

AMENDMENTS TO LB606

Introduced by Hunt, 8.

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

3 Section 1. Sections 1 to 9 of this act shall be known and may be
4 cited as the Feed Nebraska Families Act.

5 Sec. 2. For purposes of the Feed Nebraska Families Act:

6 (1) Department means the Department of Revenue;

7 (2) Eligible charitable organization means a food bank that:

8 (a) Is exempt from federal income taxation under section 501(c)(3)
9 of the Internal Revenue Code of 1986, as amended;

10 (b) Maintains its physical office in the State of Nebraska; and

11 (c) Is approved by the department pursuant to section 3 of this act;

12 and

13 (3) Food bank means a nonprofit organization that focuses on food
14 distribution.

15 Sec. 3. (1) A food bank seeking to become an eligible charitable
16 organization shall provide the department with a written certification
17 that it meets all criteria to be considered an eligible charitable
18 organization. The certification must be signed by an officer of the food
19 bank under penalty of perjury. The certification shall include the
20 following:

21 (a) Verification of the food bank's status under section 501(c)(3)
22 of the Internal Revenue Code of 1986, as amended; and

23 (b) A statement that the food bank maintains its physical office in
24 the State of Nebraska.

25 (2) The department shall review each written certification and
26 determine whether the food bank meets all of the criteria to be
27 considered an eligible charitable organization and shall notify the food

1 bank of its determination. Any food bank whose certification is approved
2 under this section shall be considered an eligible charitable
3 organization.

4 (3) A food bank shall notify the department within sixty days of any
5 changes that may affect its status as an eligible charitable
6 organization.

7 (4) The department may periodically request recertification from a
8 food bank that was previously approved as an eligible charitable
9 organization under this section.

10 (5) The department shall compile and make available to the public a
11 list of eligible charitable organizations that have been approved under
12 this section.

13 Sec. 4. (1) An individual taxpayer who makes one or more cash
14 contributions to one or more eligible charitable organizations during a
15 tax year shall be eligible for a credit against the income tax due under
16 the Nebraska Revenue Act of 1967. Except as otherwise provided in the
17 Feed Nebraska Families Act, the amount of the credit shall be equal to
18 the lesser of (a) the total amount of such contributions made during the
19 tax year or (b) fifty percent of the income tax liability of such
20 taxpayer for the tax year. A taxpayer may only claim a credit pursuant to
21 this section for the portion of the contribution that was not claimed as
22 a charitable contribution under the Internal Revenue Code of 1986, as
23 amended.

24 (2) Taxpayers who are married but file separate returns for a tax
25 year in which they could have filed a joint return may each claim only
26 one-half of the tax credit that would otherwise have been allowed for a
27 joint return.

28 (3) The tax credit allowed under this section shall be a
29 nonrefundable credit. Any amount of the credit that is unused may be
30 carried forward and applied against the taxpayer's income tax liability
31 for the next five years immediately following the tax year in which the

1 credit is first allowed. The tax credit cannot be carried back.

2 (4) The tax credit allowed under this section is subject to section
3 8 of this act.

4 Sec. 5. (1) Any partnership, limited liability company, or
5 corporation having an election in effect under subchapter S of the
6 Internal Revenue Code of 1986, as amended, that is carrying on any trade
7 or business for which deductions would be allowed under section 162 of
8 the Internal Revenue Code of 1986, as amended, or is carrying on any
9 rental activity, and that makes one or more cash contributions to one or
10 more eligible charitable organizations during a tax year shall be
11 eligible for a credit against the income tax due under the Nebraska
12 Revenue Act of 1967. Except as otherwise provided in the Feed Nebraska
13 Families Act, the amount of the credit shall be equal to the lesser of
14 (a) the total amount of such contributions made during the tax year or
15 (b) fifty percent of the income tax liability of such taxpayer for the
16 tax year. A taxpayer may only claim a credit pursuant to this section for
17 the portion of the contribution that was not claimed as a charitable
18 contribution under the Internal Revenue Code of 1986, as amended. The
19 credit shall be attributed to each partner, member, or shareholder in the
20 same proportion used to report the partnership's, limited liability
21 company's, or subchapter S corporation's income or loss for income tax
22 purposes.

23 (2) The tax credit allowed under this section shall be a
24 nonrefundable credit. Any amount of the tax credit that is unused may be
25 carried forward and applied against the taxpayer's income tax liability
26 for the next five years immediately following the tax year in which the
27 credit is first allowed. The tax credit cannot be carried back.

28 (3) The tax credit allowed under this section is subject to section
29 8 of this act.

30 Sec. 6. (1) An estate or trust that makes one or more cash
31 contributions to one or more eligible charitable organizations during a

1 tax year shall be eligible for a credit against the income tax due under
2 the Nebraska Revenue Act of 1967. Except as otherwise provided in the
3 Feed Nebraska Families Act, the amount of the credit shall be equal to
4 the lesser of (a) the total amount of such contributions made during the
5 tax year or (b) fifty percent of the income tax liability of such
6 taxpayer for the tax year. A taxpayer may only claim a credit pursuant to
7 this section for the portion of the contribution that was not claimed as
8 a charitable contribution under the Internal Revenue Code of 1986, as
9 amended. Any credit not used by the estate or trust may be attributed to
10 each beneficiary of the estate or trust in the same proportion used to
11 report the beneficiary's income from the estate or trust for income tax
12 purposes.

13 (2) The tax credit allowed under this section shall be a
14 nonrefundable credit. Any amount of the tax credit that is unused may be
15 carried forward and applied against the taxpayer's income tax liability
16 for the next five years immediately following the tax year in which the
17 credit is first allowed. The tax credit cannot be carried back.

18 (3) The tax credit allowed under this section is subject to section
19 8 of this act.

20 Sec. 7. (1) A corporate taxpayer as defined in section 77-2734.04
21 that makes one or more cash contributions to one or more eligible
22 charitable organizations during a tax year shall be eligible for a credit
23 against the income tax due under the Nebraska Revenue Act of 1967. Except
24 as otherwise provided in the Feed Nebraska Families Act, the amount of
25 the credit shall be equal to the lesser of (a) the total amount of such
26 contributions made during the tax year or (b) fifty percent of the income
27 tax liability of such taxpayer for the tax year. A taxpayer may only
28 claim a credit pursuant to this section for the portion of the
29 contribution that was not claimed as a charitable contribution under the
30 Internal Revenue Code of 1986, as amended.

31 (2) The tax credit allowed under this section shall be a

1 nonrefundable credit. Any amount of the tax credit that is unused may be
2 carried forward and applied against the taxpayer's income tax liability
3 for the next five years immediately following the tax year in which the
4 credit is first allowed. The tax credit cannot be carried back.

5 (3) The tax credit allowed under this section is subject to section
6 8 of this act.

7 Sec. 8. (1) Prior to making a contribution to an eligible
8 charitable organization, any taxpayer desiring to claim a tax credit
9 under the Feed Nebraska Families Act shall notify the eligible charitable
10 organization of the taxpayer's intent to make a contribution and the
11 amount to be claimed as a tax credit. Upon receiving each such
12 notification, the eligible charitable organization shall notify the
13 department of the intended tax credit amount. If the department
14 determines that the intended tax credit amount in the notification would
15 exceed the limit specified in subsection (3) of this section, the
16 department shall notify the eligible charitable organization of its
17 determination within thirty days after receipt of the notification. The
18 eligible charitable organization shall then promptly notify the taxpayer
19 of the department's determination that the intended tax credit amount in
20 the notification is not available. If an amount less than the amount
21 indicated in the notification is available for a tax credit, the
22 department shall notify the eligible charitable organization of the
23 available amount and the eligible charitable organization shall notify
24 the taxpayer of the available amount within three business days.

25 (2) In order to be allowed a tax credit as provided by the act, the
26 taxpayer shall make its contribution between thirty-one and sixty days
27 after notifying the eligible charitable organization of the taxpayer's
28 intent to make a contribution. If the eligible charitable organization
29 does not receive the contribution within the required time period, it
30 shall notify the department of such fact and the department shall no
31 longer include such amount when calculating whether the limit prescribed

1 in subsection (3) of this section has been exceeded. If the eligible
2 charitable organization receives the contribution within the required
3 time period, it shall provide the taxpayer with a receipt for the
4 contribution. The receipt shall show the name and address of the eligible
5 charitable organization, the name, address, and, if available, tax
6 identification number of the taxpayer making the contribution, the amount
7 of the contribution, and the date the contribution was received.

8 (3) The department shall consider notifications regarding intended
9 tax credit amounts in the order in which they are received to ascertain
10 whether the intended tax credit amounts are within the annual limit
11 provided in this subsection. The annual limit on the total amount of tax
12 credits for calendar year 2024 and each calendar year thereafter shall be
13 ten million dollars. Once credits have reached the annual limit for any
14 calendar year, no additional credits shall be allowed for such calendar
15 year. Credits shall be prorated among the notifications received on the
16 day the annual limit is exceeded. No more than fifty percent of the
17 credits allowed for any calendar year shall be for contributions to a
18 single eligible charitable organization.

19 Sec. 9. The department may adopt and promulgate rules and
20 regulations to carry out the Feed Nebraska Families Act.

21 Sec. 10. Section 77-2715.07, Revised Statutes Cumulative Supplement,
22 2022, is amended to read:

23 77-2715.07 (1) There shall be allowed to qualified resident
24 individuals as a nonrefundable credit against the income tax imposed by
25 the Nebraska Revenue Act of 1967:

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

28 (b) A credit for taxes paid to another state as provided in section
29 77-2730.

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

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

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

26 (c) A refundable credit as provided in section 77-5209.01 for
27 individuals who qualify for an income tax credit as a qualified beginning
28 farmer or livestock producer under the Beginning Farmer Tax Credit Act
29 for all taxable years beginning or deemed to begin on or after January 1,
30 2006, under the Internal Revenue Code of 1986, as amended;

31 (d) A refundable credit for individuals who qualify for an income

1 tax credit under the Angel Investment Tax Credit Act, the Nebraska
2 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
3 and Development Act, or the Volunteer Emergency Responders Incentive Act;
4 and

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

13 (3) There shall be allowed to all individuals as a nonrefundable
14 credit against the income tax imposed by the Nebraska Revenue Act of
15 1967:

16 (a) A credit for personal exemptions allowed under section
17 77-2716.01;

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

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

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

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

31 (f) A credit to employers as provided in sections 77-27,238 and

1 77-27,240;~~and~~

2 (g) A credit as provided in the Affordable Housing Tax Credit Act;
3 and -

4 (h) A credit as provided in the Feed Nebraska Families 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 (6) 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 18-2101.02;

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 (8) There shall be allowed to all individuals refundable credits
15 against the income tax imposed by the Nebraska Revenue Act of 1967 as
16 provided in the Nebraska Higher Blend Tax Credit Act, the Nebraska
17 Property Tax Incentive Act, and the Renewable Chemical Production Tax
18 Credit Act.

19 (9)(a) For taxable years beginning or deemed to begin on or after
20 January 1, 2022, under the Internal Revenue Code of 1986, as amended, a
21 refundable credit against the income tax imposed by the Nebraska Revenue
22 Act of 1967 shall be allowed to the parent of a stillborn child if:

23 (i) A fetal death certificate is filed pursuant to subsection (1) of
24 section 71-606 for such child;

25 (ii) Such child had advanced to at least the twentieth week of
26 gestation; and

27 (iii) Such child would have been a dependent of the individual
28 claiming the credit.

29 (b) The amount of the credit shall be two thousand dollars.

30 (c) The credit shall be allowed for the taxable year in which the
31 stillbirth occurred.

1 Sec. 11. Section 77-2717, Revised Statutes Cumulative Supplement,
2 2022, is amended to read:

3 77-2717 (1)(a)(i) For taxable years beginning or deemed to begin
4 before January 1, 2014, the tax imposed on all resident estates and
5 trusts shall be a percentage of the federal taxable income of such
6 estates and trusts as modified in section 77-2716, plus a percentage of
7 the federal alternative minimum tax and the federal tax on premature or
8 lump-sum distributions from qualified retirement plans. The additional
9 taxes shall be recomputed by (A) substituting Nebraska taxable income for
10 federal taxable income, (B) calculating what the federal alternative
11 minimum tax would be on Nebraska taxable income and adjusting such
12 calculations for any items which are reflected differently in the
13 determination of federal taxable income, and (C) applying Nebraska rates
14 to the result. The federal credit for prior year minimum tax, after the
15 recomputations required by the Nebraska Revenue Act of 1967, and the
16 credits provided in the Nebraska Advantage Microenterprise Tax Credit Act
17 and the Nebraska Advantage Research and Development Act shall be allowed
18 as a reduction in the income tax due. A refundable income tax credit
19 shall be allowed for all resident estates and trusts under the Angel
20 Investment Tax Credit Act, the Nebraska Advantage Microenterprise Tax
21 Credit Act, and the Nebraska Advantage Research and Development Act. A
22 nonrefundable income tax credit shall be allowed for all resident estates
23 and trusts as provided in the New Markets Job Growth Investment Act.

24 (ii) For taxable years beginning or deemed to begin on or after
25 January 1, 2014, the tax imposed on all resident estates and trusts shall
26 be a percentage of the federal taxable income of such estates and trusts
27 as modified in section 77-2716, plus a percentage of the federal tax on
28 premature or lump-sum distributions from qualified retirement plans. The
29 additional taxes shall be recomputed by substituting Nebraska taxable
30 income for federal taxable income and applying Nebraska rates to the
31 result. The credits provided in the Nebraska Advantage Microenterprise

1 Tax Credit Act and the Nebraska Advantage Research and Development Act
2 shall be allowed as a reduction in the income tax due. A refundable
3 income tax credit shall be allowed for all resident estates and trusts
4 under the Angel Investment Tax Credit Act, the Nebraska Advantage
5 Microenterprise Tax Credit Act, the Nebraska Advantage Research and
6 Development Act, the Nebraska Higher Blend Tax Credit Act, the Nebraska
7 Property Tax Incentive Act, and the Renewable Chemical Production Tax
8 Credit Act. A nonrefundable income tax credit shall be allowed for all
9 resident estates and trusts as provided in the Nebraska Job Creation and
10 Mainstreet Revitalization Act, the New Markets Job Growth Investment Act,
11 the School Readiness Tax Credit Act, the Affordable Housing Tax Credit
12 Act, the Feed Nebraska Families Act, and sections 77-27,238 and
13 77-27,240.

14 (b) The tax imposed on all nonresident estates and trusts shall be
15 the portion of the tax imposed on resident estates and trusts which is
16 attributable to the income derived from sources within this state. The
17 tax which is attributable to income derived from sources within this
18 state shall be determined by multiplying the liability to this state for
19 a resident estate or trust with the same total income by a fraction, the
20 numerator of which is the nonresident estate's or trust's Nebraska income
21 as determined by sections 77-2724 and 77-2725 and the denominator of
22 which is its total federal income after first adjusting each by the
23 amounts provided in section 77-2716. The federal credit for prior year
24 minimum tax, after the recomputations required by the Nebraska Revenue
25 Act of 1967, reduced by the percentage of the total income which is
26 attributable to income from sources outside this state, and the credits
27 provided in the Nebraska Advantage Microenterprise Tax Credit Act and the
28 Nebraska Advantage Research and Development Act shall be allowed as a
29 reduction in the income tax due. A refundable income tax credit shall be
30 allowed for all nonresident estates and trusts under the Angel Investment
31 Tax Credit Act, the Nebraska Advantage Microenterprise Tax Credit Act,

1 the Nebraska Advantage Research and Development Act, the Nebraska Higher
2 Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, and the
3 Renewable Chemical Production Tax Credit Act. A nonrefundable income tax
4 credit shall be allowed for all nonresident estates and trusts as
5 provided in the Nebraska Job Creation and Mainstreet Revitalization Act,
6 the New Markets Job Growth Investment Act, the School Readiness Tax
7 Credit Act, the Affordable Housing Tax Credit Act, the Feed Nebraska
8 Families Act, and sections 77-27,238 and 77-27,240.

9 (2) In all instances wherein a fiduciary income tax return is
10 required under the provisions of the Internal Revenue Code, a Nebraska
11 fiduciary return shall be filed, except that a fiduciary return shall not
12 be required to be filed regarding a simple trust if all of the trust's
13 beneficiaries are residents of the State of Nebraska, all of the trust's
14 income is derived from sources in this state, and the trust has no
15 federal tax liability. The fiduciary shall be responsible for making the
16 return for the estate or trust for which he or she acts, whether the
17 income be taxable to the estate or trust or to the beneficiaries thereof.
18 The fiduciary shall include in the return a statement of each
19 beneficiary's distributive share of net income when such income is
20 taxable to such beneficiaries.

21 (3) The beneficiaries of such estate or trust who are residents of
22 this state shall include in their income their proportionate share of
23 such estate's or trust's federal income and shall reduce their Nebraska
24 tax liability by their proportionate share of the credits as provided in
25 the Angel Investment Tax Credit Act, the Nebraska Advantage
26 Microenterprise Tax Credit Act, the Nebraska Advantage Research and
27 Development Act, the Nebraska Job Creation and Mainstreet Revitalization
28 Act, the New Markets Job Growth Investment Act, the School Readiness Tax
29 Credit Act, the Affordable Housing Tax Credit Act, the Nebraska Higher
30 Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, the
31 Renewable Chemical Production Tax Credit Act, the Feed Nebraska Families

1 Act, and sections 77-27,238 and 77-27,240. There shall be allowed to a
2 beneficiary a refundable income tax credit under the Beginning Farmer Tax
3 Credit Act for all taxable years beginning or deemed to begin on or after
4 January 1, 2001, under the Internal Revenue Code of 1986, as amended.

5 (4) If any beneficiary of such estate or trust is a nonresident
6 during any part of the estate's or trust's taxable year, he or she shall
7 file a Nebraska income tax return which shall include (a) in Nebraska
8 adjusted gross income that portion of the estate's or trust's Nebraska
9 income, as determined under sections 77-2724 and 77-2725, allocable to
10 his or her interest in the estate or trust and (b) a reduction of the
11 Nebraska tax liability by his or her proportionate share of the credits
12 as provided in the Angel Investment Tax Credit Act, the Nebraska
13 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
14 and Development Act, the Nebraska Job Creation and Mainstreet
15 Revitalization Act, the New Markets Job Growth Investment Act, the School
16 Readiness Tax Credit Act, the Affordable Housing Tax Credit Act, the
17 Nebraska Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive
18 Act, the Renewable Chemical Production Tax Credit Act, the Feed Nebraska
19 Families Act, and sections 77-27,238 and 77-27,240 and shall execute and
20 forward to the fiduciary, on or before the original due date of the
21 Nebraska fiduciary return, an agreement which states that he or she will
22 file a Nebraska income tax return and pay income tax on all income
23 derived from or connected with sources in this state, and such agreement
24 shall be attached to the Nebraska fiduciary return for such taxable year.

25 (5) In the absence of the nonresident beneficiary's executed
26 agreement being attached to the Nebraska fiduciary return, the estate or
27 trust shall remit a portion of such beneficiary's income which was
28 derived from or attributable to Nebraska sources with its Nebraska return
29 for the taxable year. For taxable years beginning or deemed to begin
30 before January 1, 2013, the amount of remittance, in such instance, shall
31 be the highest individual income tax rate determined under section

1 77-2715.02 multiplied by the nonresident beneficiary's share of the
2 estate or trust income which was derived from or attributable to sources
3 within this state. For taxable years beginning or deemed to begin on or
4 after January 1, 2013, the amount of remittance, in such instance, shall
5 be the highest individual income tax rate determined under section
6 77-2715.03 multiplied by the nonresident beneficiary's share of the
7 estate or trust income which was derived from or attributable to sources
8 within this state. The amount remitted shall be allowed as a credit
9 against the Nebraska income tax liability of the beneficiary.

10 (6) The Tax Commissioner may allow a nonresident beneficiary to not
11 file a Nebraska income tax return if the nonresident beneficiary's only
12 source of Nebraska income was his or her share of the estate's or trust's
13 income which was derived from or attributable to sources within this
14 state, the nonresident did not file an agreement to file a Nebraska
15 income tax return, and the estate or trust has remitted the amount
16 required by subsection (5) of this section on behalf of such nonresident
17 beneficiary. The amount remitted shall be retained in satisfaction of the
18 Nebraska income tax liability of the nonresident beneficiary.

19 (7) For purposes of this section, unless the context otherwise
20 requires, simple trust shall mean any trust instrument which (a) requires
21 that all income shall be distributed currently to the beneficiaries, (b)
22 does not allow amounts to be paid, permanently set aside, or used in the
23 tax year for charitable purposes, and (c) does not distribute amounts
24 allocated in the corpus of the trust. Any trust which does not qualify as
25 a simple trust shall be deemed a complex trust.

26 (8) For purposes of this section, any beneficiary of an estate or
27 trust that is a grantor trust of a nonresident shall be disregarded and
28 this section shall apply as though the nonresident grantor was the
29 beneficiary.

30 Sec. 12. Section 77-2734.03, Revised Statutes Cumulative Supplement,
31 2022, is amended to read:

1 77-2734.03 (1)(a) For taxable years commencing prior to January 1,
2 1997, any (i) insurer paying a tax on premiums and assessments pursuant
3 to section 77-908 or 81-523, (ii) electric cooperative organized under
4 the Joint Public Power Authority Act, or (iii) credit union shall be
5 credited, in the computation of the tax due under the Nebraska Revenue
6 Act of 1967, with the amount paid during the taxable year as taxes on
7 such premiums and assessments and taxes in lieu of intangible tax.

8 (b) For taxable years commencing on or after January 1, 1997, any
9 insurer paying a tax on premiums and assessments pursuant to section
10 77-908 or 81-523, any electric cooperative organized under the Joint
11 Public Power Authority Act, or any credit union shall be credited, in the
12 computation of the tax due under the Nebraska Revenue Act of 1967, with
13 the amount paid during the taxable year as (i) taxes on such premiums and
14 assessments included as Nebraska premiums and assessments under section
15 77-2734.05 and (ii) taxes in lieu of intangible tax.

16 (c) For taxable years commencing or deemed to commence prior to, on,
17 or after January 1, 1998, any insurer paying a tax on premiums and
18 assessments pursuant to section 77-908 or 81-523 shall be credited, in
19 the computation of the tax due under the Nebraska Revenue Act of 1967,
20 with the amount paid during the taxable year as assessments allowed as an
21 offset against premium and related retaliatory tax liability pursuant to
22 section 44-4233.

23 (2) There shall be allowed to corporate taxpayers a tax credit for
24 contributions to community betterment programs as provided in the
25 Community Development Assistance Act.

26 (3) There shall be allowed to corporate taxpayers a refundable
27 income tax credit under the Beginning Farmer Tax Credit Act for all
28 taxable years beginning or deemed to begin on or after January 1, 2001,
29 under the Internal Revenue Code of 1986, as amended.

30 (4) The changes made to this section by Laws 2004, LB 983, apply to
31 motor fuels purchased during any tax year ending or deemed to end on or

1 after January 1, 2005, under the Internal Revenue Code of 1986, as
2 amended.

3 (5) There shall be allowed to corporate taxpayers refundable income
4 tax credits under the Nebraska Advantage Microenterprise Tax Credit Act,
5 the Nebraska Advantage Research and Development Act, the Nebraska Higher
6 Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, and the
7 Renewable Chemical Production Tax Credit Act.

8 (6) There shall be allowed to corporate taxpayers a nonrefundable
9 income tax credit for investment in a biodiesel facility as provided in
10 section 77-27,236.

11 (7) There shall be allowed to corporate taxpayers a nonrefundable
12 income tax credit as provided in the Nebraska Job Creation and Mainstreet
13 Revitalization Act, the New Markets Job Growth Investment Act, the School
14 Readiness Tax Credit Act, the Affordable Housing Tax Credit Act, the Feed
15 Nebraska Families Act, and sections 77-27,238 and 77-27,240.

16 Sec. 13. This act becomes operative for all taxable years beginning
17 or deemed to begin on or after January 1, 2024, under the Internal
18 Revenue Code of 1986, as amended.

19 Sec. 14. Original sections 77-2715.07, 77-2717, and 77-2734.03,
20 Revised Statutes Cumulative Supplement, 2022, are repealed.