

AMENDMENTS TO LB873

Introduced by Revenue.

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

3 Sec. 4. Section 77-6701, Revised Statutes Cumulative Supplement,
4 2020, is amended to read:

5 77-6701 Sections 77-6701 to 77-6705 and section 7 of this act shall
6 be known and may be cited as the Nebraska Property Tax Incentive Act.

7 Sec. 5. Section 77-6702, Revised Statutes Cumulative Supplement,
8 2020, is amended to read:

9 77-6702 For purposes of the Nebraska Property Tax Incentive Act:

10 (1) Allowable growth percentage means the percentage increase, if
11 any, in the total assessed value of all real property in the state from
12 the prior year to the current year, as determined by the department,
13 except that in no case shall the allowable growth percentage exceed five
14 percent in any one year;

15 (2) Community college taxes means property taxes levied on real
16 property in this state by a community college area, excluding any
17 property taxes levied for bonded indebtedness and any property taxes
18 levied as a result of an override of limits on property tax levies
19 approved by voters pursuant to section 77-3444;

20 (3) ~~(2)~~ Department means the Department of Revenue;

21 (4) ~~(3)~~ Eligible taxpayer means any individual, corporation,
22 partnership, limited liability company, trust, estate, or other entity
23 that pays school district taxes or community college taxes during a
24 taxable year; and

25 (5) ~~(4)~~ School district taxes means property taxes levied on real
26 property in this state by a school district or multiple-district school
27 system, excluding any property taxes levied for bonded indebtedness and

1 any property taxes levied as a result of an override of limits on
2 property tax levies approved by voters pursuant to section 77-3444.

3 Sec. 7. (1) For taxable years beginning or deemed to begin on or
4 after January 1, 2022, under the Internal Revenue Code of 1986, as
5 amended, there shall be allowed to each eligible taxpayer a refundable
6 credit against the income tax imposed by the Nebraska Revenue Act of 1967
7 or against the franchise tax imposed by sections 77-3801 to 77-3807. The
8 credit shall be equal to the credit percentage for the taxable year, as
9 set by the department under subsection (2) of this section, multiplied by
10 the amount of community college taxes paid by the eligible taxpayer
11 during such taxable year.

12 (2)(a) For taxable years beginning or deemed to begin during
13 calendar year 2022, the department shall set the credit percentage so
14 that the total amount of credits for such taxable years shall be fifty
15 million dollars;

16 (b) For taxable years beginning or deemed to begin during calendar
17 year 2023, the department shall set the credit percentage so that the
18 total amount of credits for such taxable years shall be one hundred
19 million dollars;

20 (c) For taxable years beginning or deemed to begin during calendar
21 year 2024, the department shall set the credit percentage so that the
22 total amount of credits for such taxable years shall be one hundred
23 twenty-five million dollars;

24 (d) For taxable years beginning or deemed to begin during calendar
25 year 2025, the department shall set the credit percentage so that the
26 total amount of credits for such taxable years shall be one hundred fifty
27 million dollars;

28 (e) For taxable years beginning or deemed to begin during calendar
29 year 2026, the department shall set the credit percentage so that the
30 total amount of credits for such taxable years shall be one hundred
31 ninety-five million dollars; and

1 (f) For taxable years beginning or deemed to begin during calendar
2 year 2027 and each calendar year thereafter, the department shall set the
3 credit percentage so that the total amount of credits for such taxable
4 years shall be the maximum amount of credits allowed in the prior year
5 increased by the allowable growth percentage.

6 (3) If the community college taxes are paid by a corporation having
7 an election in effect under subchapter S of the Internal Revenue Code, a
8 partnership, a limited liability company, a trust, or an estate, the
9 refundable credit shall be claimed by such corporation, partnership,
10 limited liability company, trust, or estate.

11 (4) For any fiscal year or short year taxpayer, the credit may be
12 claimed in the first taxable year that begins following the calendar year
13 for which the credit percentage was determined. The credit shall be taken
14 for the community college taxes paid by the taxpayer during the
15 immediately preceding calendar year.

16 Sec. 8. Original section 77-2715.03, Reissue Revised Statutes of
17 Nebraska, sections 77-6701 and 77-6702, Revised Statutes Cumulative
18 Supplement, 2020, and sections 77-2716, 77-2734.02, and 77-6703, Revised
19 Statutes Supplement, 2021, are repealed.