

AMENDMENTS TO LB181

Introduced by Revenue.

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

3 Section 1. Section 77-6703, Revised Statutes Cumulative Supplement,
4 2020, is amended to read:

5 77-6703 (1) For taxable years beginning or deemed to begin on or
6 after January 1, 2020, under the Internal Revenue Code of 1986, as
7 amended, there shall be allowed to each eligible taxpayer a refundable
8 credit against the income tax imposed by the Nebraska Revenue Act of 1967
9 or against the franchise tax imposed by sections 77-3801 to 77-3807. The
10 credit shall be equal to the credit percentage for the taxable year, as
11 set by the department under subsection (2) of this section, multiplied by
12 the amount of school district taxes paid by the eligible taxpayer during
13 such taxable year.

14 (2)(a) For taxable years beginning or deemed to begin during
15 calendar year 2020, the department shall set the credit percentage so
16 that the total amount of credits for such taxable years shall be one
17 hundred twenty-five million dollars;

18 (b) For taxable years beginning or deemed to begin during calendar
19 year 2021, the department shall set the credit percentage so that the
20 total amount of credits for such taxable years shall be one hundred
21 twenty-five million dollars plus either (i) the amount calculated for
22 such calendar year under subdivision (3)(b)(ii)(B) of section 77-4602 or
23 (ii) the amount calculated for such calendar year under subdivision (3)
24 (c)(ii)(B) of section 77-4602, whichever is applicable;

25 (c) For taxable years beginning or deemed to begin during calendar
26 year 2022, the department shall set the credit percentage so that the
27 total amount of credits for such taxable years shall be the maximum

1 amount of credits allowed under subdivision (2)(b) of this section plus
2 either (i) the amount calculated for such calendar year under subdivision
3 (3)(b)(ii)(B) of section 77-4602 or (ii) the amount calculated for such
4 calendar year under subdivision (3)(c)(ii)(B) of section 77-4602,
5 whichever is applicable;

6 (d) For taxable years beginning or deemed to begin during calendar
7 year 2023, the department shall set the credit percentage so that the
8 total amount of credits for such taxable years shall be the maximum
9 amount of credits allowed under subdivision (2)(c) of this section plus
10 either (i) the amount calculated for such calendar year under subdivision
11 (3)(b)(ii)(B) of section 77-4602 or (ii) the amount calculated for such
12 calendar year under subdivision (3)(c)(ii)(B) of section 77-4602,
13 whichever is applicable;

14 (e) For taxable years beginning or deemed to begin during calendar
15 year 2024, the department shall set the credit percentage so that the
16 total amount of credits for such taxable years shall be three hundred
17 seventy-five million dollars; and

18 (f) For taxable years beginning or deemed to begin during calendar
19 year 2025 and each calendar year thereafter, the department shall set the
20 credit percentage so that the total amount of credits for such taxable
21 years shall be the maximum amount of credits allowed in the prior year
22 increased by the allowable growth percentage.

23 (3) If the school district taxes are paid by a corporation having an
24 election in effect under subchapter S of the Internal Revenue Code, a
25 partnership, a limited liability company, a trust, or an estate, the
26 amount of school district taxes paid during the taxable year may shall be
27 allocated to the shareholders, partners, members, or beneficiaries in the
28 same proportion that income is distributed for taxable years beginning or
29 deemed to begin before January 1, 2021, under the Internal Revenue Code
30 of 1986, as amended. The department shall provide forms and schedules
31 necessary for verifying eligibility for the credit provided in this

1 section and for allocating the school district taxes paid. For taxable
2 years beginning or deemed to begin on or after January 1, 2021, under the
3 Internal Revenue Code of 1986, as amended, the refundable credit shall be
4 claimed by the corporation having an election in effect under subchapter
5 S of the Internal Revenue Code, the partnership, the limited liability
6 company, the trust, or the estate that paid the school district taxes.

7 (4) For any fiscal year or short year taxpayer, the credit may be
8 claimed in the first taxable year that begins following the calendar year
9 for which the credit percentage was determined. The credit shall be taken
10 for the school district taxes paid by the taxpayer during the immediately
11 preceding calendar year.

12 (5) For the first taxable year beginning or deemed to begin on or
13 after January 1, 2021, and before January 1, 2022, under the Internal
14 Revenue Code of 1986, as amended, for a corporation having an election in
15 effect under subchapter S of the Internal Revenue Code, a partnership, a
16 limited liability company, a trust, or an estate that paid school
17 district taxes in calendar year 2020 but did not claim the credit
18 directly or allocate such school district taxes to the shareholders,
19 partners, members, or beneficiaries as permitted under subsection (3) of
20 this section, there shall be allowed an additional refundable credit.
21 This credit shall be equal to six percent, multiplied by the amount of
22 school district taxes paid during 2020 by the eligible taxpayer.

23 Sec. 2. This act becomes operative for all taxable years beginning
24 or deemed to begin on or after January 1, 2020, under the Internal
25 Revenue Code of 1986, as amended.

26 Sec. 3. Original section 77-6703, Revised Statutes Cumulative
27 Supplement, 2020, is repealed.

28 Sec. 4. Since an emergency exists, this act takes effect when passed
29 and approved according to law.