

THIRTY-SEVENTH DAY - MARCH 3, 2021**LEGISLATIVE JOURNAL****ONE HUNDRED SEVENTH LEGISLATURE
FIRST SESSION****THIRTY-SEVENTH DAY**

Legislative Chamber, Lincoln, Nebraska
Wednesday, March 3, 2021

PRAYER

The prayer was offered by Senator Aguilar.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was offered by Senator Pahls.

ROLL CALL

Pursuant to adjournment, the Legislature met at 9:00 a.m., Speaker Hilgers presiding.

The roll was called and all members were present except Senators Bostar, Briese, Day, Hunt, Linehan, and Stinner who were excused until they arrive.

CORRECTIONS FOR THE JOURNAL

The Journal for the thirty-sixth day was approved.

COMMITTEE REPORT(S)

Urban Affairs

LEGISLATIVE BILL 81. Placed on General File.

LEGISLATIVE BILL 555. Placed on General File.

LEGISLATIVE BILL 556. Placed on General File.

LEGISLATIVE BILL 423. Placed on General File with amendment.

AM433

1 1. Strike original section 3 and insert the following new section:

2 Sec. 3. At the time of registration pursuant to section 2 of this

3 act, a home inspector shall:

4 (1) Pay a registration fee to the Secretary of State. The Secretary

5 of State shall set such registration fee in an amount sufficient to

6 defray the administrative costs of registration but not to exceed three

7 hundred dollars. The Secretary of State shall remit such registration fee

8 to the State Treasurer for credit to the Secretary of State Cash Fund;

9 and
 10 (2) Provide to the Secretary of State a certificate of insurance
 11 evidencing coverage in an amount of not less than two hundred fifty
 12 thousand dollars for general liability.
 13 2. On page 2, line 20, strike "and"; in line 22 strike the period
 14 and insert "; and"; and after line 22 insert the following new
 15 subdivision:
 16 "(4) Any national certification relating to home inspection
 17 currently held by the home inspector.".

LEGISLATIVE BILL 446. Placed on General File with amendment.

AM86

1 1. Strike the original sections and insert the following new
 2 sections:
 3 Section 1. Section 58-201, Reissue Revised Statutes of Nebraska, is
 4 amended to read:
 5 58-201 Sections 58-201 to 58-272 and section 2 of this act shall be
 6 known and may be cited as the Nebraska Investment Finance Authority Act.
 7 Sec. 2. (1) The Legislature finds that:
 8 (a) In order to support Nebraskans and their families, promote
 9 thriving communities, and encourage economic development, the state
 10 should support the continued development of all varieties of housing;
 11 (b) As recommended in the Blueprint Nebraska Public Report dated
 12 July 2019, it is the long-term goal of the state to improve investments
 13 in housing by promoting coordination, collaboration, and housing
 14 intelligence and strengthening housing incentives and funding options;
 15 and
 16 (c) The creation and maintenance of a centralized resource to
 17 aggregate and analyze relevant community and housing data in a
 18 comprehensive, sustainable, and collaborative manner is a beneficial and
 19 necessary step in reaching the goals of the state.
 20 (2) In furtherance of the goals described in subsection (1) of this
 21 section, the authority shall:
 22 (a) Implement and maintain, or cause to be implemented and
 23 maintained, a comprehensive, sustainable, and collaborative system
 24 designed to provide coordinated data on current housing metrics and on
 25 state and federal funding sources and incentives available to develop,
 26 rehabilitate, and maintain housing stock across the state;
 27 (b) Provide data and analysis regarding the current housing capacity
 1 across the state to guide policymakers' decisions and resource allocation
 2 to improve access to housing; and
 3 (c) Support developers, communities, and others in understanding the
 4 availability of public incentives and investments related to housing.
 5 (3) The authority may employ such personnel as deemed necessary to
 6 carry out this section.
 7 (4) On or before July 1, 2023, and on or before July 1 of every odd-
 8 numbered year thereafter, the authority shall electronically submit a
 9 report to the Urban Affairs Committee of the Legislature and the Banking,
 10 Commerce and Insurance Committee of the Legislature. The report shall
 11 provide a summary of the existing status of housing stock across the
 12 state and shall set specific areas of recommended focus for housing
 13 investment or resource allocation to promote alignment of resources with
 14 need and demand in the housing market.
 15 Sec. 3. Original section 58-201, Reissue Revised Statutes of
 16 Nebraska, is repealed.

LEGISLATIVE BILL 467. Placed on General File with amendment.

AM136

1 1. On page 2, line 16, strike "2020" and insert "2021".

(Signed) Justin Wayne, Chairperson

ANNOUNCEMENT(S)

Priority designation(s) received:

Williams - LB322

NOTICE OF COMMITTEE HEARING(S)

Natural Resources
Room 1524

Wednesday, March 10, 2021 1:30 p.m.

Randy L. Gard - Nebraska Ethanol Board

(Signed) Bruce Bostelman, Chairperson

SELECT FILE

LEGISLATIVE BILL 159. [ER6](#), found on page 454, was adopted.

Advanced to Enrollment and Review for Engrossment.

LEGISLATIVE BILL 4. [ER7](#), found on page 454, was adopted.

Advanced to Enrollment and Review for Engrossment.

LEGISLATIVE BILL 149. [ER11](#), found on page 464, was adopted.

Advanced to Enrollment and Review for Engrossment.

LEGISLATIVE BILL 174. [ER10](#), found on page 465, was adopted.

Considered.

Advanced to Enrollment and Review for Engrossment.

LEGISLATIVE BILL 302. [ER13](#), found on page 465, was adopted.

Advanced to Enrollment and Review for Engrossment.

LEGISLATIVE BILL 253. Advanced to Enrollment and Review for Engrossment.

LEGISLATIVE BILL 532. [ER16](#), found on page 405, was adopted.

Advanced to Enrollment and Review for Engrossment.

BILL ON FIRST READING

The following bill was read for the first time by title:

LEGISLATIVE BILL 70A. Introduced by Wayne, 13.

A BILL FOR AN ACT relating to appropriations; to appropriate funds to aid in carrying out the provisions of Legislative Bill 70, One Hundred Seventh Legislature, First Session, 2021.

ANNOUNCEMENT(S)

Priority designation(s) received:

Arch - LB400

ANNOUNCEMENT

Senator B. Hansen announced the Business and Labor Committee will hold an executive session Tuesday, March 9, 2021, at 10:00 a.m., in Room 1524.

AMENDMENT(S) - Print in Journal

Senator M. Cavanaugh filed the following amendment to LB503:

[FA3](#)

Strike section 1 on page 2, lines 1 through 14.

Senator Wayne filed the following amendment to LB329:

[AM411](#)

1 1. Insert the following new section:

2 Sec. 3. Section 77-2716, Revised Statutes Cumulative Supplement,

3 2020, is amended to read:

4 77-2716 (1) The following adjustments to federal adjusted gross
5 income or, for corporations and fiduciaries, federal taxable income shall
6 be made for interest or dividends received:

7 (a)(i) There shall be subtracted interest or dividends received by
8 the owner of obligations of the United States and its territories and
9 possessions or of any authority, commission, or instrumentality of the
10 United States to the extent includable in gross income for federal income
11 tax purposes but exempt from state income taxes under the laws of the
12 United States; and

13 (ii) There shall be subtracted interest received by the owner of
14 obligations of the State of Nebraska or its political subdivisions or
15 authorities which are Build America Bonds to the extent includable in
16 gross income for federal income tax purposes;

17 (b) There shall be subtracted that portion of the total dividends
18 and other income received from a regulated investment company which is
19 attributable to obligations described in subdivision (a) of this
20 subsection as reported to the recipient by the regulated investment
21 company;

22 (c) There shall be added interest or dividends received by the owner
23 of obligations of the District of Columbia, other states of the United

24 States, or their political subdivisions, authorities, commissions, or
25 instrumentalities to the extent excluded in the computation of gross
26 income for federal income tax purposes except that such interest or
27 dividends shall not be added if received by a corporation which is a
1 regulated investment company;

2 (d) There shall be added that portion of the total dividends and
3 other income received from a regulated investment company which is
4 attributable to obligations described in subdivision (c) of this
5 subsection and excluded for federal income tax purposes as reported to
6 the recipient by the regulated investment company; and

7 (e)(i) Any amount subtracted under this subsection shall be reduced
8 by any interest on indebtedness incurred to carry the obligations or
9 securities described in this subsection or the investment in the
10 regulated investment company and by any expenses incurred in the
11 production of interest or dividend income described in this subsection to
12 the extent that such expenses, including amortizable bond premiums, are
13 deductible in determining federal taxable income.

14 (ii) Any amount added under this subsection shall be reduced by any
15 expenses incurred in the production of such income to the extent
16 disallowed in the computation of federal taxable income.

17 (2) There shall be allowed a net operating loss derived from or
18 connected with Nebraska sources computed under rules and regulations
19 adopted and promulgated by the Tax Commissioner consistent, to the extent
20 possible under the Nebraska Revenue Act of 1967, with the laws of the
21 United States. For a resident individual, estate, or trust, the net
22 operating loss computed on the federal income tax return shall be
23 adjusted by the modifications contained in this section. For a
24 nonresident individual, estate, or trust or for a partial-year resident
25 individual, the net operating loss computed on the federal return shall
26 be adjusted by the modifications contained in this section and any
27 carryovers or carrybacks shall be limited to the portion of the loss
28 derived from or connected with Nebraska sources.

29 (3) There shall be subtracted from federal adjusted gross income for
30 all taxable years beginning on or after January 1, 1987, the amount of
31 any state income tax refund to the extent such refund was deducted under
1 the Internal Revenue Code, was not allowed in the computation of the tax
2 due under the Nebraska Revenue Act of 1967, and is included in federal
3 adjusted gross income.

4 (4) Federal adjusted gross income, or, for a fiduciary, federal
5 taxable income shall be modified to exclude the portion of the income or
6 loss received from a small business corporation with an election in
7 effect under subchapter S of the Internal Revenue Code or from a limited
8 liability company organized pursuant to the Nebraska Uniform Limited
9 Liability Company Act that is not derived from or connected with Nebraska
10 sources as determined in section 77-2734.01.

11 (5) There shall be subtracted from federal adjusted gross income or,
12 for corporations and fiduciaries, federal taxable income dividends
13 received or deemed to be received from corporations which are not subject
14 to the Internal Revenue Code.

15 (6) There shall be subtracted from federal taxable income a portion
16 of the income earned by a corporation subject to the Internal Revenue
17 Code of 1986 that is actually taxed by a foreign country or one of its
18 political subdivisions at a rate in excess of the maximum federal tax
19 rate for corporations. The taxpayer may make the computation for each
20 foreign country or for groups of foreign countries. The portion of the
21 taxes that may be deducted shall be computed in the following manner:

22 (a) The amount of federal taxable income from operations within a
23 foreign taxing jurisdiction shall be reduced by the amount of taxes
24 actually paid to the foreign jurisdiction that are not deductible solely
25 because the foreign tax credit was elected on the federal income tax

26 return;

27 (b) The amount of after-tax income shall be divided by one minus the
28 maximum tax rate for corporations in the Internal Revenue Code; and
29 (c) The result of the calculation in subdivision (b) of this
30 subsection shall be subtracted from the amount of federal taxable income
31 used in subdivision (a) of this subsection. The result of such
1 calculation, if greater than zero, shall be subtracted from federal
2 taxable income.

3 (7) Federal adjusted gross income shall be modified to exclude any
4 amount repaid by the taxpayer for which a reduction in federal tax is
5 allowed under section 1341(a)(5) of the Internal Revenue Code.

6 (8)(a) Federal adjusted gross income or, for corporations and
7 fiduciaries, federal taxable income shall be reduced, to the extent
8 included, by income from interest, earnings, and state contributions
9 received from the Nebraska educational savings plan trust created in
10 sections 85-1801 to 85-1817 and any account established under the
11 achieving a better life experience program as provided in sections
12 77-1401 to 77-1409.

13 (b) Federal adjusted gross income or, for corporations and
14 fiduciaries, federal taxable income shall be reduced by any contributions
15 as a participant in the Nebraska educational savings plan trust or
16 contributions to an account established under the achieving a better life
17 experience program made for the benefit of a beneficiary as provided in
18 sections 77-1401 to 77-1409, to the extent not deducted for federal
19 income tax purposes, but not to exceed five thousand dollars per married
20 filing separate return or ten thousand dollars for any other return. With
21 respect to a qualified rollover within the meaning of section 529 of the
22 Internal Revenue Code from another state's plan, any interest, earnings,
23 and state contributions received from the other state's educational
24 savings plan which is qualified under section 529 of the code shall
25 qualify for the reduction provided in this subdivision. For contributions
26 by a custodian of a custodial account including rollovers from another
27 custodial account, the reduction shall only apply to funds added to the
28 custodial account after January 1, 2014.

29 (c) For taxable years beginning or deemed to begin on or after
30 January 1, 2021, under the Internal Revenue Code of 1986, as amended,
31 federal adjusted gross income shall be reduced, to the extent included in
1 the adjusted gross income of an individual, by the amount of any
2 contribution made by the individual's employer into an account under the
3 Nebraska educational savings plan trust owned by the individual, not to
4 exceed five thousand dollars per married filing separate return or ten
5 thousand dollars for any other return.

6 (d) Federal adjusted gross income or, for corporations and
7 fiduciaries, federal taxable income shall be increased by:

8 (i) The amount resulting from the cancellation of a participation
9 agreement refunded to the taxpayer as a participant in the Nebraska
10 educational savings plan trust to the extent previously deducted under
11 subdivision (8)(b) of this section; and

12 (ii) The amount of any withdrawals by the owner of an account
13 established under the achieving a better life experience program as
14 provided in sections 77-1401 to 77-1409 for nonqualified expenses to the
15 extent previously deducted under subdivision (8)(b) of this section.

16 (9)(a) For income tax returns filed after September 10, 2001, for
17 taxable years beginning or deemed to begin before January 1, 2006, under
18 the Internal Revenue Code of 1986, as amended, federal adjusted gross
19 income or, for corporations and fiduciaries, federal taxable income shall
20 be increased by eighty-five percent of any amount of any federal bonus
21 depreciation received under the federal Job Creation and Worker
22 Assistance Act of 2002 or the federal Jobs and Growth Tax Act of 2003,
23 under section 168(k) or section 1400L of the Internal Revenue Code of

24 1986, as amended, for assets placed in service after September 10, 2001,
25 and before December 31, 2005.

26 (b) For a partnership, limited liability company, cooperative,
27 including any cooperative exempt from income taxes under section 521 of
28 the Internal Revenue Code of 1986, as amended, limited cooperative
29 association, subchapter S corporation, or joint venture, the increase
30 shall be distributed to the partners, members, shareholders, patrons, or
31 beneficiaries in the same manner as income is distributed for use against
1 their income tax liabilities.

2 (c) For a corporation with a unitary business having activity both
3 inside and outside the state, the increase shall be apportioned to
4 Nebraska in the same manner as income is apportioned to the state by
5 section 77-2734.05.

6 (d) The amount of bonus depreciation added to federal adjusted gross
7 income or, for corporations and fiduciaries, federal taxable income by
8 this subsection shall be subtracted in a later taxable year. Twenty
9 percent of the total amount of bonus depreciation added back by this
10 subsection for tax years beginning or deemed to begin before January 1,
11 2003, under the Internal Revenue Code of 1986, as amended, may be
12 subtracted in the first taxable year beginning or deemed to begin on or
13 after January 1, 2005, under the Internal Revenue Code of 1986, as
14 amended, and twenty percent in each of the next four following taxable
15 years. Twenty percent of the total amount of bonus depreciation added
16 back by this subsection for tax years beginning or deemed to begin on or
17 after January 1, 2003, may be subtracted in the first taxable year
18 beginning or deemed to begin on or after January 1, 2006, under the
19 Internal Revenue Code of 1986, as amended, and twenty percent in each of
20 the next four following taxable years.

21 (10) For taxable years beginning or deemed to begin on or after
22 January 1, 2003, and before January 1, 2006, under the Internal Revenue
23 Code of 1986, as amended, federal adjusted gross income or, for
24 corporations and fiduciaries, federal taxable income shall be increased
25 by the amount of any capital investment that is expensed under section
26 179 of the Internal Revenue Code of 1986, as amended, that is in excess
27 of twenty-five thousand dollars that is allowed under the federal Jobs
28 and Growth Tax Act of 2003. Twenty percent of the total amount of
29 expensing added back by this subsection for tax years beginning or deemed
30 to begin on or after January 1, 2003, may be subtracted in the first
31 taxable year beginning or deemed to begin on or after January 1, 2006,
1 under the Internal Revenue Code of 1986, as amended, and twenty percent
2 in each of the next four following tax years.

3 (11)(a) For taxable years beginning or deemed to begin before
4 January 1, 2018, under the Internal Revenue Code of 1986, as amended,
5 federal adjusted gross income shall be reduced by contributions, up to
6 two thousand dollars per married filing jointly return or one thousand
7 dollars for any other return, and any investment earnings made as a
8 participant in the Nebraska long-term care savings plan under the Long-
9 Term Care Savings Plan Act, to the extent not deducted for federal income
10 tax purposes.

11 (b) For taxable years beginning or deemed to begin before January 1,
12 2018, under the Internal Revenue Code of 1986, as amended, federal
13 adjusted gross income shall be increased by the withdrawals made as a
14 participant in the Nebraska long-term care savings plan under the act by
15 a person who is not a qualified individual or for any reason other than
16 transfer of funds to a spouse, long-term care expenses, long-term care
17 insurance premiums, or death of the participant, including withdrawals
18 made by reason of cancellation of the participation agreement, to the
19 extent previously deducted as a contribution or as investment earnings.

20 (12) There shall be added to federal adjusted gross income for
21 individuals, estates, and trusts any amount taken as a credit for

22 franchise tax paid by a financial institution under sections 77-3801 to
23 77-3807 as allowed by subsection (5) of section 77-2715.07.

24 (13)(a) For taxable years beginning or deemed to begin on or after
25 January 1, 2015, under the Internal Revenue Code of 1986, as amended,
26 federal adjusted gross income shall be reduced by the amount received as
27 benefits under the federal Social Security Act which are included in the
28 federal adjusted gross income if:

29 (i) For taxpayers filing a married filing joint return, federal
30 adjusted gross income is fifty-eight thousand dollars or less; or
31 (ii) For taxpayers filing any other return, federal adjusted gross
1 income is forty-three thousand dollars or less.

2 (b) For taxable years beginning or deemed to begin on or after
3 January 1, 2020, under the Internal Revenue Code of 1986, as amended, the
4 Tax Commissioner shall adjust the dollar amounts provided in subdivisions
5 (13)(a)(i) and (ii) of this section by the same percentage used to adjust
6 individual income tax brackets under subsection (3) of section
7 77-2715.03.

8 (14)(a) For taxable years beginning or deemed to begin on or after
9 January 1, 2015, and before January 1, 2022, under the Internal Revenue
10 Code of 1986, as amended, an individual may make a one-time election
11 within two calendar years after the date of his or her retirement from
12 the military to exclude income received as a military retirement benefit
13 by the individual to the extent included in federal adjusted gross income
14 and as provided in this subdivision. The individual may elect to exclude
15 forty percent of his or her military retirement benefit income for seven
16 consecutive taxable years beginning with the year in which the election
17 is made or may elect to exclude fifteen percent of his or her military
18 retirement benefit income for all taxable years beginning with the year
19 in which he or she turns sixty-seven years of age.

20 (b) For taxable years beginning or deemed to begin on or after
21 January 1, 2022, under the Internal Revenue Code of 1986, as amended, an
22 individual may exclude fifty percent of the military retirement benefit
23 income received by such individual to the extent included in federal
24 adjusted gross income.

25 (c) For purposes of this subsection, military retirement benefit
26 means retirement benefits that are periodic payments attributable to
27 service in the uniformed services of the United States for personal
28 services performed by an individual prior to his or her retirement.

29 (15) For taxable years beginning or deemed to begin on or after
30 January 1, 2021, under the Internal Revenue Code of 1986, as amended,
31 federal adjusted gross income shall be reduced by the amount received as
1 a Segal AmeriCorps Education Award, to the extent such amount is included
2 in federal adjusted gross income.

3 (16) For taxable years beginning or deemed to begin on or after
4 January 1, 2022, under the Internal Revenue Code of 1986, as amended,
5 federal adjusted gross income or, for corporations and fiduciaries,
6 federal taxable income shall be reduced by sixty-five percent of the
7 wages paid by the taxpayer to an individual who has been convicted of a
8 felony in this or any other state, including any such individual who is
9 on parole or probation. Such deduction shall only be allowed with respect
10 to wages paid during the first three years of such individual's
11 employment with the taxpayer, and the total deduction taken with respect
12 to any one individual shall not exceed twenty thousand dollars.

13 2. Renumber the remaining sections and correct the repealer
14 accordingly.

UNANIMOUS CONSENT - Add Cointroducer(s)

Unanimous consent to add Senator(s) as cointroducer(s). No objections. So ordered.

Senator Day name added to LB87.

Senator McCollister name added to LB158.

Senator Arch name added to LB387.

Senator Albrecht name added to LB454.

Senator McCollister name added to LB548.

VISITOR(S)

The Doctor of the Day was Dr. Dale Michels of Walton.

ADJOURNMENT

At 9:25 a.m., on a motion by Senator Arch, the Legislature adjourned until 9:00 a.m., Thursday, March 4, 2021.

Patrick J. O'Donnell
Clerk of the Legislature

