

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 69

Introduced by Hansen, M., 26.

Read first time January 10, 2019

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend section
- 2 77-2715.07, Reissue Revised Statutes of Nebraska; to provide income
- 3 tax credits for caregivers as prescribed; and to repeal the original
- 4 section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2715.07, Reissue Revised Statutes of Nebraska,
2 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 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, the Nebraska Advantage Research
14 and Development Act, or the Volunteer Emergency Responders Incentive Act;
15 and

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

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

27 (a) A credit for personal exemptions allowed under section
28 77-2716.01;

29 (b) A credit for contributions to certified community betterment
30 programs as provided in the Community Development Assistance Act. Each
31 partner, each shareholder of an electing subchapter S corporation, each

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

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

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

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

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

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

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

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

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

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

31 (5)(a) For all taxable years beginning on or after January 1, 2007,

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

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

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

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

28 (7) For taxable years beginning or deemed to begin on or after
29 January 1, 2020, under the Internal Revenue Code of 1986, as amended,
30 there shall be allowed to qualified resident individuals a nonrefundable
31 credit against the income tax imposed by the Nebraska Revenue Act of 1967

1 in the amount of three hundred dollars if:

2 (a) The qualified resident individual's federal adjusted gross
3 income exceeds two hundred percent of the federal poverty guidelines as
4 established annually by the United States Department of Health and Human
5 Services but does not exceed four hundred percent of such federal poverty
6 guidelines;

7 (b) The qualified resident individual did not claim a credit under
8 section 22 of the Internal Revenue Code of 1986, as amended, on his or
9 her federal income tax return for the current taxable year; and

10 (c) The qualified resident individual cares for another person:

11 (i) Who resided in the same principal place of abode as the
12 qualified resident individual for at least six months during the taxable
13 year;

14 (ii) Who is physically or mentally incapable of caring for himself
15 or herself; and

16 (iii) Whose income does not exceed two hundred percent of the
17 federal poverty guidelines as established annually by the United States
18 Department of Health and Human Services.

19 (8) For taxable years beginning or deemed to begin on or after
20 January 1, 2020, under the Internal Revenue Code of 1986, as amended,
21 there shall be allowed to qualified resident individuals a refundable
22 credit against the income tax imposed by the Nebraska Revenue Act of 1967
23 in the amount of three hundred dollars if:

24 (a) The qualified resident individual's federal adjusted gross
25 income does not exceed two hundred percent of the federal poverty
26 guidelines as established annually by the United States Department of
27 Health and Human Services; and

28 (b) The qualified resident individual cares for another person:

29 (i) Who resided in the same principal place of abode as the
30 qualified resident individual for at least six months during the taxable
31 year;

1 (ii) Who is physically or mentally incapable of caring for himself
2 or herself; and

3 (iii) Whose income does not exceed two hundred percent of the
4 federal poverty guidelines as established annually by the United States
5 Department of Health and Human Services.

6 Sec. 2. Original section 77-2715.07, Reissue Revised Statutes of
7 Nebraska, is repealed.