

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 931**

Introduced by Cavanaugh, J., 9.

Read first time January 09, 2026

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend section  
2 77-2715.07, Revised Statutes Supplement, 2025; to provide an income  
3 tax credit related to premium payments for a qualified health plan;  
4 and to repeal the original section.  
5 Be it enacted by the people of the State of Nebraska,

1       **Section 1.** Section 77-2715.07, Revised Statutes Supplement, 2025, is  
2       amended to read:

3       77-2715.07 (1) There shall be allowed to qualified resident  
4       individuals as a nonrefundable credit against the income tax imposed by  
5       the Nebraska Revenue Act of 1967:

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

8           (b) A credit for taxes paid to another state as provided in section  
9       77-2730.

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

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

22           (b) For returns filed reporting federal adjusted gross income of  
23       twenty-nine thousand dollars or less, a refundable credit equal to a  
24       percentage of the federal credit allowable under section 21 of the  
25       Internal Revenue Code of 1986, as amended, whether or not the federal  
26       credit was limited by the federal tax liability. The percentage of the  
27       federal credit shall be one hundred percent for incomes not greater than  
28       twenty-two thousand dollars, and the percentage shall be reduced by ten  
29       percent for each one thousand dollars, or fraction thereof, by which the  
30       reported federal adjusted gross income exceeds twenty-two thousand  
31       dollars, except that for taxable years beginning or deemed to begin on or

1 after January 1, 2015, such refundable credit shall be allowed only if  
2 the individual would have received the federal credit allowed under  
3 section 21 of the code after adding back in any carryforward of a net  
4 operating loss that was deducted pursuant to such section in determining  
5 eligibility for the federal credit;

6 (c) A refundable credit as provided in section 77-5209.01 for  
7 individuals who qualify for an income tax credit as a qualified beginning  
8 farmer or livestock producer under the Beginning Farmer Tax Credit Act  
9 for all taxable years beginning or deemed to begin on or after January 1,  
10 2006, under the Internal Revenue Code of 1986, as amended;

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

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

25 (f) A refundable credit as provided in section 77-7203 for  
26 individuals who qualify for an income tax credit under the Child Care Tax  
27 Credit Act for all taxable years beginning or deemed to begin on or after  
28 January 1, 2024, under the Internal Revenue Code of 1986, as amended.

29 (3) There shall be allowed to all individuals as a nonrefundable  
30 credit against the income tax imposed by the Nebraska Revenue Act of  
31 1967:

1           (a) A credit for personal exemptions allowed under section  
2   77-2716.01;

3           (b) A credit for (i) contributions to programs or projects certified  
4   for tax credit status as provided in the Creating High Impact Economic  
5   Futures Act and (ii) contributions to certified community betterment  
6   programs as provided in the Community Development Assistance Act. Each  
7   partner, each shareholder of an electing subchapter S corporation, each  
8   beneficiary of an estate or trust, or each member of a limited liability  
9   company shall report his or her share of the credit in the same manner  
10   and proportion as he or she reports the partnership, subchapter S  
11   corporation, estate, trust, or limited liability company income;

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

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

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

18           (f) A credit to employers as provided in sections 77-27,238 and  
19   77-27,240;

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

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

23           (i) A credit as provided in the Sustainable Aviation Fuel Tax Credit  
24   Act;

25           (j) A credit as provided in the Nebraska Shortline Rail  
26   Modernization Act;

27           (k) A credit as provided in the Nebraska Pregnancy Help Act; and

28           (l) A credit as provided in the Caregiver Tax Credit Act.

29           (4) There shall be allowed as a credit against the income tax  
30   imposed by the Nebraska Revenue Act of 1967:

31           (a) A credit to all resident estates and trusts for taxes paid to

1 another state as provided in section 77-2730;  
2 (b) A credit to all estates and trusts for (i) contributions to  
3 programs or projects certified for tax credit status as provided in the  
4 Creating High Impact Economic Futures Act and (ii) contributions to  
5 certified community betterment programs as provided in the Community  
6 Development Assistance Act; and

7 (c) A refundable credit for individuals who qualify for an income  
8 tax credit as an owner of agricultural assets under the Beginning Farmer  
9 Tax Credit Act for all taxable years beginning or deemed to begin on or  
10 after January 1, 2009, under the Internal Revenue Code of 1986, as  
11 amended. The credit allowed for each partner, shareholder, member, or  
12 beneficiary of a partnership, corporation, limited liability company, or  
13 estate or trust qualifying for an income tax credit as an owner of  
14 agricultural assets under the Beginning Farmer Tax Credit Act shall be  
15 equal to the partner's, shareholder's, member's, or beneficiary's portion  
16 of the amount of tax credit distributed pursuant to subsection (6) of  
17 section 77-5211.

18 (5)(a) For all taxable years beginning on or after January 1, 2007,  
19 and before January 1, 2009, under the Internal Revenue Code of 1986, as  
20 amended, there shall be allowed to each partner, shareholder, member, or  
21 beneficiary of a partnership, subchapter S corporation, limited liability  
22 company, or estate or trust a nonrefundable credit against the income tax  
23 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the  
24 partner's, shareholder's, member's, or beneficiary's portion of the  
25 amount of franchise tax paid to the state under sections 77-3801 to  
26 77-3807 by a financial institution.

27 (b) For all taxable years beginning on or after January 1, 2009,  
28 under the Internal Revenue Code of 1986, as amended, there shall be  
29 allowed to each partner, shareholder, member, or beneficiary of a  
30 partnership, subchapter S corporation, limited liability company, or  
31 estate or trust a nonrefundable credit against the income tax imposed by

1 the Nebraska Revenue Act of 1967 equal to the partner's, shareholder's,  
2 member's, or beneficiary's portion of the amount of franchise tax paid to  
3 the state under sections 77-3801 to 77-3807 by a financial institution.

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

10 (6) There shall be allowed to all individuals nonrefundable credits  
11 against the income tax imposed by the Nebraska Revenue Act of 1967 as  
12 provided in section 77-3604 and refundable credits against the income tax  
13 imposed by the Nebraska Revenue Act of 1967 as provided in section  
14 77-3605.

15 (7)(a) For taxable years beginning or deemed to begin on or after  
16 January 1, 2020, and before January 1, 2032, under the Internal Revenue  
17 Code of 1986, as amended, a nonrefundable credit against the income tax  
18 imposed by the Nebraska Revenue Act of 1967 in the amount of five  
19 thousand dollars shall be allowed to any individual who purchases a  
20 residence during the taxable year if such residence:

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

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

24 (iii) Was not purchased from a family member of the individual or a  
25 family member of the individual's spouse.

26 (b) The credit provided in this subsection shall be claimed for the  
27 taxable year in which the residence is purchased. If the individual  
28 cannot fully utilize the credit for such year, the credit may be carried  
29 forward to subsequent taxable years until fully utilized.

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

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

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

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

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

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

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

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

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

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

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

31                  (11) There shall be allowed to all individuals refundable credits

1 against the income tax imposed by the Nebraska Revenue Act of 1967 as  
2 provided in section 77-3157 and nonrefundable credits against the income  
3 tax imposed by the Nebraska Revenue Act of 1967 as provided in sections  
4 77-3156, 77-3158, and 77-3159.

5 (12) For taxable years beginning or deemed to begin on or after  
6 January 1, 2026, under the Internal Revenue Code of 1986, as amended, a  
7 refundable credit against the income tax imposed by the Nebraska Revenue  
8 Act of 1967 shall be allowed to any individual who received a premium  
9 assistance credit under 26 U.S.C. 36B for the taxable year. The credit  
10 shall be equal to the difference between the premium assistance credit  
11 amount allowed by 26 U.S.C. 36B(b)(3)(A)(iii) as it existed prior to its  
12 expiration and the premium assistance credit amount otherwise allowed by  
13 26 U.S.C. 36B(b)(3)(A)(i) and (ii).

14 **Sec. 2.** Original section 77-2715.07, Revised Statutes Supplement,  
15 2025, is repealed.