AMENDMENTS TO LB937

Introduced by Revenue.

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

Section 1. Sections 1 to 13 of this act shall be known and may be cited as the Cast and Crew Nebraska Act.

Sec. 2. (1) The Legislature finds that:

(a) Film and television production in Nebraska not only provides jobs for residents of Nebraska and dollars for Nebraska businesses but also enhances the state's image nationwide;

(b) The high cost of film and television production is driving such production to other states, and the industry is always seeking attractive locations that can help cut the costs of production;

(c) The retention of Nebraska's youth is one of the top priorities in growing the state's economy. Film studies and creative arts students from the universities and colleges in Nebraska are taking their talents to other states due to the lack of strongly developed media production facilities within the state;

(d) The State of Nebraska, with the appropriate incentive, can build on past success as an attractive site for film and television production;

(e) Nebraska is presently among several states with minimal incentives to attract the film and television industry; and

(f) A new and attractive film incentive should be used in conjunction with the Local Option Municipal Economic Development Act, passed by the Ninety-Second Legislature, First Session, 1991, as Legislative Bill 840, for municipalities that have included production of films or television programs as a qualifying business expense.

(2) It is the intent of the Legislature to provide an incentive that will allow the state to compete with other states and increase film and
television production in this state.

Sec. 3. For purposes of the Cast and Crew Nebraska Act:

(1) Above-the-line employee means production company employees involved in the creative development, direct production, and direction of a production activity including screenwriters, producers, directors, casting directors, and cast;

(2) Below-the-line employee means production company employees that are responsible for keeping production operations on schedule and preparing all lights, sets, props, and all other aspects for production;

(3) Department means the Department of Economic Development;

(4)(a) Expatriate means a person that previously resided in Nebraska for at least one year but does not currently reside in Nebraska.

(b) The Nebraska Film Office shall partner with other in-state film offices and production companies in the state to maintain a roster of cast and crew who are expatriates and shall make such roster available to any production company upon request;

(5) Film office means a specialized office under the authority of a government entity or an administrative office with the purpose of promoting the local region through the development of film, video, and multimedia productions;

(6) Full-length means a production at least forty minutes in length including credits;

(7) Loan out means payments to a loan out company by a production company if the production company withheld and remitted Nebraska applicable income tax on all payments to the loan out company for services performed in this state. The amount withheld is considered to have been withheld by the loan out company on wages paid to its employees for services performed in this state. Loan out company nonresident employees performing services in this state must be considered taxable nonresidents and the loan out company is subject to income taxation in the taxable year in which the loan out company's employees perform...
services in this state;

(8) Nebraska Film Office means the Nebraska Film Office within the Department of Economic Development or its successor;

(9) Nebraska supplier means a brick and mortar Nebraska-based corporation or limited liability company registered, licensed, and in good standing with the Secretary of State;

(10) Pre-production means the planning process and execution of every task that must take place before production begins;

(11) Post-production means the time period after the production is completed and the editing of the visual and audio materials begins. Post-production includes, but is not limited to, all of the tasks associated with cutting raw footage, assembling that footage, and adding and dubbing music, sound effects and visual effects;

(12) Principal photography means the creative execution phase of film production between pre-production and post-production;

(13)(a) Production activity means production of a new film, video, or digital project in this state. This includes the production of projects filmed or recorded in this state, in whole or in part and in short or long form and animation, fixed on a delivery system, including film, videotape, computer disc, laser disc, and any element of the digital domain, from which the program is viewed or reproduced and which is intended for multimarket commercial distribution via a theater, video on demand, digital or fiber optic distribution platforms, digital video recording, a digital platform designed for distribution of interactive games, licensing for exhibition by individual television stations, groups of stations, networks, advertiser-supported sites, cable television stations, streaming services, or public broadcasting station.

(b) Production activity includes full-length films, animation projects, documentaries, short-length films, commercial advertisements, except commercials containing political promotions, infomercials, or commercials distributed only on the Internet, and over-the-air and
streaming television programming, except those television programs that are exclusively for news, weather, sports, financial market reports or instructional videos.

(c) Production activity does not include any project with sexually explicit or obscene material;

(14) Production company means a corporation, partnership, limited liability company, or other business entity engaged in the business of creating productions and registered with the Secretary of State to engage in business in Nebraska;

(15) Production expenditure report means a report issued by a production accountant that verifies all expenses of a production activity and ensures all expenses have been paid in full;

(16) Qualified production activity means any production activity approved by the department after application for qualification;

(17) Resident means any individual domiciled in the state of Nebraska and any other individual who maintains a permanent place of residence within the state even though temporarily absent from the state and who has not established a residence elsewhere;

(18) Scouting means finding places to shoot commercials, television shows, or movies and searching for interior and exterior venues to serve as the setting for scenes depicted in a script during pre-production;

(19) Screen credit means a logo developed by the Nebraska Film Office and mentioned in the production credits and end titles declaring the production activity was filmed in Nebraska;

(20) Screenplay means a film, movie, television show, or other motion picture in written form; and

(21) Short-length means a production more than thirty seconds and less than forty minutes including credits.

Sec. 4. (1) For purposes of the Cast and Crew Nebraska Act, qualifying expenditure includes:

(a) Pre-production, production, and post-production expenditures
made in Nebraska that are subject to taxation by the state;
(b) Scouting and spending related to the production activity in the
state prior to application for qualification;
(c)(i) Above-the-line employee wages for residents of Nebraska or
paid through a Nebraska loan out company.
(ii) Loan out companies will be required to pay applicable Nebraska
income taxes.
(iii) The total above-the-line employee wages and related expenses
shall be not more than twenty-five percent of the total instate
expenditures of a production activity;
(d) Below-the-line employee wages;
(e) Per diems of up to thirty dollars per day per employee; and
(f) Expenditures not otherwise available for rental or purchase
within Nebraska and paid for via a Nebraska supplier.
(2) Qualifying expenditures do not include:
(a) Wages paid to independent contractors, or self-employed
individuals, except that wages shown to be paid by a Nebraska-based
production company for a commercial production activity may be approved
by the department on the application for the tax credit;
(b) Above-the-line employee per diems or living allowance expenses;
(c) Taxes imposed pursuant to the Federal Insurance Contributions
Act and other payroll taxes;
(d) Contributions under the Federal Unemployment Tax Act and the
Employment Security Law; and
(e) Union dues and benefits.
Sec. 5. (1) For taxable years beginning or deemed to begin on or
after January 1, 2024, a production company shall be eligible to receive
tax credits under the Cast and Crew Nebraska Act for qualifying
expenditures incurred by the production company in Nebraska directly
attributable to a qualified production activity.
(2) The tax credit under the Cast and Crew Nebraska Act shall be a
refundable tax credit allowed against the income tax imposed by the Nebraska Revenue Act of 1967 in an amount equal to twenty percent of the qualifying expenditures incurred by the production company directly attributable to a qualified production activity.

(3) The amount of the tax credit may be increased by any or all of the following amounts:

(a) An additional five percent of the qualifying expenditures incurred by the production company directly attributable to a qualified production activity if the qualified production activity films Nebraska as Nebraska in Nebraska, contains a minimum of seventy percent of the principal photography from the original submitted screenplay based in Nebraska, and uses a screen credit;

(b) An additional five percent of the qualifying expenditures incurred by the production company directly attributable to a full-length qualified production activity if the qualified production activity films entirely in areas at least thirty miles from the corporate limits of a city of the metropolitan or primary class; and

(c)(i) An additional five percent of qualified expenditures incurred by the production company directly attributable to a full-length qualified production activity that are wages paid, at a rate of at least the Nebraska minimum wage, to Nebraska residents who are employed as first-time actors or first-time below-the-line employees.

(ii) For purposes of subdivision (2)(c)(i) of this section, first-time means the individual's first-time receiving compensation and wages as either an actor or as a below-the-line employee on a full-length film in the State of Nebraska.

(iii) The wages of a maximum of ten first-time actors and below-the-line employees per full-length film can be used in calculating the tax credit in subdivision (2)(c)(i) of this section.

Sec. 6. (1) The total amount of tax credits allowed in any year under the Cast and Crew Nebraska Act shall not exceed one million five
(2) The maximum allowable tax credit claimed under the act in any single taxable year for any qualified production activity that is a full-length film, made-for-television movie, television series of at least five episodes, or streaming television series shall not exceed one million five hundred thousand dollars.

Sec. 7. (1) For a production activity to qualify as a qualified production activity under the Cast and Crew Nebraska Act, a production company must file an application for qualification of a production activity to the department at least:

(i) Thirty days prior to the start of principal photography for a full-length film, documentary, or television programming; and

(ii) Ten days prior to the start of filming for a short-length film, animation project, or commercial.

(2) The application shall be submitted on a form prescribed by the department and shall include the following:

(a) A nonrefundable fee of five hundred dollars;

(b) A detailed description of the production activity;

(c) An estimate of expected qualifying expenditures for the production activity;

(d) A certificate of general liability insurance with a minimum coverage of one million dollars;

(e) A worker's compensation policy;

(f)(i) Except as provided in subdivision (f)(ii) of this section, documentation that shows the production activity is fully funded other than post-production expenditures.

(ii) If a production activity is a commercial production activity, documentation showing full funding for post-production expenditures shall be included; and

(g) Any other information or documentation required by the department.
Sec. 8. (1) If the department determines that an application for qualification is complete and that the production activity qualifies under the Cast and Crew Nebraska Act, the department shall approve the application, notify the production company of the approval, and issue a screen credit to the production company that can be used to meet the requirements for the tax credit increase under subdivision (2)(b) of section 5 of this act.

(2) The department shall consider and approve applications for qualification under the act in the order in which the applications are received.

Sec. 9. To receive tax credits under the Cast and Crew Nebraska Act, the production company shall submit an application to the department on a form prescribed by the department after the completion of the qualified production activity. The application shall contain the following information:

(1) The total amount of qualifying expenditures for the qualified production activity;
(2) The production expenditure report for the qualified production activity;
(3) Documentation showing the total expenditures for the qualified production activity are greater or equal to:
   (a) Five hundred thousand dollars for a full-length film or made-for-television movie;
   (b) Five hundred thousand dollars per over-the-air and streaming television programing episode; or
   (c) Twenty-five thousand dollars per short-length film, documentary, animation project, and commercial;
(4) Documentation showing the total expenditures for the qualified production activity that is a short-length film, short-length documentary, short-length animation project or commercial are five hundred thousand dollars or less;
(5) Documentation showing the total amount of individual or loan out company wages or earnings paid during the qualified production activity is five hundred thousand dollars or less;

(6) Documentation showing at least forty percent of the production days for the qualified production activity were in Nebraska and, for full-length films only, at least ten days of production were in Nebraska;

(7) Documentation showing at least forty percent of the below-the-line employees of the qualified production activity were Nebraska residents with expatriates included in the percentage for only up to fifteen percent of the below-the-line employees;

(8) Documentation showing at least fifteen percent of the cast of the qualified production activity were Nebraska residents with expatriates included in the percentage;

(9) If applying for the tax credit under subdivision (2)(d)(i) of section 5 of this act, proof of Nebraska residency for all employees whose wages will be part of the calculation of such credit for the qualified production activity; and

(10) Any other information or documentation required by the department.

Sec. 10. (1) If the department determines that an application is complete and that the production company qualifies for tax credits under the Cast and Crew Nebraska Act, the department shall approve the application, notify the production company of the approval, and conduct an audit of each qualified production activity.

(2) Each audit shall:

(a) Be completed in accordance with this section and the procedures developed by the department;

(b) Use sampling methods that the department may adopt;

(c) Follow rules and regulations adopted and promulgated by the department;

(d) Verify each reported qualifying expenditure and identify and
exclude each such expenditure that does not fully meet the conditions of
the act; and

(e) Exclude any expenditure not submitted with or that was incurred
after the application required by section 9 of this act was submitted.

(3) Upon completion of the audit, the department shall adjust the
value of the tax credit as necessary and issue a tax credit certification
to the production company. The certificate shall include the following
information:

(a) An identification number for the certificate;

(b) The date of issuance for the certificate; and

(c) The amount of the tax credit allowed under the act for the
production company.

(4) The department shall consider and approve applications for tax
credits under the act in the order in which the applications are
received.

Sec. 11. (1) A production company shall claim the tax credit under
the Cast and Crew Nebraska Act by attaching the tax credit certification
received from the department under section 10 of this act to its tax
return for the taxable year in which the tax credit certification was
issued or in the three taxable years immediately following the taxable
year in which the tax credit certification was issued.

(2) The tax credits allowed under the Cast and Crew Nebraska Act may
be transferred by the production company to another production company at
any time during the taxable year in which the tax credit certification
was issued to the transferor or in the three taxable years immediately
following the taxable year in which the tax credit certification was
issued to the transferor. The transferee shall pay the transferor at
least eighty-five percent of the value of the transferred tax credits in
order to acquire such credits.

Sec. 12. A production company that receives tax credits under the
Cast and Crew Nebraska Act shall not be eligible for a grant under
subdivision (3) of section 81-1220.

Sec. 13. The department shall adopt and promulgate rules and regulations to carry out the Crew and Cast Nebraska Act.

Sec. 14. Sections 14 to 23 of this act shall be known and may be cited as the Nebraska Shortline Rail Modernization Act.

Sec. 15. For purposes of the Nebraska Shortline Rail Modernization Act:

(1) Department means the Department of Revenue;

(2) Eligible taxpayer means any shortline railroad company located wholly or partly in Nebraska that is classified by the federal Surface Transportation Board as a Class III railroad;

(3)(a) Qualified shortline railroad maintenance expenditures means gross expenditures for railroad infrastructure maintenance and capital improvements, including, but not limited to, rail, tie plates, joint bars, fasteners, switches, ballast, subgrade, roadbed, bridges, industrial leads, sidings, signs, safety barriers, crossing signals and gates, and related track structures owned or leased by a Class III railroad.

(b) Qualified shortline railroad maintenance expenditures do not include expenditures used to generate a federal tax credit or expenditures funded by a federal grant; and

(4) Taxpayer means any individual, corporation, partnership, limited liability company, trust, estate, or other entity subject to the income tax imposed by the Nebraska Revenue Act of 1967 or any tax imposed by sections 77-907 to 77-918 or 77-3801 to 77-3807.

Sec. 16. (1) For taxable years beginning or deemed to begin on or after January 1, 2024, under the Internal Revenue Code of 1986, as amended, an eligible taxpayer shall be allowed a credit against the income tax imposed by the Nebraska Revenue Act of 1967 or any tax imposed by sections 77-907 to 77-918 or 77-3801 to 77-3807 for qualified shortline railroad maintenance expenditures.
(2) The credit provided in this section shall be a nonrefundable tax credit equal to fifty percent of the qualified shortline railroad maintenance expenditures incurred during the taxable year by the eligible taxpayer. The amount of the credit may not exceed an amount equal to five thousand dollars multiplied by the number of miles of railroad track owned or leased in the state by the eligible taxpayer at the end of the taxable year.

(3) The total amount of tax credits allowed in any taxable year under the Nebraska Shortline Rail Modernization Act shall not exceed two million dollars for qualified shortline railroad maintenance expenditures.

Sec. 17. To receive tax credits under the Nebraska Shortline Rail Modernization Act, an eligible taxpayer shall submit an application to the department on a form prescribed by the department after incurring the relevant qualified shortline railroad maintenance expenditures. The application shall be submitted no later than May 1 of the calendar year immediately following the calendar year in which the expenditures were incurred. The application shall include the following information:

(1) The number of miles of railroad track owned or leased in this state by the eligible taxpayer; and

(2) A description of the amount of qualified shortline railroad maintenance expenditures incurred by the eligible taxpayer.

Sec. 18. (1) If the department determines that an application is complete and that the eligible taxpayer qualifies for tax credits under the Nebraska Shortline Rail Modernization Act, the department shall approve the application and issue a tax credit certificate to the eligible taxpayer. The certificate shall include the following information:

(a) An identification number for the certificate;

(b) The date of issuance for the certificate; and

(c) The amount of the tax credit allowed under the act for the
eligible taxpayer.

(2) The department shall consider and approve applications for tax credits under the act in the order in which the applications are received.

Sec. 19. (1) A taxpayer shall claim the tax credit under the Nebraska Shortline Rail Modernization Act by attaching the tax credit certification received from the department under section 18 of this act to its tax return.

(2) Any amount of the credit that is unused may be carried forward and applied against the taxpayer's tax liability for the next five taxable years immediately following the taxable year in which the credit was first allowed.

Sec. 20. The tax credits allowed under the Nebraska Shortline Rail Modernization Act may be assigned by the eligible taxpayer to another taxpayer by written agreement at any time during the taxable year in which the credit was first allowed for the eligible taxpayer or in the five taxable years immediately following the taxable year in which the credit was first allowed for the eligible taxpayer. The assignor and assignee shall jointly file a copy of the written assignment agreement with the department within thirty days of the assignment. The written agreement shall contain the name, address, and taxpayer identification number of the parties to the assignment, the taxable year the eligible taxpayer incurred the expenditures, the amount of credit being assigned, and all taxable years for which the credit may be claimed.

Sec. 21. Any tax credit allowable to a partnership, a limited liability company, a subchapter S corporation, or an estate or trust may be distributed to the partners, limited liability company members, shareholders, or beneficiaries in the same manner as income is distributed.

Sec. 22. The department may adopt and promulgate rules and regulations to carry out the Nebraska Shortline Rail Modernization Act.
Sec. 23. There shall be no new applications for tax credits filed under the Nebraska Shortline Rail Modernization Act after December 31, 2033. All applications and all credits pending or approved before such date shall continue in full force and effect.

Sec. 24. Sections 24 to 33 of this act shall be known and may be cited as the Nebraska Pregnancy Help Act.

Sec. 25. The Legislature finds and declares that:

(1) Pregnancy help organizations in the State of Nebraska and nationwide provide under-supported pregnant women with services, free of charge, that are crucial for their physical, emotional, and familial wellbeing, including pregnancy testing, pregnancy and prenatal care education, counseling, food, clothing, housing, transportation, parenting and life skills classes, child care, licensed medical care, and referrals to additional community services and material help;

(2) Pregnancy help organizations also provide personal relationships and a strong local support network for such women and their families that cannot be replicated by even the best and most effective government programs; and

(3) It shall be the policy of the State of Nebraska, through the creation of the Nebraska Pregnancy Help Act, to encourage and celebrate pregnancy help organizations in this state and to incentivize private donations for the furtherance of their good work through the creation of a tax credit.

Sec. 26. For purposes of the Nebraska Pregnancy Help Act:

(1) Department means the Department of Revenue; and

(2) Eligible charitable organization means an organization that:

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

(b) Does not receive more than seventy-five percent of its total annual revenue from federal, state, or local governmental grants or sources, either directly or as a contractor;
(c) Is a pregnancy help organization that:

(i) Regularly answers a dedicated telephone number for clients;

(ii) Maintains its physical office, clinic, or maternity home in the State of Nebraska;

(iii) Offers services at no cost to the client for the express purposes of providing assistance to women in order to carry their pregnancies to term, encourage and enable parenting or adoption, prevent abortion, and promote healthy childbirths; and

(iv) Utilizes licensed medical professionals for any medical services offered;

(d) Does not provide, pay for, provide coverage of, refer for, recommend, or promote abortions and does not financially support any entity that provides, pays for, provides coverage of, refers for, recommends, or promotes abortions, including nonsurgical abortions; and

(e) Is approved by the department pursuant to section 27 of this act.

Sec. 27. (1) An organization seeking to become an eligible charitable organization shall provide the department with a written certification that it meets all criteria to be considered an eligible charitable organization. The certification must be signed by an officer of the organization under penalty of perjury. The certification shall include the following:

(a) Verification of the organization's status under section 501(c)(3) of the Internal Revenue Code of 1986, as amended;

(b) A statement that the organization does not receive more than seventy-five percent of its total annual revenue from federal, state, or local governmental grants or sources, either directly or as a contractor;

(c) A statement that the organization maintains its physical office, clinic, or maternity home in the State of Nebraska; and

(d) A statement that the organization does not provide, pay for, provide coverage of, refer for, recommend, or promote abortions and does
not financially support any entity that provides, pays for, provides
coverage of, refers for, recommends, or promotes abortions, including
nonsurgical abortions.

(2) The department shall review each written certification and
determine whether the organization meets all of the criteria to be
considered an eligible charitable organization and shall notify the
organization of its determination. Any organization whose certification
is approved under this section shall be considered an eligible charitable
organization.

(3) An organization shall notify the department within sixty days of
any changes that may affect its status as an eligible charitable
organization.

(4) The department may periodically request recertification from an
organization that was previously approved as an eligible charitable
organization under this section.

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

Sec. 28. (1) An individual taxpayer who makes one or more cash
contributions to one or more eligible charitable organizations during a
tax year shall be eligible for a credit against the income tax due under
the Nebraska Revenue Act of 1967. Except as otherwise provided in the
Nebraska Pregnancy Help Act, the amount of the credit shall be equal to
the lesser of (a) the total amount of such contributions made during the
tax year or (b) fifty percent of the income tax liability of such
taxpayer for the tax year. A taxpayer may only claim a credit pursuant to
this section for the portion of the contribution that was not claimed as
a charitable contribution under the Internal Revenue Code of 1986, as
amended.

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

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

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

Sec. 29. (1) Any partnership, limited liability company, or
corporation having an election in effect under subchapter S of the
Internal Revenue Code of 1986, as amended, that is carrying on any trade
or business for which deductions would be allowed under section 162 of
the Internal Revenue Code of 1986, as amended, or is carrying on any
rental activity, and that makes one or more cash contributions to one or
more eligible charitable organizations during a tax year shall be
eligible for a credit against the income tax due under the Nebraska
Revenue Act of 1967. Except as otherwise provided in the Nebraska
Pregnancy Help Act, the amount of the credit shall be equal to the lesser
of (a) the total amount of such contributions made during the tax year or
(b) fifty percent of the income tax liability of such taxpayer for the
tax year. A taxpayer may only claim a credit pursuant to this section for
the portion of the contribution that was not claimed as a charitable
contribution under the Internal Revenue Code of 1986, as amended. The
credit shall be attributed to each partner, member, or shareholder in the
same proportion used to report the partnership's, limited liability
company's, or subchapter S corporation's income or loss for income tax
purposes.

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

(3) The tax credit allowed under this section is subject to section 32 of this act.

Sec. 30. (1) An estate or trust that makes one or more cash
contributions to one or more eligible charitable organizations during a
tax year shall be eligible for a credit against the income tax due under
the Nebraska Revenue Act of 1967. Except as otherwise provided in the
Nebraska Pregnancy Help Act, the amount of the credit shall be equal to
the lesser of (a) the total amount of such contributions made during the
tax year or (b) fifty percent of the income tax liability of such
taxpayer for the tax year. A taxpayer may only claim a credit pursuant to
this section for the portion of the contribution that was not claimed as
a charitable contribution under the Internal Revenue Code of 1986, as
amended. Any credit not used by the estate or trust may be attributed to
each beneficiary of the estate or trust in the same proportion used to
report the beneficiary's income from the estate or trust for income tax
purposes.

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

(3) The tax credit allowed under this section is subject to section 32 of this act.

Sec. 31. (1) A corporate taxpayer as defined in section 77-2734.04
that makes one or more cash contributions to one or more eligible
charitable organizations during a tax year shall be eligible for a credit
against the income tax due under the Nebraska Revenue Act of 1967. Except
as otherwise provided in the Nebraska Pregnancy Help Act, the amount of
the credit shall be equal to the lesser of (a) the total amount of such
contributions made during the tax year or (b) fifty percent of the income
tax liability of such taxpayer for the tax year. A taxpayer may only
claim a credit pursuant to this section for the portion of the
contribution that was not claimed as a charitable contribution under the
Internal Revenue Code of 1986, as amended.

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

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

Sec. 32. (1) Prior to making a contribution to an eligible
charitable organization, any taxpayer desiring to claim a tax credit
under the Nebraska Pregnancy Help Act shall notify the eligible
charitable organization of the taxpayer's intent to make a contribution
and the amount to be claimed as a tax credit. Upon receiving each such
notification, the eligible charitable organization shall notify the
department of the intended tax credit amount. If the department
determines that the intended tax credit amount in the notification would
exceed the limit specified in subsection (3) of this section, the
department shall notify the eligible charitable organization of its
determination within thirty days after receipt of the notification. The
eligible charitable organization shall then promptly notify the taxpayer
of the department's determination that the intended tax credit amount in
the notification is not available. If an amount less than the amount
indicated in the notification is available for a tax credit, the
department shall notify the eligible charitable organization of the
available amount and the eligible charitable organization shall notify
the taxpayer of the available amount within three business days.

(2) In order to be allowed a tax credit as provided by the act, the
taxpayer shall make its contribution between thirty-one and sixty days after notifying the eligible charitable organization of the taxpayer's intent to make a contribution. If the eligible charitable organization does not receive the contribution within the required time period, it shall notify the department of such fact and the department shall no longer include such amount when calculating whether the limit prescribed in subsection (3) of this section has been exceeded. If the eligible charitable organization receives the contribution within the required time period, it shall provide the taxpayer with a receipt for the contribution. The receipt shall show the name and address of the eligible charitable organization, the name, address, and, if available, tax identification number of the taxpayer making the contribution, the amount of the contribution, and the date the contribution was received.

(3) The department shall consider notifications regarding intended tax credit amounts in the order in which they are received to ascertain whether the intended tax credit amounts are within the annual limit provided in this subsection. The annual limit on the total amount of tax credits for calendar year 2025 and each calendar year thereafter shall be two million dollars. Once credits have reached the annual limit for any calendar year, no additional credits shall be allowed for such calendar year. Credits shall be prorated among the notifications received on the day the annual limit is exceeded. No more than fifty percent of the credits allowed for any calendar year shall be for contributions to a single eligible charitable organization.

Sec. 33. The department may adopt and promulgate rules and regulations to carry out the Nebraska Pregnancy Help Act.

Sec. 34. Sections 34 to 42 of this act shall be known and may be cited as the Individuals with Intellectual and Developmental Disabilities Support Act.

Sec. 35. For purposes of the Individuals with Intellectual and Developmental Disabilities Support Act:
Department means the Department of Revenue; Direct support professional means any individual who is employed in this state and provides direct care support or any other form of treatment, services, or care for individuals with intellectual and developmental disabilities; and Medicaid home and community-based services waiver means a medicaid waiver approved by the federal Centers for Medicare and Medicaid Services under the authority of section 1915(c) of the federal Social Security Act. The term includes a comprehensive developmental disabilities waiver and a developmental disabilities adult day waiver.

Sec. 36. (1) For taxable years beginning or deemed to begin on or after January 1, 2025, under the Internal Revenue Code of 1986, as amended, any employer that employs one or more direct support professionals during the taxable year shall be eligible to receive a credit against the income tax imposed by the Nebraska Revenue Act of 1967.

(2) The tax credit shall be in an amount equal to five hundred dollars multiplied by the number of direct support professionals who:

(a) Are employed by such employer for at least six months during the taxable year; and

(b) Work at least five hundred hours for such employer during the taxable year.

(3) The tax credit provided in this section shall be a nonrefundable tax credit.

(4) An employer shall apply for the credit provided in this section by submitting an application to the department on a form prescribed by the department. Subject to subsection (5) of this section, if the department determines that the employer qualifies for tax credits under this section, the department shall approve the application and certify the amount of credits approved to the employer.

(5) The department shall consider applications in the order in which
they are received and may approve tax credits under this section in any
year until the aggregate limit allowed under section 40 of this act has
been reached.

(6) An employer shall claim any tax credits granted under this
section by attaching the tax credit certification received from the
department under subsection (4) of this section to the employer's tax
return.

Sec. 37. (1) For taxable years beginning or deemed to begin on or
after January 1, 2025, under the Internal Revenue Code of 1986, as
amended, a direct support professional shall be eligible to receive a
credit against the income tax imposed by the Nebraska Revenue Act of 1967
if he or she:

(a) Is employed as a direct support professional for at least six
months during the taxable year; and

(b) Works at least five hundred hours as a direct support
professional during the taxable year.

(2) The tax credit shall be in an amount equal to five hundred
dollars.

(3) The tax credit provided in this section shall be a refundable
tax credit.

(4) A direct support professional shall apply for the credit
provided in this section by submitting an application to the department
on a form prescribed by the department. Subject to subsection (5) of this
section, if the department determines that the direct support
professional qualifies for tax credits under this section, the department
shall approve the application and certify the amount of credits approved
to the direct support professional.

(5) The department shall consider applications in the order in which
they are received and may approve tax credits under this section in any
year until the aggregate limit allowed under section 40 of this act has
been reached.
(6) A direct support professional shall claim any tax credits granted under this section by attaching the tax credit certification received from the department under subsection (4) of this section to the direct support professional's tax return.

Sec. 38. (1) For taxable years beginning or deemed to begin on or after January 1, 2025, under the Internal Revenue Code of 1986, as amended, any employer that employs an individual receiving services pursuant to a medicaid home and community-based services waiver shall be eligible to receive a credit against the income tax imposed by the Nebraska Revenue Act of 1967.

(2) The tax credit shall be in an amount equal to one thousand dollars multiplied by the number of employees who:
   (a) Are receiving services pursuant to a medicaid home and community-based services waiver;
   (b) Are employed by such employer for at least six months during the taxable year; and
   (c) Work at least two hundred hours for such employer during the taxable year.

(3) The tax credit provided in this section shall be a nonrefundable tax credit.

(4) An employer shall apply for the credit provided in this section by submitting an application to the department on a form prescribed by the department. Subject to subsection (5) of this section, if the department determines that the employer qualifies for tax credits under this section, the department shall approve the application and certify the amount of credits approved to the employer.

(5) The department shall consider applications in the order in which they are received and may approve tax credits under this section in any year until the aggregate limit allowed under section 40 of this act has been reached.

(6) An employer shall claim any tax credits granted under this
section by attaching the tax credit certification received from the department under subsection (4) of this section to the employer's tax return.

Sec. 39. (1) For taxable years beginning or deemed to begin on or after January 1, 2025, under the Internal Revenue Code of 1986, as amended, an employer shall be eligible to receive a credit against the income tax imposed by the Nebraska Revenue Act of 1967 if such employer provides any of the following types of services to an individual pursuant to a medicaid home and community-based services waiver:

(a) Prevocational;
(b) Supported employment – individual;
(c) Small group vocational support; or
(d) Supported employment – follow along.

(2) The tax credit shall be in an amount equal to one thousand dollars multiplied by the number of individuals described in subsection (1) of this section who received the applicable services from the employer during the taxable year.

(3) The tax credit provided in this section shall be a nonrefundable tax credit.

(4) An employer shall apply for the credit provided in this section by submitting an application to the department on a form prescribed by the department. Subject to subsection (5) of this section, if the department determines that the employer qualifies for tax credits under this section, the department shall approve the application and certify the amount of credits approved to the employer.

(5) The department shall consider applications in the order in which they are received and may approve tax credits under this section in any year until the aggregate limit allowed under section 40 of this act has been reached.

(6) An employer shall claim any tax credits granted under this section by attaching the tax credit certification received from the
department under subsection (4) of this section to the employer's tax
return.

Sec. 40. The department may approve tax credits under the
Individuals with Intellectual and Developmental Disabilities Support Act
each year until the total amount of credits approved for the year reaches
two million five hundred thousand dollars.

Sec. 41. If any employer receiving a tax credit under the
Individuals with Intellectual and Developmental Disabilities Support Act
is (1) a partnership, (2) a limited liability company, (3) a corporation
having an election in effect under subchapter S of the Internal Revenue
Code of 1986, as amended, or (4) an estate or trust, the tax credit may
be distributed in the same manner and proportion as the partner, member,
shareholder, or beneficiary reports the partnership, limited liability
company, subchapter S corporation, estate, or trust income.

Sec. 42. The department may adopt and promulgate rules and
regulations to carry out the Individuals with Intellectual and
Developmental Disabilities Support Act.

Sec. 43. Sections 43 to 49 of this act shall be known and may be
cited as the Medical Debt Relief Act.

Sec. 44. For purposes of the Medical Debt Relief Act:
(1) Bad debt expense means the cost of care for which a health care
provider expected payment from the patient or a third-party payor, but
which the health care provider subsequently determines to be
uncollectible;
(2) Eligible resident means an individual eligible for relief who:
(a) Is a resident of the State of Nebraska; and
(b) Has a household income at or below four hundred percent of the
federal poverty guidelines or has medical debt equal to five percent or
more of the individual's household income;
(3) Health care provider means:
(a) A facility licensed under the Health Care Facility Licensure
Act; and

(b) A health care professional licensed under the Uniform Credentialing Act;

(4) Medical debt means an obligation to pay money arising from the receipt of health care services;

(5) Medical debt relief means the discharge of a patient's medical debt;

(6) Medical debt relief coordinator means a person, company, partnership, or other entity that is able to discharge medical debt of an eligible resident in a manner that does not result in taxable income for the eligible resident; and

(7) Program means the Medical Debt Relief Program established in section 45 of this act.

Sec. 45. (1) The Medical Debt Relief Program is established for the purpose of discharging medical debt of eligible residents by contracting with a medical debt relief coordinator as described in subsection (3) of this section. The State Treasurer shall administer the program.

(2) Money appropriated to the State Treasurer or otherwise contributed for the program shall be used exclusively for the program, including contracting with a medical debt relief coordinator and providing money to be used by the medical debt relief coordinator to discharge medical debt of eligible residents. Money used in contracting with a medical debt relief coordinator may also be used for the payment of services provided by the medical debt relief coordinator to discharge medical debt of eligible residents based on a budget approved by the State Treasurer.

(3)(a) The State Treasurer shall enter into a contract with a medical debt relief coordinator to purchase and discharge medical debt owed by eligible residents with money allocated for the program.

(b) The State Treasurer shall implement a competitive bidding process to determine which medical debt relief coordinator to use, unless
the State Treasurer determines that only a single medical debt relief
cordinator has the capacity and willingness to carry out the duties
specified in the Medical Debt Relief Act.

(c) In contracting with the State Treasurer, a medical debt relief
cordinator shall adhere to the following:

(i) The medical debt relief coordinator shall review the medical
debt accounts of each health care provider willing to donate or sell
medical debt accounts in this state;

(ii) The medical debt relief coordinator may negotiate for and elect
to buy the dischargeable medical debt from a health care provider that
identifies the accounts described in subdivision (3)(c)(i) of this
section as a bad debt expense and agrees to sell the debt for less than
the original value;

(iii) After the purchase and discharge of medical debt from a health
care provider, the medical debt relief coordinator shall notify all
eligible residents whose medical debt has been discharged under the
program, in a manner approved by the State Treasurer, that they no longer
have specified medical debt owed to the relevant health care provider;

(iv) A medical debt relief coordinator shall make its best efforts
to ensure parity and equity in the purchasing and discharging of medical
debt to ensure that all eligible residents have an equal opportunity of
receiving medical debt relief regardless of their geographical location
or their race, color, religion, sex, disability, age, or national origin;

(v) A medical debt relief coordinator shall report to the State
Treasurer summary statistics regarding eligible residents whose medical
debt has been discharged; and

(vi) A medical debt relief coordinator may not attempt to seek
payment from an eligible resident for medical debt purchased by the
medical debt relief coordinator.

(d) A medical debt relief coordinator shall continue to fulfill its
contractual obligations to the State Treasurer until all money contracted
to the medical debt relief coordinator is exhausted, regardless of whether money allocated to the program has been exhausted.

(e) If a medical debt relief coordinator attempts to seek payment from an eligible resident for medical debt purchased by the medical debt relief coordinator or fails to carry out the responsibilities described in its contract with the State Treasurer, the medical debt relief coordinator shall be considered in breach of contract and the contract provisions that apply in the case of a breach of contract shall apply.

(f) Health care providers that are willing to sell medical debt to the medical debt relief coordinator shall provide necessary information to, and otherwise coordinate with, the medical debt relief coordinator as needed to carry out the purposes of the Medical Debt Relief Act.

Sec. 46. (1) On or before October 1, 2025, and on or before October 1 of each year thereafter for as long as medical debt relief coordinators are fulfilling their contractual obligations under the Medical Debt Relief Act, the State Treasurer shall submit an annual report regarding the program in accordance with this section.

(2) Each report under this section shall contain the following information for the most recently completed fiscal year:

(a) The amount of medical debt purchased and discharged under the program;

(b) The number of eligible residents who received medical debt relief under the program;

(c) The characteristics of such eligible residents as described in subdivision (3)(c)(iv) of section 45 of this act;

(d) The number of such eligible residents whose income was calculated at one hundred percent, one hundred fifty percent, and two hundred percent of the federal poverty guidelines;

(e) The number and characteristics of the health care providers from whom medical debt was purchased and discharged;

(f) The number and characteristics of the medical debt relief
coordinators contracted with for the purposes of purchasing and discharging medical debt; and

(g) The number of private individuals and private entities that made a contribution to the Medical Debt Relief Fund and the total amount of such contributions.

(3) Each report under this section shall be submitted electronically to the Governor and the Clerk of the Legislature.

Sec. 47. (1) The amount of interest and principal balance of medical debt discharged under the program shall not be considered income for income tax purposes as provided in section 77-2716.

(2) Contributions to the Medical Debt Relief Fund made by any private individual or private entity shall be tax deductible for income tax purposes as provided in section 77-2716.

Sec. 48. The Medical Debt Relief Fund is created. The fund shall be administered by the State Treasurer and shall be used to carry out the Medical Debt Relief Act. The fund shall consist of money transferred to the fund by the Legislature and money donated as gifts, bequests, or other contributions from public or private entities. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Sec. 49. The State Treasurer may adopt and promulgate rules and regulations to carry out the Medical Debt Relief Act.

Sec. 50. Sections 50 to 55 of this act shall be known and may be cited as the Sustainable Aviation Fuel Tax Credit Act.

Sec. 51. For purposes of the Sustainable Aviation Fuel Tax Credit Act:

(1) Applicable material means:

(a) Monoglycerides, diglycerides, and triglycerides;

(b) Free fatty acids; and

(c) Fatty acid esters;
(2) Applicable supplementary amount means an amount equal to one cent for each percentage point by which the lifecycle greenhouse gas emissions reduction percentage of the sustainable aviation fuel exceeds fifty percent. In no event shall the applicable supplementary amount determined under this subdivision exceed fifty cents;

(3) Biomass has the same meaning as in 26 U.S.C. 45K(c)(3), as such section existed on January 1, 2024;

(4) Department means the Department of Revenue;

(5) Lifecycle greenhouse gas emissions reduction percentage means the percentage reduction in lifecycle greenhouse gas emissions achieved by sustainable aviation fuel as compared with petroleum-based jet fuel, as defined in accordance with:

(a) The most recent Carbon Offsetting and Reduction Scheme for International Aviation which has been adopted by the International Civil Aviation Organization with the agreement of the United States; or

(b) Any similar methodology which satisfies the criteria under 42 U.S.C. 7545(o)(1)(H) as such section existed on January 1, 2024;

(6) Qualified mixture means a mixture of sustainable aviation fuel and kerosene if:

(a) Such mixture is produced by the taxpayer in the United States;

(b) Such mixture is used by the taxpayer or sold by the taxpayer for use in an aircraft;

(c) Such sale or use is in the ordinary course of a trade or business of the taxpayer; and

(d) The transfer of such mixture to the fuel tank of such aircraft occurs in the United States; and

(7) Sustainable aviation fuel means liquid fuel, the portion of which is not kerosene, which:

(a) Meets the requirements of:

(i) The American Society for Testing and Materials International Standard D7566; or
(b) Is not derived from coprocessing an applicable material or materials derived from an applicable material with a feedstock which is not biomass;
(c) Is not derived from palm or palm derivatives; and
(d) Has been certified as having a lifecycle greenhouse gas emissions reduction percentage of at least fifty percent.

Sec. 52. (1) For taxable years beginning or deemed to begin on or after January 1, 2025, under the Internal Revenue Code of 1986, as amended, there shall be allowed a credit against the income tax imposed by the Nebraska Revenue Act of 1967 or any tax imposed pursuant to sections 77-907 to 77-918 or 77-3801 to 77-3807 to any producer or importer of sustainable aviation fuel for any sale or use of a qualified mixture.

(2) The credit shall be a nonrefundable credit and the amount of the credit shall be equal to the number of gallons of sustainable aviation fuel in all sold or used qualified mixtures multiplied by the sum of seventy-five cents plus the applicable supplementary amount.

(3) In order to qualify for the credit under this section, a producer or importer of sustainable aviation fuel shall:

(a) Register with the department as a producer or importer of sustainable aviation fuel; and

(b) Provide:

(i) Certification in such form and manner as prescribed by the department from an unrelated party demonstrating compliance with:

(A) Any general requirements, supply chain traceability requirements, and information transmission requirements established under the Carbon Offsetting and Reduction Scheme for International Aviation described in subdivision (5)(a) of section 51 of this act; or

(B) In the case of any methodology described in subdivision (5)(b)
of section 51 of this act, requirements similar to the requirements

described in subdivision (3)(b)(i)(A) of this section; and

(ii) Any other information the department may require.

(4) A producer or importer of sustainable aviation fuel shall only
claim the credit under this section in a total of five taxable years.

Sec. 53. Any tax credit allowable to a partnership, a limited
liability company, a subchapter S corporation, or an estate or trust may
be distributed to the partners, limited liability company members,
shareholders, or beneficiaries in the same manner as income is
distributed.

Sec. 54. The department may adopt and promulgate rules and
regulations to carry out the Sustainable Aviation Fuel Tax Credit Act.

Sec. 55. The Sustainable Aviation Fuel Tax Credit Act terminates on
January 1, 2035.

Sec. 56. Sections 56 to 59 of this act shall be known and may be
cited as the Caregiver Tax Credit Act.

Sec. 57. For purposes of the Caregiver Tax Credit Act:

(1) Activities of daily living includes:

(a) Ambulating, which is the extent of the ability of an individual
to move from one position to another and walk independently;

(b) Feeding, which is the ability of an individual to feed oneself;

(c) Dressing, which is the ability of an individual to select
appropriate clothes and to put the clothes on without aid;

(d) Personal hygiene, which is the ability of an individual to bathe
and groom oneself and maintain dental hygiene and nail and hair care;

(e) Continence, which is the ability to control bladder and bowel
function; and

(f) Toileting, which is the ability of an individual to get to and
from the toilet without aid, using it appropriately, and cleaning
oneself;

(2)(a) Eligible expenditure includes:
(i) The improvement or alteration to the primary residence of the family caregiver or eligible family member to permit the eligible family member to live in the residence and to remain mobile, safe, and independent;
(ii) The purchase or lease of equipment by the family caregiver, including, but not limited to, durable medical equipment, that is necessary to assist an eligible family member in carrying out one or more activities of daily living; and
(iii) Other paid or incurred expenses by the family caregiver that assist the family caregiver in providing care to an eligible family member such as expenditures related to:
   (A) Hiring a home care aide;
   (B) Respite care;
   (C) Adult day care;
   (D) Personal care attendants;
   (E) Health care equipment; and
   (F) Technology.
(b) The eligible expenditure shall be directly related to assisting the family caregiver in providing care to an eligible family member. Eligible expenditure shall not include the carrying out of general household maintenance activities such as painting, plumbing, electrical repairs, or exterior maintenance;
(3) Eligible family member means an individual who:
   (a) Requires assistance with at least two activities of daily living as certified by a licensed health care provider;
   (b) Qualifies as a dependent, spouse, parent, or other relation by blood or marriage to the family caregiver; and
   (c) Lives in a private residence and not in an assisted living center, nursing facility, or residential care home; and
(4) Family caregiver means an individual:
   (a) Providing care and support for an eligible family member;
(b) Who has a federal adjusted gross income of less than fifty thousand dollars or, if filing as a married couple jointly, less than one hundred thousand dollars; and

(c) Who has personally incurred uncompensated expenses directly related to the care of an eligible family member.

Sec. 58. (1) For all taxable years beginning on or after January 1, 2025, there shall be allowed a credit against the income tax imposed by the Nebraska Revenue Act of 1967 to any family caregiver who incurs eligible expenditures for the care and support of an eligible family member.

(2) The amount of the credit shall be equal to fifty percent of the eligible expenditures incurred during the taxable year by a family caregiver for the care and support of an eligible family member.

(3) The tax credit allowed under this section shall be a nonrefundable credit. Any amount of the credit that is unused may not be carried forward.

(4) The maximum allowable credit in any single taxable year for a family caregiver shall be two thousand dollars unless the eligible family member is a veteran or has a diagnosis of dementia in which case the maximum allowable credit shall be three thousand dollars. If two or more family caregivers claim the tax credit allowed by this section for the same eligible family member, the maximum allowable credit shall be allocated in equal amounts between each of the family caregivers.

(5) A family caregiver shall apply for the tax credit allowed under this section by submitting an application to the Department of Revenue, on a form prescribed by the department, with the following information:

(a) Documentation of the eligible expenditures incurred for the care and support of an eligible family member; and

(b) Any other documentation required by the department.

(6) If the Department of Revenue determines that the family caregiver qualifies for the tax credit under this section, the department
shall approve the application and certify the amount of the approved
credit to the family caregiver.

(7) The Department of Revenue shall consider applications in the
order in which they are received and may approve tax credits under this
section each year until the total amount of credits approved for the year
equals two million five hundred thousand dollars.

Sec. 59. The Department of Revenue may adopt and promulgate rules
and regulations necessary to carry out the Caregiver Tax Credit Act.

Sec. 60. Sections 60 to 63 of this act shall be known and may be
cited as the Reverse Osmosis System Tax Credit Act.

Sec. 61. For purposes of the Reverse Osmosis System Tax Credit Act:
(1) Department means the Department of Revenue;
(2) Hazard Index means a calculation used to evaluate potential
health risks from exposure to one or more of the four listed chemicals
using their individual health safety limits as established by the
Environmental Protection Agency. The Hazard Index is the sum of the
ratios of actual chemical concentrations to the respective health safety
limit;
(3) Reverse osmosis system means a water filtration system that uses
a semi-permeable membrane to remove impurities from water; and
(4) Taxpayer means any individual subject to the income tax imposed
by the Nebraska Revenue Act of 1967.

Sec. 62. (1) A taxpayer shall be eligible to receive a one-time
credit against the income tax imposed by the Nebraska Revenue Act of 1967
for the cost of installation of a reverse osmosis system at the primary
residence of the taxpayer if test results for the following in the
drinking water for such residence are above:
(a) Ten parts per million for nitrate nitrogen;
(b) Four parts per trillion for perfluorooctanoic acid or
perfluorooctanesulfonic acid;
(c) Thirty micrograms per liter or thirty parts per billion for
uranium; or

(d) One on the Hazard Index for perfluorononanoic acid, perfluorohexanesulfonic acid, hexafluoropropylene oxide dimer acid and its ammonium salt, or perfluorobutanesulfonic acid.

(2) Only one taxpayer per residence may be a recipient of the credit.

(3) The credit provided in this section shall be a refundable tax credit equal to fifty percent of the cost incurred by the taxpayer during the taxable year for installation of the reverse osmosis system, up to a maximum of one thousand dollars.

(4) A taxpayer shall apply for the credit provided in this section by submitting an application to the department with the following information:

(a) Documentation of the test results of the drinking water for the taxpayer's primary residence;

(b) Documentation of the cost of the reverse osmosis system installed at such residence; and

(c) Any other documentation required by the department.

(5) If the department determines that the taxpayer qualifies for the tax credit under this section, the department shall approve the application and certify the amount of the approved credit to the taxpayer.

(6) The department shall consider applications in the order in which they are received and may approve tax credits under this section each year until the total amount of credits approved for the year equals one million dollars.

Sec. 63. The department may adopt and promulgate rules and regulations to carry out the Reverse Osmosis System Tax Credit Act.

Sec. 64. Section 77-908, Revised Statutes Cumulative Supplement, 2022, is amended to read:

77-908 Every insurance company organized under the stock, mutual,
assessment, or reciprocal plan, except fraternal benefit societies, which
is transacting business in this state shall, on or before March 1 of each
year, pay a tax to the director of one percent of the gross amount of
direct writing premiums received by it during the preceding calendar year
for business done in this state, except that (1) for group sickness and
accident insurance the rate of such tax shall be five-tenths of one
percent and (2) for property and casualty insurance, excluding individual
sickness and accident insurance, the rate of such tax shall be one
percent. A captive insurer authorized under the Captive Insurers Act that
is transacting business in this state shall, on or before March 1 of each
year, pay to the director a tax of one-fourth of one percent of the gross
amount of direct writing premiums received by such insurer during the
preceding calendar year for business transacted in the state. The taxable
premiums shall include premiums paid on the lives of persons residing in
this state and premiums paid for risks located in this state whether the
insurance was written in this state or not, including that portion of a
group premium paid which represents the premium for insurance on Nebraska
residents or risks located in Nebraska included within the group when the
number of lives in the group exceeds five hundred. The tax shall also
apply to premiums received by domestic companies for insurance written on
individuals residing outside this state or risks located outside this
state if no comparable tax is paid by the direct writing domestic company
to any other appropriate taxing authority. Companies whose scheme of
operation contemplates the return of a portion of premiums to
policyholders, without such policyholders being claimants under the terms
of their policies, may deduct such return premiums or dividends from
their gross premiums for the purpose of tax calculations. Any such
insurance company shall receive a credit on the tax imposed as provided
in the Community Development Assistance Act, the Nebraska Job Creation
and Mainstreet Revitalization Act, the New Markets Job Growth Investment
Act, the Nebraska Higher Blend Tax Credit Act, the Sustainable Aviation
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Fuel Tax Credit Act, the Nebraska Shortline Rail Modernization Act, and
the Affordable Housing Tax Credit Act.

Sec. 65. Section 77-2704.12, Revised Statutes Supplement, 2023, is
amended to read:

77-2704.12 (1) Sales and use taxes shall not be imposed on the gross
receipts from the sale, lease, or rental of and the storage, use, or
other consumption in this state of purchases by (a) any nonprofit
organization created exclusively for religious purposes, (b) any
nonprofit organization providing services exclusively to the blind, (c)
any nonprofit private educational institution established under sections
79-1601 to 79-1607, (d) any accredited, nonprofit, privately controlled
college or university with its primary campus physically located in
Nebraska, (e) any nonprofit (i) hospital, (ii) health clinic when one or
more hospitals or the parent corporations of the hospitals own or control
the health clinic for the purpose of reducing the cost of health services
or when the health clinic receives federal funds through the United
States Public Health Service for the purpose of serving populations that
are medically underserved, (iii) skilled nursing facility, (iv)
intermediate care facility, (v) assisted-living facility, (vi)
intermediate care facility for persons with developmental disabilities,
(vii) nursing facility, (viii) home health agency, (ix) hospice or
hospice service, (x) respite care service, (xi) mental health substance
use treatment center licensed under the Health Care Facility Licensure
Act, or (xii) center for independent living as defined in 29 U.S.C. 796a,
(f) any nonprofit licensed residential child-caring agency, (g) any
nonprofit licensed child-placing agency, (h) any nonprofit organization
certified by the Department of Health and Human Services to provide
community-based services for persons with developmental disabilities, or
(i) any nonprofit organization certified or contracted by a regional
behavioral health authority or the Division of Behavioral Health of the
Department of Health and Human Services to provide community-based mental
(1) health or substance use services, or (j) until the property is
transferred or the contract is completed, any nonprofit organization that
(i) acquires property that will be transferred to an organization listed
in subdivisions (a) through (i) of this subsection or (ii) enters into a
contract of construction, improvement, or repair upon property annexed to
real estate if the property will be transferred to an organization listed
in subdivisions (a) through (i) of this subsection.

(2) Any organization listed in subsection (1) of this section shall
apply for an exemption on forms provided by the Tax Commissioner. The
application shall be approved and a numbered certificate of exemption
received by the applicant organization in order to be exempt from the
sales and use tax.

(3) The appointment of purchasing agents shall be recognized for the
purpose of altering the status of the construction contractor as the
ultimate consumer of building materials which are physically annexed to
the structure and which subsequently belong to the owner of the
organization or institution. The appointment of purchasing agents shall
be in writing and occur prior to having any building materials annexed to
real estate in the construction, improvement, or repair. The contractor
who has been appointed as a purchasing agent may apply for a refund of or
use as a credit against a future use tax liability the tax paid on
inventory items annexed to real estate in the construction, improvement,
or repair of a project for a licensed not-for-profit institution.

(4) Any organization listed in subsection (1) of this section which
enters into a contract of construction, improvement, or repair upon
property annexed to real estate without first issuing a purchasing agent
authorization to a contractor or repairperson prior to the building
materials being annexed to real estate in the project may apply to the
Tax Commissioner for a refund of any sales and use tax paid by the
contractor or repairperson on the building materials physically annexed
to real estate in the construction, improvement, or repair.
(5) Any person purchasing, storing, using, or otherwise consuming building materials in the performance of any construction, improvement, or repair by or for any institution enumerated in subsection (1) of this section which is licensed upon completion although not licensed at the time of construction or improvement, which building materials are annexed to real estate and which subsequently belong to the owner of the institution, shall pay any applicable sales or use tax thereon. Upon becoming licensed and receiving a numbered certificate of exemption, the institution organized not for profit shall be entitled to a refund of the amount of taxes so paid in the performance of such construction, improvement, or repair and shall submit whatever evidence is required by the Tax Commissioner sufficient to establish the total sales and use tax paid upon the building materials physically annexed to real estate in the construction, improvement, or repair.

Sec. 66. Section 77-2715.07, Revised Statutes Supplement, 2023, is amended to read:

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

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

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

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

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

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

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

(d) A refundable credit for individuals who qualify for an income tax credit under the Angel Investment Tax Credit Act, the Nebraska Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research and Development Act, the Reverse Osmosis System Tax Credit Act, or the Volunteer Emergency Responders Incentive Act; and

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

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

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

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

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

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

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

(f) A credit to employers as provided in sections 77-27,238 and 77-27,240;

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

(h) A credit to grocery store retailers, restaurants, and agricultural producers as provided in section 77-27,241; and

(i) A credit as provided in the Opportunity Scholarships Act;

(j) A credit as provided in the Sustainable Aviation Fuel Tax Credit
(k) A credit as provided in the Nebraska Shortline Rail Modernization Act;
(l) A credit as provided in the Nebraska Pregnancy Help Act; and
(m) A credit as provided in the Caregiver Tax Credit Act.

(4) There shall be allowed as a credit against the income tax imposed by the Nebraska Revenue Act of 1967:
(a) A credit to all resident estates and trusts for taxes paid to another state as provided in section 77-2730;
(b) A credit to all estates and trusts for contributions to certified community betterment programs as provided in the Community Development Assistance Act; and
(c) A refundable credit for individuals who qualify for an income tax credit as an owner of agricultural assets under the Beginning Farmer Tax Credit Act for all taxable years beginning or deemed to begin on or after January 1, 2009, under the Internal Revenue Code of 1986, as amended. The credit allowed for each partner, shareholder, member, or beneficiary of a partnership, corporation, limited liability company, or estate or trust qualifying for an income tax credit as an owner of agricultural assets under the Beginning Farmer Tax Credit Act shall be equal to the partner's, shareholder's, member's, or beneficiary's portion of the amount of tax credit distributed pursuant to subsection (6) of section 77-5211.

(5)(a) For all taxable years beginning on or after January 1, 2007, and before January 1, 2009, under the Internal Revenue Code of 1986, as amended, there shall be allowed to each partner, shareholder, member, or beneficiary of a partnership, subchapter S corporation, limited liability company, or estate or trust a nonrefundable credit against the income tax imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the partner's, shareholder's, member's, or beneficiary's portion of the amount of franchise tax paid to the state under sections 77-3801 to

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77-3807 by a financial institution.

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

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

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

(7)(a) For taxable years beginning or deemed to begin on or after January 1, 2020, and before January 1, 2026, under the Internal Revenue Code of 1986, as amended, a nonrefundable credit against the income tax imposed by the Nebraska Revenue Act of 1967 in the amount of five thousand dollars shall be allowed to any individual who purchases a residence during the taxable year if such residence:

(i) Is located within an area that has been declared an extremely blighted area under section 18-2101.02;

(ii) Is the individual's primary residence; and

(iii) Was not purchased from a family member of the individual or a family member of the individual's spouse.
(b) The credit provided in this subsection shall be claimed for the taxable year in which the residence is purchased. If the individual cannot fully utilize the credit for such year, the credit may be carried forward to subsequent taxable years until fully utilized.

(c) No more than one credit may be claimed under this subsection with respect to a single residence.

(d) The credit provided in this subsection shall be subject to recapture by the Department of Revenue if the individual claiming the credit sells or otherwise transfers the residence or quits using the residence as his or her primary residence within five years after the end of the taxable year in which the credit was claimed.

(e) For purposes of this subsection, family member means an individual's spouse, child, parent, brother, sister, grandchild, or grandparent, whether by blood, marriage, or adoption.

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

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

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

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

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

(b) The amount of the credit shall be two thousand dollars.
(c) The credit shall be allowed for the taxable year in which the stillbirth occurred.

(10) There shall be allowed to all individuals refundable credits against the income tax imposed by the Nebraska Revenue Act of 1967 as provided in section 77-7203 and nonrefundable credits against the income tax imposed by the Nebraska Revenue Act of 1967 as provided in section 77-7204.

(11) There shall be allowed to all individuals refundable credits against the income tax imposed by the Nebraska Revenue Act of 1967 as provided in section 37 of this act and nonrefundable credits against the income tax imposed by the Nebraska Revenue Act of 1967 as provided in sections 36, 38, and 39 of this act.

Sec. 67. Section 77-2716, Revised Statutes Supplement, 2023, is amended to read:

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

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

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

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

(c) There shall be added interest or dividends received by the owner of obligations of the District of Columbia, other states of the United States, or their political subdivisions, authorities, commissions, or instrumentalities to the extent excluded in the computation of gross income for federal income tax purposes except that such interest or dividends shall not be added if received by a corporation which is a regulated investment company;

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

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

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

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

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

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

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

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

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

(b) The amount of after-tax income shall be divided by one minus the maximum tax rate for corporations in the Internal Revenue Code; and

(c) The result of the calculation in subdivision (b) of this subsection shall be subtracted from the amount of federal taxable income used in subdivision (a) of this subsection. The result of such calculation, if greater than zero, shall be subtracted from federal taxable income.

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

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

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

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

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

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

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

(9)(a) For income tax returns filed after September 10, 2001, for
taxable years beginning or deemed to begin before January 1, 2006, under
the Internal Revenue Code of 1986, as amended, federal adjusted gross
income or, for corporations and fiduciaries, federal taxable income shall
be increased by eighty-five percent of any amount of any federal bonus
depreciation received under the federal Job Creation and Worker
Assistance Act of 2002 or the federal Jobs and Growth Tax Act of 2003,
under section 168(k) or section 1400L of the Internal Revenue Code of
1986, as amended, for assets placed in service after September 10, 2001,
and before December 31, 2005.

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

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

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

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

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

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

(12) There shall be added to federal adjusted gross income for individuals, estates, and trusts any amount taken as a credit for franchise tax paid by a financial institution under sections 77-3801 to 77-3807 as allowed by subsection (5) of section 77-2715.07.

(13)(a) For taxable years beginning or deemed to begin on or after
January 1, 2015, and before January 1, 2024, under the Internal Revenue Code of 1986, as amended, federal adjusted gross income shall be reduced by the amount received as benefits under the federal Social Security Act which are included in the federal adjusted gross income if:

(i) For taxpayers filing a married filing joint return, federal adjusted gross income is fifty-eight thousand dollars or less; or

(ii) For taxpayers filing any other return, federal adjusted gross income is forty-three thousand dollars or less.

(b) For taxable years beginning or deemed to begin on or after January 1, 2020, and before January 1, 2024, under the Internal Revenue Code of 1986, as amended, the Tax Commissioner shall adjust the dollar amounts provided in subdivisions (13)(a)(i) and (ii) of this section by the same percentage used to adjust individual income tax brackets under subsection (3) of section 77-2715.03.

(c) For taxable years beginning or deemed to begin on or after January 1, 2021, and before January 1, 2024, under the Internal Revenue Code of 1986, as amended, a taxpayer may claim the reduction to federal adjusted gross income allowed under this subsection or the reduction to federal adjusted gross income allowed under subsection (14) of this section, whichever provides the greater reduction.

(14)(a) For taxable years beginning or deemed to begin on or after January 1, 2021, under the Internal Revenue Code of 1986, as amended, federal adjusted gross income shall be reduced by a percentage of the social security benefits that are received and included in federal adjusted gross income. The pertinent percentage shall be:

(i) Five percent for taxable years beginning or deemed to begin on or after January 1, 2021, and before January 1, 2022, under the Internal Revenue Code of 1986, as amended;

(ii) Forty percent for taxable years beginning or deemed to begin on or after January 1, 2022, and before January 1, 2023, under the Internal Revenue Code of 1986, as amended;
(iii) Sixty percent for taxable years beginning or deemed to begin on or after January 1, 2023, and before January 1, 2024, under the Internal Revenue Code of 1986, as amended; and

(iv) One hundred percent for taxable years beginning or deemed to begin on or after January 1, 2024, under the Internal Revenue Code of 1986, as amended.

(b) For purposes of this subsection, social security benefits means benefits received under the federal Social Security Act.

(c) For taxable years beginning or deemed to begin on or after January 1, 2021, and before January 1, 2024, under the Internal Revenue Code of 1986, as amended, a taxpayer may claim the reduction to federal adjusted gross income allowed under this subsection or the reduction to federal adjusted gross income allowed under subsection (13) of this section, whichever provides the greater reduction.

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

(b) For taxable years beginning or deemed to begin on or after January 1, 2022, under the Internal Revenue Code of 1986, as amended, an individual may exclude one hundred percent of the military retirement benefit income received by such individual to the extent included in federal adjusted gross income.
(c) For purposes of this subsection, military retirement benefit means retirement benefits that are periodic payments attributable to service in the uniformed services of the United States for personal services performed by an individual prior to his or her retirement. The term includes retirement benefits described in this subdivision that are reported to the individual on either:

(i) An Internal Revenue Service Form 1099-R received from the United States Department of Defense; or

(ii) An Internal Revenue Service Form 1099-R received from the United States Office of Personnel Management.

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

(17) For taxable years beginning or deemed to begin on or after January 1, 2022, under the Internal Revenue Code of 1986, as amended, federal adjusted gross income shall be reduced by the amount received by or on behalf of a firefighter for cancer benefits under the Firefighter Cancer Benefits Act to the extent included in federal adjusted gross income.

(18) There shall be subtracted from the federal adjusted gross income of individuals any amount received by the individual as student loan repayment assistance under the Teach in Nebraska Today Act, to the extent such amount is included in federal adjusted gross income.

(19) For taxable years beginning or deemed to begin on or after January 1, 2023, under the Internal Revenue Code of 1986, as amended, a retired individual who was employed full time as a firefighter or certified law enforcement officer for at least twenty years and who is at least sixty years of age as of the end of the taxable year may reduce his or her federal adjusted gross income by the amount of health insurance
premiums paid by such individual during the taxable year, to the extent such premiums were not already deducted in determining the individual's federal adjusted gross income.

(20) For taxable years beginning or deemed to begin on or after January 1, 2024, under the Internal Revenue Code of 1986, as amended, an individual may reduce his or her federal adjusted gross income by the amounts received as annuities under the Federal Employees Retirement System or the Civil Service Retirement System which were earned for being employed by the federal government, to the extent such amounts are included in federal adjusted gross income.

(21)(a) For taxable years beginning or deemed to begin on or after January 1, 2024, under the Internal Revenue Code of 1986, as amended, an individual may reduce his or her federal adjusted gross income by the amount of interest and principal balance of medical debt discharged under the Medical Debt Relief Act, to the extent included in such individual's federal adjusted gross income.

(b) For taxable years beginning or deemed to begin on or after January 1, 2024, under the Internal Revenue Code of 1986, as amended, federal adjusted gross income or, for corporations and fiduciaries, federal taxable income shall be reduced by the amount of contributions made to the Medical Debt Relief Fund, to the extent not deducted for federal income tax purposes.

Sec. 68. Section 77-2717, Revised Statutes Supplement, 2023, is amended to read:

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

(ii) For taxable years beginning or deemed to begin on or after
January 1, 2014, the tax imposed on all resident estates and trusts shall
be a percentage of the federal taxable income of such estates and trusts
as modified in section 77-2716, plus a percentage of the federal tax on
premature or lump-sum distributions from qualified retirement plans. The
additional taxes shall be recomputed by substituting Nebraska taxable
income for federal taxable income and applying Nebraska rates to the
result. The credits provided in the Nebraska Advantage Microenterprise
Tax Credit Act and the Nebraska Advantage Research and Development Act
shall be allowed as a reduction in the income tax due. A refundable
income tax credit shall be allowed for all resident estates and trusts
under the Angel Investment Tax Credit Act, the Cast and Crew Nebraska
Act, the Nebraska Advantage Microenterprise Tax Credit Act, the Nebraska
Advantage Research and Development Act, the Nebraska Biodiesel Tax Credit
Act, the Nebraska Higher Blend Tax Credit Act, the Nebraska Property Tax
Incentive Act, and the Renewable Chemical Production Tax Credit Act. A
nonrefundable income tax credit shall be allowed for all resident estates
and trusts as provided in the Nebraska Job Creation and Mainstreet Revitalization Act, the New Markets Job Growth Investment Act, the School Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable Housing Tax Credit Act, the Opportunity Scholarships Act, the Sustainable Aviation Fuel Tax Credit Act, the Nebraska Shortline Rail Modernization Act, the Nebraska Pregnancy Help Act, the Individuals with Intellectual and Developmental Disabilities Support Act, and sections 77-27,238, 77-27,240, and 77-27,241.

(b) The tax imposed on all nonresident estates and trusts shall be the portion of the tax imposed on resident estates and trusts which is attributable to the income derived from sources within this state. The tax which is attributable to income derived from sources within this state shall be determined by multiplying the liability to this state for a resident estate or trust with the same total income by a fraction, the numerator of which is the nonresident estate's or trust's Nebraska income as determined by sections 77-2724 and 77-2725 and the denominator of which is its total federal income after first adjusting each by the amounts provided in section 77-2716. The federal credit for prior year minimum tax, after the recomputations required by the Nebraska Revenue Act of 1967, reduced by the percentage of the total income which is attributable to income from sources outside this state, and the credits provided in the Nebraska Advantage Microenterprise Tax Credit Act and the Nebraska Advantage Research and Development Act shall be allowed as a reduction in the income tax due. A refundable income tax credit shall be allowed for all nonresident estates and trusts under the Angel Investment Tax Credit Act, the Cast and Crew Nebraska Act, the Nebraska Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research and Development Act, the Nebraska Biodiesel Tax Credit Act, the Nebraska Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, and the Renewable Chemical Production Tax Credit Act. A nonrefundable income tax credit shall be allowed for all nonresident estates and trusts as
provided in the Nebraska Job Creation and Mainstreet Revitalization Act, the New Markets Job Growth Investment Act, the School Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable Housing Tax Credit Act, the Opportunity Scholarships Act, the Sustainable Aviation Fuel Tax Credit Act, the Nebraska Shortline Rail Modernization Act, the Nebraska Pregnancy Help Act, the Individuals with Intellectual and Developmental Disabilities Support Act, and sections 77-27,238, 77-27,240, and 77-27,241.

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

(3) The beneficiaries of such estate or trust who are residents of this state shall include in their income their proportionate share of such estate's or trust's federal income and shall reduce their Nebraska tax liability by their proportionate share of the credits as provided in the Angel Investment Tax Credit Act, the Nebraska Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research and Development Act, the Nebraska Job Creation and Mainstreet Revitalization Act, the New Markets Job Growth Investment Act, the School Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable Housing Tax Credit Act, the Nebraska Biodiesel Tax Credit Act, the Nebraska Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, the
Renewable Chemical Production Tax Credit Act, the Opportunity Scholarships Act, the Sustainable Aviation Fuel Tax Credit Act, the Nebraska Shortline Rail Modernization Act, the Cast and Crew Nebraska Act, the Nebraska Pregnancy Help Act, the Individuals with Intellectual and Developmental Disabilities Support Act, and sections 77-27,238, 77-27,240, and 77-27,241. There shall be allowed to a beneficiary a refundable income tax credit under the Beginning Farmer Tax Credit Act for all taxable years beginning or deemed to begin on or after January 1, 2001, under the Internal Revenue Code of 1986, as amended.

(4) If any beneficiary of such estate or trust is a nonresident during any part of the estate's or trust's taxable year, he or she shall file a Nebraska income tax return which shall include (a) in Nebraska adjusted gross income that portion of the estate's or trust's Nebraska income, as determined under sections 77-2724 and 77-2725, allocable to his or her interest in the estate or trust and (b) a reduction of the Nebraska tax liability by his or her proportionate share of the credits as provided in the Angel Investment Tax Credit Act, the Nebraska Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research and Development Act, the Nebraska Job Creation and Mainstreet Revitalization Act, the New Markets Job Growth Investment Act, the School Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable Housing Tax Credit Act, the Nebraska Biodiesel Tax Credit Act, the Nebraska Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, the Renewable Chemical Production Tax Credit Act, the Opportunity Scholarships Act, the Sustainable Aviation Fuel Tax Credit Act, the Nebraska Shortline Rail Modernization Act, the Cast and Crew Nebraska Act, the Nebraska Pregnancy Help Act, the Individuals with Intellectual and Developmental Disabilities Support Act, and sections 77-27,238, 77-27,240, and 77-27,241 and shall execute and forward to the fiduciary, on or before the original due date of the Nebraska fiduciary return, an agreement which states that he or she will file a Nebraska income tax
return and pay income tax on all income derived from or connected with sources in this state, and such agreement shall be attached to the Nebraska fiduciary return for such taxable year.

(5) In the absence of the nonresident beneficiary's executed agreement being attached to the Nebraska fiduciary return, the estate or trust shall remit a portion of such beneficiary's income which was derived from or attributable to Nebraska sources with its Nebraska return for the taxable year. For taxable years beginning or deemed to begin before January 1, 2013, the amount of remittance, in such instance, shall be the highest individual income tax rate determined under section 77-2715.02 multiplied by the nonresident beneficiary's share of the estate or trust income which was derived from or attributable to sources within this state. For taxable years beginning or deemed to begin on or after January 1, 2013, the amount of remittance, in such instance, shall be the highest individual income tax rate determined under section 77-2715.03 multiplied by the nonresident beneficiary's share of the estate or trust income which was derived from or attributable to sources within this state. The amount remitted shall be allowed as a credit against the Nebraska income tax liability of the beneficiary.

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

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

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

Sec. 69. Section 77-2734.03, Revised Statutes Supplement, 2023, is
amended to read:

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

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

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

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

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

(4) The changes made to this section by Laws 2004, LB 983, apply to motor fuels purchased during any tax year ending or deemed to end on or after January 1, 2005, under the Internal Revenue Code of 1986, as amended.

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

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

(7) There shall be allowed to corporate taxpayers a nonrefundable income tax credit as provided in the Nebraska Job Creation and Mainstreet Revitalization Act, the New Markets Job Growth Investment Act, the School Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable Housing Tax Credit Act, the Opportunity Scholarships Act, the Sustainable Aviation Fuel Tax Credit Act, the Nebraska Shortline Rail Modernization Act, the Nebraska Pregnancy Help Act, the Individuals with Intellectual and Developmental Disabilities Support Act, and sections 77-27,238, 77-27,240, and 77-27,241.

Sec. 70. Section 77-27,241, Revised Statutes Supplement, 2023, is
amended to read:

77-27,241 (1) For purposes of this section:

(a) Agricultural producer means an individual or entity whose income is primarily attributable to crop or livestock production in the State of Nebraska;

(b) Department means the Department of Revenue;

(c) Food bank means an organization in this state that:
   (i) Is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and
   (ii) Distributes food in ten or more counties in Nebraska and qualifies for the Emergency Food Assistance Program administered by the United States Department of Agriculture;

(d) Food pantry means an organization in this state that:
   (i) Is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and
   (ii) Distributes emergency food supplies to low-income individuals in this state who would otherwise not have access to such food supplies;

(e) Food rescue means an organization in this state that:
   (i) Is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and
   (ii) Accepts donations of food and delivers such food to food banks or food pantries so that such food may be distributed to low-income individuals in this state;

(f) Grocery store retailer means a retailer located in this state that is primarily engaged in business activities classified as code 445110 under the North American Industry Classification System;

(g) Qualifying agricultural food donation means a donation made by an agricultural producer to a food bank, food pantry, or food rescue of fresh or frozen fruits, vegetables, eggs, dairy products, or meat products grown or produced in the State of Nebraska which meets all applicable quality and labeling standards, along with any other
applicable requirements of the food bank, food pantry, or food rescue to
which the qualifying agricultural food donation is made; and

(h) Restaurant means a business located in this state that is
primarily engaged in business activities classified as code 722511,
722513, 722514, or 722515 under the North American Industry
Classification System.

(2) For taxable years beginning or deemed to begin on or after
January 1, 2024, under the Internal Revenue Code of 1986, as amended, a
credit against the income tax imposed by the Nebraska Revenue Act of 1967
shall be allowed to:

(a) Any grocery store retailer or restaurant that donates food to a
food bank, food pantry, or food rescue during the taxable year; and

(b) Any agricultural producer that makes a qualifying agricultural
food donation to a food bank, food pantry, or food rescue during the
taxable year.

(3) Subject to subsection (7) of this section, the credit provided
in this section shall be a nonrefundable credit in an amount equal to
fifty percent of the value of the food donations or qualifying
agricultural food donations made during the taxable year, not to exceed
two thousand five hundred dollars. Any amount of the credit that the
taxpayer is prohibited from claiming in a taxable year may be carried
forward to any of the three subsequent taxable years.

(4) For purposes of this section, food donated by a grocery store
retailer or restaurant shall be valued at its wholesale value. A
qualifying agricultural food donation shall be valued at the prevailing
market value of the product at the time of donation, plus the direct cost
incurred by the agricultural producer for processing the product.

(5) To receive a credit under this section, a taxpayer shall submit
an application to the department in a form and manner prescribed by the
department. The application shall include the amount of food donated
during the taxable year and any other information required by the
department.

(6) If the department determines that an application is complete and that the taxpayer qualifies for credits, the department shall approve the application within the limits set forth in this section and shall certify the amount of credits approved to the taxpayer.

(7) The department may approve up to one million zero dollars of credits each year. If the amount of credits requested by qualified taxpayers in any year exceeds such limit, the department shall allocate credits proportionally based on the amounts requested so that the limit is not exceeded.

(8) A taxpayer shall claim the credit by attaching the tax credit certification received from the department under subsection (6) of this section to the taxpayer's tax return.

(9) Any amount relating to such food donations or qualifying agricultural food donations that was deducted as a charitable contribution on the taxpayer's federal income tax return subtracted from the taxpayer's federal adjusted gross income or federal taxable income must be added back in the determination of Nebraska adjusted gross income or taxable income before the credit provided in this section may be claimed.

(10) No credit granted under this section shall be transferred, sold, or assigned. No taxpayer shall be eligible to receive a credit under this section if such taxpayer employs persons who are not authorized to work in the United States under federal law. No taxpayer shall be able to claim more than one credit under this section for a single donation.

(11) A food bank, food pantry, or food rescue may accept or reject any food donated under this section for any reason. Any food that is rejected shall not qualify for a credit under this section.

(12) The department may adopt and promulgate rules and regulations to carry out this section.
Sec. 71. Section 77-3806, Revised Statutes Cumulative Supplement, 2022, is amended to read:

77-3806 (1) The tax return shall be filed and the total amount of the franchise tax shall be due on the fifteenth day of the third month after the end of the taxable year. No extension of time to pay the tax shall be granted. If the Tax Commissioner determines that the amount of tax can be computed from available information filed by the financial institutions with either state or federal regulatory agencies, the Tax Commissioner may, by regulation, waive the requirement for the financial institutions to file returns.

(2) Sections 77-2714 to 77-27,135 relating to deficiencies, penalties, interest, the collection of delinquent amounts, and appeal procedures for the tax imposed by section 77-2734.02 shall also apply to the tax imposed by section 77-3802. If the filing of a return is waived by the Tax Commissioner, the payment of the tax shall be considered the filing of a return for purposes of sections 77-2714 to 77-27,135.

(3) No refund of the tax imposed by section 77-3802 shall be allowed unless a claim for such refund is filed within ninety days of the date on which (a) the tax is due or was paid, whichever is later, (b) a change is made to the amount of deposits or the net financial income of the financial institution by a state or federal regulatory agency, or (c) the Nebraska Investment Finance Authority issues an eligibility statement to the financial institution pursuant to the Affordable Housing Tax Credit Act.

(4) Any such financial institution shall receive a credit on the franchise tax as provided under the Affordable Housing Tax Credit Act, the Community Development Assistance Act, the Nebraska Higher Blend Tax Credit Act, the Nebraska Job Creation and Mainstreet Revitalization Act, the Nebraska Property Tax Incentive Act, and the New Markets Job Growth Investment Act, the Sustainable Aviation Fuel Tax Credit Act, and the Nebraska Shortline Rail Modernization Act.
Sec. 72. Section 77-7012, Revised Statutes Supplement, 2023, is amended to read:

77-7012 (1) If the department determines that an application is complete and that the taxpayer qualifies for tax credits, the department shall approve the application within the limits set forth in this section and shall certify the amount of tax credits approved to the taxpayer.

(2) The department may approve up to one million dollars in tax credits in any calendar year, up to one million five hundred thousand dollars in tax credits in calendar year 2025, and up to two million dollars in tax credits in any calendar year thereafter. If the total amount of tax credits requested in any calendar year exceeds such limit, the department shall allocate the tax credits proportionally based upon amounts requested.

Sec. 73. Section 77-7015, Revised Statutes Supplement, 2023, is amended to read:

77-7015 There shall be no new applications filed under the Nebraska Biodiesel Tax Credit Act after December 31, 2029. All applications and all tax credits pending or approved before such date shall continue in full force and effect.

Sec. 74. Section 81-1220, Revised Statutes Cumulative Supplement, 2022, is amended to read:

81-1220 (1)(a) The Nebraska Film Office Fund is created. The fund shall be administered by the Department of Economic Development and used for grants for Nebraska-based films, Nebraska filmmakers, and tribal communities in Nebraska as provided in this section.

(b) The fund shall consist of funds transferred by the Legislature, gifts, grants, and bequests. It is the intent of the Legislature to transfer the unexpended and unobligated balance in the Nebraska Film Office Fund on June 30, 2025, to the General Fund.

(c) Any money in the Nebraska Film Office Fund available for investment shall be invested by the state investment officer pursuant to
the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

(2)(a) The department shall administer a grant program for Nebraska-based films and shall require applications to be submitted to the department prior to beginning production.

(b) To be eligible for a grant under the program, the applicant shall verify that:

(i) The film is to be produced in Nebraska;

(ii) The film tells a Nebraska story; and

(iii) At least fifty percent of the workforce for film production will be composed of Nebraska residents for the duration of the production except as otherwise provided in subdivision (c) of this subsection.

(c) The department may lower the fifty-percent requirement in subdivision (b)(iii) of this subsection but shall not waive the requirement. The applicant shall apply to the department to lower the requirement and provide a certification that the requirement is an unreasonable impediment to production of the film. The department shall notify the applicant of the decision under this subdivision.

(d) The department shall review each application to determine whether the film qualifies for a grant under this subsection and shall not award a grant that exceeds twenty-five percent of the projected production cost of the film.

(3)(a) The department shall administer a grant program for Nebraska filmmakers with the intention to create Nebraska film industry jobs and shall require applications to be submitted to the department prior to beginning production.

(b) To be eligible for a grant under the program, the applicant shall verify that:

(i) One hundred percent of the principal photography of the film will be in Nebraska;

(ii) The applicant is a resident that has a validated credit as a
producer, director, director of photography, or screenwriter for the
film;

(iii) The film will be a full-length film or documentary or a short-
length film or documentary;

(iv) The film will not contain any obscene or sexually explicit
material;

(v) All employees who will work on the film are residents; and

(vi) The total budget of the film is at least:

(A) For full-length films or documentaries, fifty thousand dollars;

or

(B) For short-length films or documentaries, five thousand dollars;

(c) The department shall review each application to determine
whether the film qualifies for a grant under this subsection.

(d) The department shall review applications for grants under this
subsection in the order in which the applications are received.

(e) The department shall award grants under this subsection for a
total of four full-length films or documentaries and ten short-length
films or documentaries each calendar year.

(f) The department shall not award a grant that exceeds two hundred
fifty thousand dollars for a full-length film or documentary or twenty-
five thousand dollars for a short-length film or documentary.

(g) The department shall not award total grants exceeding one
million three hundred twenty-five thousand dollars in any calendar year.

(h) The first grant awarded for each individual film shall not
exceed:

(i) For full-length films or documentaries, fifty thousand dollars;

or

(ii) For short-length films or documentaries, ten thousand dollars.

(i) If an applicant who receives a grant under this subsection does
not meet the requirements for eligibility under subdivision (b) of this
subsection during the entirety of the production of the film, the
applicant shall repay the entirety of the grant.

(j) For purposes of this subsection:

(i) Full-length means a production at least sixty minutes in length;

(ii) Short-length means a production at least thirty minutes and
less than sixty minutes in length; and

(iii) Resident means any individual domiciled in the State of
Nebraska and any other individual who maintains a permanent place of
residence within the state even though temporarily absent from the state
and who has not established a residence elsewhere.

(4)(a) The department shall administer a grant program for film and
entertainment education programs in tribal communities in Nebraska.

(b) The department shall award total grants of at least seventy-five
thousand dollars each calendar year.

Sec. 75. Sections 65 and 76 of this act become operative on October
1, 2024. Sections 24, 25, 26, 27, 28, 29, 30, 31, 32, and 33 of this act
become operative for all taxable years beginning or deemed to begin on or
after January 1, 2025, under the Internal Revenue Code of 1986, as
amended. The other sections of this act become operative on their
effective date.

Sec. 76. Original section 77-2704.12, Revised Statutes Supplement,
2023, is repealed.

Sec. 77. Original sections 77-908, 77-3806, and 81-1220, Revised
Statutes Cumulative Supplement, 2022, and sections 77-2715.07, 77-2716,
77-2717, 77-2734.03, 77-27,241, 77-7012, and 77-7015, Revised Statutes
Supplement, 2023, are repealed.