study or analysis conducted pursuant to
18 subsection (2) of this section shall be posted on the city's public web
19 site or made available for public inspection at a location designated by
20 the city.

21 (5) The study or analysis required under subsection (2) of this
22 section may be conducted in conjunction with the study or analysis
23 required under section 18-2109. The hearings required under this section
24 may be held in conjunction with the hearings required under section
25 18-2109.

26 Sec. 3. Section 18-2103, Revised Statutes Cumulative Supplement,
27 2018, is amended to read:

28 18-2103 For purposes of the Community Development Law, unless the
29 context otherwise requires:

30 (1) Area of operation means and includes the area within the
31 corporate limits of the city and such land outside the city as may come

1 within the purview of sections 18-2123 and 18-2123.01;

2 (2) Authority means any community redevelopment authority created
3 pursuant to section 18-2102.01 and a city or village which has created a
4 community development agency pursuant to the provisions of section
5 18-2101.01 and does not include a limited community redevelopment
6 authority;

7 (3) Blighted area means an area (a) which, by reason of the presence
8 of a substantial number of deteriorated or deteriorating structures,
9 existence of defective or inadequate street layout, faulty lot layout in
10 relation to size, adequacy, accessibility, or usefulness, insanitary or
11 unsafe conditions, deterioration of site or other improvements, diversity
12 of ownership, tax or special assessment delinquency exceeding the fair
13 value of the land, defective or unusual conditions of title, improper
14 subdivision or obsolete platting, or the existence of conditions which
15 endanger life or property by fire and other causes, or any combination of
16 such factors, substantially impairs or arrests the sound growth of the
17 community, retards the provision of housing accommodations, or
18 constitutes an economic or social liability and is detrimental to the
19 public health, safety, morals, or welfare in its present condition and
20 use and (b) in which there is at least one of the following conditions:
21 (i) Unemployment in the designated area is at least one hundred twenty
22 percent of the state or national average; (ii) the average age of the
23 residential or commercial units in the area is at least forty years;
24 (iii) more than half of the plotted and subdivided property in an area is
25 unimproved land that has been within the city for forty years and has
26 remained unimproved during that time; (iv) the per capita income of the
27 area is lower than the average per capita income of the city or village
28 in which the area is designated; or (v) the area has had either stable or
29 decreasing population based on the last two decennial censuses. In no
30 event shall a city of the metropolitan, primary, or first class designate
31 more than thirty-five percent of the city as blighted, a city of the

1 second class shall not designate an area larger than fifty percent of the
2 city as blighted, and a village shall not designate an area larger than
3 one hundred percent of the village as blighted. A redevelopment project
4 involving a formerly used defense site as authorized under section
5 18-2123.01 shall not count towards the percentage limitations contained
6 in this subdivision;

7 (4) Bonds means any bonds, including refunding bonds, notes, interim
8 certificates, debentures, or other obligations issued pursuant to the
9 Community Development Law except for bonds issued pursuant to section
10 18-2142.04;

11 (5) Business means any private business located in an enhanced
12 employment area;

13 (6) City means any city or incorporated village in the state;

14 (7) Clerk means the clerk of the city or village;

15 (8) Community redevelopment area means a substandard and blighted
16 area which the community redevelopment authority designates as
17 appropriate for a renewal project;

18 (9) Employee means a person employed at a business as a result of a
19 redevelopment project;

20 (10) Employer-provided health benefit means any item paid for by the
21 employer in total or in part that aids in the cost of health care
22 services, including, but not limited to, health insurance, health savings
23 accounts, and employer reimbursement of health care costs;

24 (11) Enhanced employment area means an area not exceeding six
25 hundred acres (a) within a community redevelopment area which is
26 designated by an authority as eligible for the imposition of an
27 occupation tax or (b) not within a community redevelopment area as may be
28 designated under section 18-2142.04;

29 (12) Equivalent employees means the number of employees computed by
30 (a) dividing the total hours to be paid in a year by (b) the product of
31 forty times the number of weeks in a year;

1 (13) Extremely blighted area means a substandard and blighted area
2 in which: (a) The average rate of unemployment in the area during the
3 period covered by the most recent federal decennial census or American
4 Community Survey 5-Year Estimate is at least two hundred percent of the
5 average rate of unemployment in the state during the same period; and (b)
6 the average poverty rate in the area exceeds twenty percent for the total
7 federal census tract or tracts or federal census block group or block
8 groups in the area;

9 (14) Federal government means the United States of America, or any
10 agency or instrumentality, corporate or otherwise, of the United States
11 of America;

12 (15) Governing body or local governing body means the city council,
13 board of trustees, or other legislative body charged with governing the
14 municipality;

15 (16) Limited community redevelopment authority means a community
16 redevelopment authority created pursuant to section 18-2102.01 having
17 only one single specific limited pilot project authorized;

18 (17) Mayor means the mayor of the city or chairperson of the board
19 of trustees of the village;

20 (18) New investment means the value of improvements to real estate
21 made in an enhanced employment area by a developer or a business;

22 (19) Number of new employees means the number of equivalent
23 employees that are employed at a business as a result of the
24 redevelopment project during a year that are in excess of the number of
25 equivalent employees during the year immediately prior to the year that a
26 redevelopment plan is adopted;

27 (20) Obligee means any bondholder, agent, or trustee for any
28 bondholder, or lessor demising to any authority, established pursuant to
29 section 18-2102.01, property used in connection with a redevelopment
30 project, or any assignee or assignees of such lessor's interest or any
31 part thereof, and the federal government when it is a party to any

1 contract with such authority;

2 (21) Occupation tax means a tax imposed under section 18-2142.02;

3 (22) Person means any individual, firm, partnership, limited
4 liability company, corporation, company, association, joint-stock
5 association, or body politic and includes any trustee, receiver,
6 assignee, or other similar representative thereof;

7 (23) Public body means the state or any municipality, county,
8 township, board, commission, authority, district, or other political
9 subdivision or public body of the state;

10 (24) Real property means all lands, including improvements and
11 fixtures thereon, and property of any nature appurtenant thereto, or used
12 in connection therewith, and every estate, interest and right, legal or
13 equitable, therein, including terms for years and liens by way of
14 judgment, mortgage, or otherwise, and the indebtedness secured by such
15 liens;

16 (25) Redeveloper means any person, partnership, or public or private
17 corporation or agency which enters or proposes to enter into a
18 redevelopment contract;

19 (26) Redevelopment contract means a contract entered into between an
20 authority and a redeveloper for the redevelopment of an area in
21 conformity with a redevelopment plan;

22 (27) Redevelopment plan means a plan, as it exists from time to time
23 for one or more community redevelopment areas, or for a redevelopment
24 project, which (a) conforms to the general plan for the municipality as a
25 whole and (b) is sufficiently complete to indicate such land acquisition,
26 demolition and removal of structures, redevelopment, improvements, and
27 rehabilitation as may be proposed to be carried out in the community
28 redevelopment area, zoning and planning changes, if any, land uses,
29 maximum densities, and building requirements;

30 (28) Redevelopment project means any work or undertaking in one or
31 more community redevelopment areas: (a) To acquire substandard and

1 blighted areas or portions thereof, including lands, structures, or
2 improvements the acquisition of which is necessary or incidental to the
3 proper clearance, development, or redevelopment of such substandard and
4 blighted areas; (b) to clear any such areas by demolition or removal of
5 existing buildings, structures, streets, utilities, or other improvements
6 thereon and to install, construct, or reconstruct streets, utilities,
7 parks, playgrounds, public spaces, public parking facilities, sidewalks
8 or moving sidewalks, convention and civic centers, bus stop shelters,
9 lighting, benches or other similar furniture, trash receptacles,
10 shelters, skywalks and pedestrian and vehicular overpasses and
11 underpasses, enhancements to structures in the redevelopment plan area
12 which exceed minimum building and design standards in the community and
13 prevent the recurrence of substandard and blighted conditions, and any
14 other necessary public improvements essential to the preparation of sites
15 for uses in accordance with a redevelopment plan; (c) to sell, lease, or
16 otherwise make available land in such areas for residential,
17 recreational, commercial, industrial, or other uses, including parking or
18 other facilities functionally related or subordinate to such uses, or for
19 public use or to retain such land for public use, in accordance with a
20 redevelopment plan; and may also include the preparation of the
21 redevelopment plan, the planning, survey, and other work incident to a
22 redevelopment project and the preparation of all plans and arrangements
23 for carrying out a redevelopment project; (d) to dispose of all real and
24 personal property or any interest in such property, or assets, cash, or
25 other funds held or used in connection with residential, recreational,
26 commercial, industrial, or other uses, including parking or other
27 facilities functionally related or subordinate to such uses, or any
28 public use specified in a redevelopment plan or project, except that such
29 disposition shall be at its fair value for uses in accordance with the
30 redevelopment plan; (e) to acquire real property in a community
31 redevelopment area which, under the redevelopment plan, is to be repaired

1 or rehabilitated for dwelling use or related facilities, repair or
2 rehabilitate the structures, and resell the property; (f) to carry out
3 plans for a program of voluntary or compulsory repair, rehabilitation, or
4 demolition of buildings in accordance with the redevelopment plan; and
5 (g) in a rural community or in an extremely blighted area within a
6 municipality that is not a rural community, to carry out construction of
7 workforce housing;

8 (29) Redevelopment project valuation means the valuation for
9 assessment of the taxable real property in a redevelopment project last
10 certified for the year prior to the effective date of the provision
11 authorized in section 18-2147;

12 (30) Rural community means any municipality in a county with a
13 population of fewer than one hundred thousand inhabitants as determined
14 by the most recent federal decennial census;

15 (31) Substandard area means an area in which there is a predominance
16 of buildings or improvements, whether nonresidential or residential in
17 character, which, by reason of dilapidation, deterioration, age or
18 obsolescence, inadequate provision for ventilation, light, air,
19 sanitation, or open spaces, high density of population and overcrowding,
20 or the existence of conditions which endanger life or property by fire
21 and other causes, or any combination of such factors, is conducive to ill
22 health, transmission of disease, infant mortality, juvenile delinquency,
23 and crime, (which cannot be remedied through construction of prisons),
24 and is detrimental to the public health, safety, morals, or welfare; and

25 (32) Workforce housing means:

26 (a) Housing that meets the needs of today's working families;

27 (b) Housing that is attractive to new residents considering
28 relocation to a rural community;

29 (c) Owner-occupied housing units that cost not more than two hundred
30 seventy-five thousand dollars to construct or rental housing units that
31 cost not more than two hundred thousand dollars per unit to construct.

1 For purposes of this subdivision (c), housing unit costs shall be updated
2 annually by the Department of Economic Development based upon the most
3 recent increase or decrease in the Producer Price Index for all
4 commodities, published by the United States Department of Labor, Bureau
5 of Labor Statistics;

6 (d) Owner-occupied and rental housing units for which the cost to
7 substantially rehabilitate exceeds fifty percent of a unit's assessed
8 value; and

9 (e) Upper-story housing.

10 Sec. 4. Section 18-2115.01, Revised Statutes Cumulative Supplement,
11 2018, is amended to read:

12 18-2115.01 (1) Public notice of any hearing required under section
13 18-2109 or 18-2115 or section 2 of this act shall be given by publication
14 at least once a week for two consecutive weeks in a legal newspaper in or
15 of general circulation in the community. The time of the hearing shall be
16 at least ten days from the last publication.

17 (2)(a) Notice of any hearing required under section 18-2109 or
18 18-2115 or section 2 of this act shall be given to neighborhood
19 associations that have registered under subsection (5) of this section as
20 follows:

21 (i) For a hearing under section 18-2109, notice shall be given to
22 each registered neighborhood association whose area of representation is
23 located in whole or in part within a one-mile radius of the area to be
24 declared substandard and blighted; ~~and~~

25 (ii) For a hearing under section 2 of this act, notice shall be
26 given to each registered neighborhood association whose area of
27 representation is located in whole or in part within a one-mile radius of
28 the area to be declared extremely blighted; and

29 (iii) ~~(ii)~~ For a hearing under section 18-2115, notice shall be
30 given to each registered neighborhood association whose area of
31 representation is located in whole or in part within a one-mile radius of

1 the area to be redeveloped.

2 (b) Notice under this subsection shall be given at least ten days
3 prior to the hearing in the manner requested by the neighborhood
4 association. The notice shall be deemed given on the date it is sent.

5 (3)(a) Notice of any hearing required under section 18-2109 or
6 18-2115 or section 2 of this act shall be given to political subdivisions
7 as follows:

8 (i) For a hearing under section 18-2109, notice shall be given to
9 the president or chairperson of the governing body of each county, school
10 district, community college area, educational service unit, and natural
11 resources district in which the real property to be declared substandard
12 and blighted is located;~~and~~

13 (ii) For a hearing under section 2 of this act, notice shall be
14 given to the president or chairperson of the governing body of each
15 county, school district, community college area, educational service
16 unit, and natural resources district in which the real property to be
17 declared extremely blighted is located; and

18 (iii) ~~(ii)~~ For a hearing under section 18-2115, notice shall be
19 given to the president or chairperson of the governing body of each
20 county, school district, community college area, educational service
21 unit, and natural resources district in which the real property subject
22 to the redevelopment plan or substantial modification thereof is located.

23 (b) Notice under this subsection shall be given at least ten days
24 prior to the hearing by certified mail, return receipt requested. The
25 notice shall be deemed given on the date it is mailed by certified mail.

26 (4) All notices given under this section shall describe the time,
27 date, place, and purpose of the hearing.

28 (5) Each neighborhood association desiring to receive notice of any
29 hearing required under section 18-2109 or 18-2115 or section 2 of this
30 act shall register with the city's planning department or, if there is no
31 planning department, with the city clerk. The registration shall include

1 a description of the area of representation of the association, the name
2 of and contact information for the individual designated by the
3 association to receive the notice on its behalf, and the requested manner
4 of service, whether by email, first-class mail, or certified mail.
5 Registration of the neighborhood association for purposes of this section
6 shall be accomplished in accordance with such other rules and regulations
7 as may be adopted and promulgated by the city.

8 Sec. 5. Section 18-2117.04, Revised Statutes Cumulative Supplement,
9 2018, is amended to read:

10 18-2117.04 (1) On and after October 1, 2018, each city that has
11 approved one or more redevelopment plans or redevelopment projects that
12 are financed in whole or in part through the division of taxes as
13 provided in section 18-2147 shall retain copies of (a) all such
14 redevelopment plans and (b) all supporting documents associated with the
15 redevelopment plans or redevelopment projects, ~~and~~ with any related
16 substandard and blighted declaration under section 18-2109, and with any
17 related extremely blighted declaration under section 2 of this act that
18 are received or generated by the city.

19 (2) The city shall retain the redevelopment plans and supporting
20 documents described in subsection (1) of this section for the period of
21 time required under any applicable records retention schedule adopted
22 under the Records Management Act or for three years following the end of
23 the last fiscal year in which ad valorem taxes are divided, whichever
24 period is longer.

25 (3) For purposes of this section, supporting document includes any
26 substandard and blighted study or analysis conducted pursuant to section
27 18-2109, any extremely blighted study or analysis conducted pursuant to
28 section 2 of this act, any cost-benefit analysis conducted pursuant to
29 section 18-2113, and any invoice, receipt, claim, or contract received or
30 generated by the city that provides support for receipts or payments
31 associated with the redevelopment plan or redevelopment project.

1 Sec. 6. Section 58-707, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 58-707 Organizations which may receive assistance under the Nebraska
4 Affordable Housing Act are governmental subdivisions, local housing
5 authorities, community action agencies, community-based or neighborhood-
6 based or reservation-based nonprofit organizations, and for-profit
7 entities working in conjunction with one of the other eligible
8 organizations. For-profit entities that are eligible under this section
9 ~~and~~ shall be required to provide, or cause to be provided, matching funds
10 for the eligible activity in an amount determined by the Department of
11 Economic Development, which amount shall be at least equal to ten percent
12 of the amount of assistance provided by the Affordable Housing Trust
13 Fund. Political subdivisions, local housing authorities, community action
14 agencies, and community-based, neighborhood-based, and reservation-based
15 nonprofit organizations shall not be required to provide, or cause to be
16 provided, such matching funds. Nothing in the act shall be construed to
17 allow individuals to receive direct loans from the Affordable Housing
18 Trust Fund.

19 Sec. 7. Section 58-708, Revised Statutes Cumulative Supplement,
20 2018, is amended to read:

21 58-708 (1) During each calendar year in which funds are available
22 from the Affordable Housing Trust Fund for use by the Department of
23 Economic Development, the department shall make its best efforts to
24 allocate not less than thirty percent of such funds to each congressional
25 district. The department shall announce a grant and loan application
26 period of at least ninety days duration for all projects. In selecting
27 projects to receive trust fund assistance, the department shall develop a
28 qualified allocation plan and give first priority to financially viable
29 projects that serve the lowest income occupants for the longest period of
30 time. The qualified allocation plan shall:

31 (a) Set forth selection criteria to be used to determine housing

1 priorities of the housing trust fund which are appropriate to local
2 conditions, including the community's immediate need for affordable
3 housing, proposed increases in home ownership, private dollars leveraged,
4 level of local government support and participation, and repayment, in
5 part or in whole, of financial assistance awarded by the fund; and

6 (b) Give first priority in allocating trust fund assistance among
7 selected projects to those projects which are located in whole or in part
8 within an enterprise zone designated pursuant to the Enterprise Zone Act,
9 serve the lowest income occupant, are located in an area that has been
10 declared an extremely blighted area under section 2 of this act, and are
11 obligated to serve qualified occupants for the longest period of time.

12 (2) The department shall fund in order of priority as many
13 applications as will utilize available funds less actual administrative
14 costs of the department in administering the program. In administering
15 the program the department may contract for services or directly provide
16 funds to other governmental entities or instrumentalities.

17 (3) The department may recapture any funds which were allocated to a
18 qualified recipient for an eligible project through an award agreement if
19 such funds were not utilized for eligible costs within the time of
20 performance under the agreement and are therefor no longer obligated to
21 the project. The recaptured funds shall be credited to the Affordable
22 Housing Trust Fund.

23 Sec. 8. Section 58-711, Revised Statutes Cumulative Supplement,
24 2018, is amended to read:

25 58-711 (1) The Department of Economic Development shall submit, as
26 part of the department's annual status report under section 81-1201.11,
27 the following information regarding detailing the status of the
28 Affordable Housing Trust Fund; (a) ~~The status report shall list (1) the~~
29 applications funded during the previous calendar year; (b) ~~(2) the~~
30 applications funded in previous years; (c) ~~(3) the identity of the~~
31 organizations receiving funds; (d) ~~(4) the location of each project;~~

1 ~~(e) , (5)~~ the amount of funding provided to each the project; ~~(f) , (6)~~
2 the amount of funding leveraged as a result of each the project; ~~(g) ,~~
3 ~~(7)~~ the number of units of housing created by each the project and the
4 occupancy rate; ~~(h) , (8)~~ the expected cost of rent or monthly payment of
5 those units; ~~(i) , (9)~~ the projected number of new employees and
6 community investment as a result of each the project; ~~(j) , and (10)~~ the
7 amount of revenue deposited into the Affordable Housing Trust Fund
8 pursuant to section 76-903; (k) the total amount of funds for which
9 applications were received during the previous calendar year, the year-
10 end fund balance, and, if all available funds have not been committed, an
11 explanation of the reasons why all such funds have not been so committed;
12 (l) the amount of appropriated funds actually expended by the department
13 for the previous calendar year; (m) the department's current budget for
14 administration of the Nebraska Affordable Housing Act and the
15 department's planned use and distribution of funds, including details on
16 the amount of funds to be expended on projects and the amount of funds to
17 be expended by the department for administrative purposes; and (n)
18 project summaries, including the applicant municipality, project
19 description, grant amount requested, amount and type of matching funds,
20 and reasons for approval or denial for every application seeking funds
21 during the previous calendar year.

22 (2) The status report shall contain no information that is protected
23 by state or federal confidentiality laws.

24 Sec. 9. Section 77-2715.07, Reissue Revised Statutes of Nebraska, is
25 amended to read:

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

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

31 (b) A credit for taxes paid to another state as provided in section

1 77-2730.

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

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

14 (b) For returns filed reporting federal adjusted gross income of
15 twenty-nine thousand dollars or less, a refundable credit equal to a
16 percentage of the federal credit allowable under section 21 of the
17 Internal Revenue Code of 1986, as amended, whether or not the federal
18 credit was limited by the federal tax liability. The percentage of the
19 federal credit shall be one hundred percent for incomes not greater than
20 twenty-two thousand dollars, and the percentage shall be reduced by ten
21 percent for each one thousand dollars, or fraction thereof, by which the
22 reported federal adjusted gross income exceeds twenty-two thousand
23 dollars, except that for taxable years beginning or deemed to begin on or
24 after January 1, 2015, such refundable credit shall be allowed only if
25 the individual would have received the federal credit allowed under
26 section 21 of the code after adding back in any carryforward of a net
27 operating loss that was deducted pursuant to such section in determining
28 eligibility for the federal credit;

29 (c) A refundable credit as provided in section 77-5209.01 for
30 individuals who qualify for an income tax credit as a qualified beginning
31 farmer or livestock producer under the Beginning Farmer Tax Credit Act

1 for all taxable years beginning or deemed to begin on or after January 1,
2 2006, under the Internal Revenue Code of 1986, as amended;

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

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

16 (3) There shall be allowed to all individuals as a nonrefundable
17 credit against the income tax imposed by the Nebraska Revenue Act of
18 1967:

19 (a) A credit for personal exemptions allowed under section
20 77-2716.01;

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

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

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

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

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

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

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

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

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

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

23 (5)(a) For all taxable years beginning on or after January 1, 2007,
24 and before January 1, 2009, under the Internal Revenue Code of 1986, as
25 amended, there shall be allowed to each partner, shareholder, member, or
26 beneficiary of a partnership, subchapter S corporation, limited liability
27 company, or estate or trust a nonrefundable credit against the income tax
28 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the
29 partner's, shareholder's, member's, or beneficiary's portion of the
30 amount of franchise tax paid to the state under sections 77-3801 to
31 77-3807 by a financial institution.

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

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

15 (6) There shall be allowed to all individuals nonrefundable credits
16 against the income tax imposed by the Nebraska Revenue Act of 1967 as
17 provided in section 77-3604 and refundable credits against the income tax
18 imposed by the Nebraska Revenue Act of 1967 as provided in section
19 77-3605.

20 (7)(a) For taxable years beginning or deemed to begin on or after
21 January 1, 2020, and before January 1, 2026, under the Internal Revenue
22 Code of 1986, as amended, a nonrefundable credit against the income tax
23 imposed by the Nebraska Revenue Act of 1967 in the amount of five
24 thousand dollars shall be allowed to any individual who purchases a
25 residence during the taxable year if such residence:

26 (i) Is located within an area that has been declared an extremely
27 blighted area under section 2 of this act;

28 (ii) Is the individual's primary residence; and

29 (iii) Was not purchased from a family member of the individual or a
30 family member of the individual's spouse.

31 (b) The credit provided in this subsection shall be claimed for the

1 taxable year in which the residence is purchased. If the individual
2 cannot fully utilize the credit for such year, the credit may be carried
3 forward to subsequent taxable years until fully utilized.

4 (c) No more than one credit may be claimed under this subsection
5 with respect to a single residence.

6 (d) The credit provided in this subsection shall be subject to
7 recapture by the Department of Revenue if the individual claiming the
8 credit sells or otherwise transfers the residence or quits using the
9 residence as his or her primary residence within five years after the end
10 of the taxable year in which the credit was claimed.

11 (e) For purposes of this subsection, family member means an
12 individual's spouse, child, parent, brother, sister, grandchild, or
13 grandparent, whether by blood, marriage, or adoption.

14 Sec. 10. Original sections 58-707 and 77-2715.07, Reissue Revised
15 Statutes of Nebraska, and sections 18-2101, 18-2103, 18-2115.01,
16 18-2117.04, 58-708, and 58-711, Revised Statutes Cumulative Supplement,
17 2018, are repealed.

18 2. On page 1, strike beginning with "revenue" in line 1 through line
19 6 and insert "community development; to amend sections 58-707 and
20 77-2715.07, Reissue Revised Statutes of Nebraska, and sections 18-2101,
21 18-2103, 18-2115.01, 18-2117.04, 58-708, and 58-711, Revised Statutes
22 Cumulative Supplement, 2018; to change provisions relating to
23 redevelopment plans for extremely blighted areas under the Community
24 Development Law; to define and redefine terms; to require matching funds
25 from for-profit entities, change funding decisions, and provide
26 additional status report information from the Department of Economic
27 Development under the Nebraska Affordable Housing Act; to provide an
28 income tax credit for purchase of certain residential property as
29 prescribed; to harmonize provisions; and to repeal the original
30 sections."