

AMENDMENTS TO LB754

(Amendments to Standing Committee amendments, AM906)

Introduced by Wayne, 13.

1 1. Strike sections 9, 13, and 16 and insert the following new
2 sections:

3 Sec. 6. Sections 6 to 15 of this act shall be known and may be cited
4 as the Pioneer Economic Tax Credit Act.

5 Sec. 7. For purposes of the Pioneer Economic Tax Credit Act:

6 (1) Community development financial institution means an
7 organization that is certified as a community development financial
8 institution and is eligible to receive financial assistance from the
9 Community Development Financial Institutions Fund of the United States
10 Department of the Treasury;

11 (2) Department means the Department of Economic Development;

12 (3) Eligible activity means a program or activity described in
13 section 9 of this act;

14 (4) iHub means an organization that has been designated as an iHub
15 under the Nebraska Innovation Hub Act;

16 (5) Intermodal facility means a hub or other facility for trade
17 combining any combination of rail, barge, trucking, air cargo, or other
18 transportation services;

19 (6) Qualifying organization means an organization that is certified
20 pursuant to section 8 of this act to provide tax-credit-supported funding
21 for eligible activities; and

22 (7) Tax credit means a credit against the income tax due under the
23 Nebraska Revenue Act of 1967 or against any tax due under sections 77-907
24 to 77-918 or 77-3801 to 77-3807.

25 Sec. 8. (1) An organization is eligible to become certified as a
26 qualifying organization for tax-credit purposes under the Pioneer

1 Economic Tax Credit Act if the organization is either:

2 (a) An iHub; or

3 (b) A community development financial institution.

4 (2) An organization seeking certification under this section shall
5 file an application with the department in a form and manner prescribed
6 by the department.

7 (3) If the department finds that an applicant is eligible for
8 certification under this section, the department shall certify it as a
9 qualifying organization. An applicant shall obtain such certification
10 prior to accepting any donations from taxpayers under the act.

11 Sec. 9. A qualifying organization shall use donations received under
12 the Pioneer Economic Tax Credit Act to fund eligible activities. For
13 purposes of the act, the following shall be considered eligible
14 activities:

15 (1) A project to make a site ready for industrial development. Such
16 a site must be:

17 (a) Owned by the qualifying organization or by a city, county, or
18 village in this state; and

19 (b) A location that has received an expression of interest by a
20 private developer or that has been rejected by a private developer for an
21 identifiable reason;

22 (2) A project for the construction of intermodal facilities at a
23 site owned by the qualifying organization or by a city, county, or
24 village in this state;

25 (3) A project for the construction of a sports facility, convention
26 center, or stadium at a site owned by the qualifying organization or by a
27 city, county, or village in this state;

28 (4) A project to provide funding for the creation or operation of an
29 accelerator program for technology companies. For purposes of this
30 subdivision, accelerator program means a program that:

31 (a) Provides education and mentorship lasting no more than twenty-

1 four months for early-stage technology companies that have been recruited
2 to a location in this state; and

3 (b) Has a defined curriculum and mentorship component designed to
4 accelerate a technology company's development and growth;

5 (5) A project to provide funding and support services to
6 underrepresented companies. For purposes of this subdivision,
7 underrepresented company means a for-profit business that:

8 (a) Is headquartered in a community that is eligible for investment
9 through the federal new markets tax credit program under 26 U.S.C.
10 45D(e);

11 (b) Has fewer than ten employees; and

12 (c) Has average gross revenue of less than five hundred thousand
13 dollars over the previous three years; and

14 (6) A project to provide funding to establish, maintain, and operate
15 a streetcar line within two and one-half miles of a major airport as
16 defined in section 13-3303 providing services and resources within
17 qualified census tracts as defined in section 81-12,240 located within
18 the boundaries of a city of the metropolitan class.

19 Sec. 10. (1) An individual taxpayer who makes one or more cash
20 contributions to one or more qualifying organizations during a tax year
21 for the purpose of funding eligible activities shall be eligible for a
22 tax credit under the Pioneer Economic Tax Credit Act. The amount of the
23 credit shall be equal to fifty percent of the total amount of such
24 contributions made during the tax year.

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

29 (3) The tax credit allowed under this section shall be a
30 nonrefundable credit. Any amount of the credit that is unused may be
31 carried forward and applied against the taxpayer's tax liability for the

1 next five years immediately following the tax year in which the credit is
2 first allowed. The tax credit cannot be carried back.

3 (4) The tax credit allowed under this section is subject to section
4 14 of this act.

5 Sec. 11. (1) Any partnership, limited liability company, or
6 corporation having an election in effect under subchapter S of the
7 Internal Revenue Code of 1986, as amended, that makes one or more cash
8 contributions to one or more qualifying organizations during a tax year
9 for the purpose of funding eligible activities shall be eligible for a
10 tax credit under the Pioneer Economic Tax Credit Act. The amount of the
11 credit shall be equal to fifty percent of the total amount of such
12 contributions made during the tax year. The credit shall be attributed to
13 each partner, member, or shareholder in the same proportion used to
14 report the partnership's, limited liability company's, or subchapter S
15 corporation's income or loss for income tax purposes.

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

21 (3) The tax credit allowed under this section is subject to section
22 14 of this act.

23 Sec. 12. (1) An estate or trust which makes one or more cash
24 contributions to one or more qualifying organizations during a tax year
25 for the purpose of funding eligible activities shall be eligible for a
26 tax credit under the Pioneer Economic Tax Credit Act. The amount of the
27 credit shall be equal to fifty percent of the total amount of such
28 contributions made during the tax year. Any credit not used by the estate
29 or trust may be attributed to each beneficiary of the estate or trust in
30 the same proportion used to report the beneficiary's income from the
31 estate or trust for income tax purposes.

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

6 (3) The tax credit allowed under this section is subject to section
7 14 of this act.

8 Sec. 13. (1) A corporate taxpayer as defined in section 77-2734.04
9 which makes one or more cash contributions to one or more qualifying
10 organizations during a tax year for the purpose of funding eligible
11 activities shall be eligible for a tax credit under the Pioneer Economic
12 Tax Credit Act. The amount of the credit shall be equal to fifty percent
13 of the total amount of such contributions made during the tax year.

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

19 (3) The tax credit allowed under this section is subject to section
20 14 of this act.

21 Sec. 14. (1) Prior to making a contribution to a qualifying
22 organization, any taxpayer desiring to claim a tax credit under the
23 Pioneer Economic Tax Credit Act shall notify the qualifying organization
24 of the taxpayer's intent to make a contribution and the amount to be
25 claimed as a tax credit. Upon receiving each such notification, the
26 qualifying organization shall notify the department of the intended tax
27 credit amount and the eligible activities funded by the contribution. If
28 the department determines that the intended tax credit amount in the
29 notification would exceed the limit specified in subsection (3) of this
30 section, the department shall notify the qualifying organization of its
31 determination within thirty days after receipt of the notification. The

1 qualifying organization shall then promptly notify the taxpayer of the
2 department's determination that the intended tax credit amount in the
3 notification is not available. If an amount less than the amount
4 indicated in the notification is available for a tax credit, the
5 department shall notify the qualifying organization of the available
6 amount and the qualifying organization shall notify the taxpayer of the
7 available amount within three business days.

8 (2) In order to be allowed a tax credit as provided by the act, the
9 taxpayer shall make its contribution up to ninety days after notifying
10 the qualifying organization of the taxpayer's intent to make a
11 contribution. If the qualifying organization does not receive the
12 contribution within the required time period, it shall notify the
13 department of such fact and the department shall no longer include such
14 amount when calculating whether the limit prescribed in subsection (3) of
15 this section has been exceeded. If the qualifying organization receives
16 the contribution within the required time period, it shall provide the
17 taxpayer with a receipt for the contribution. The receipt shall show the
18 name and address of the qualifying organization, the date the qualifying
19 organization was certified by the department in accordance with section 8
20 of this act, the name, address, and, if available, tax identification
21 number of the taxpayer making the contribution, the amount of the
22 contribution, and the date the contribution was received.

23 (3) The department shall consider notifications regarding intended
24 tax credit amounts in the order in which they are received to ascertain
25 whether the intended tax credit amounts are within the annual limit
26 provided in this subsection. The annual limit on the total amount of tax
27 credits for calendar year 2024 and each calendar year thereafter shall be
28 fifty million dollars. Once credits have reached the annual limit for any
29 calendar year, no additional credits shall be allowed for such calendar
30 year. Credits shall be prorated among the notifications received on the
31 day the annual limit is exceeded.

1 (4) A qualifying organization shall annually report to the
2 department the eligible activities funded by each taxpayer contribution
3 for a tax credit as provided by the act. The department shall annually
4 report the tax credits allowed as provided by the act to the Department
5 of Revenue.

6 Sec. 15. The department may adopt and promulgate rules and
7 regulations to carry out the Pioneer Economic Tax Credit Act.

8 Sec. 17. Section 77-908, Revised Statutes Cumulative Supplement,
9 2022, is amended to read:

10 77-908 Every insurance company organized under the stock, mutual,
11 assessment, or reciprocal plan, except fraternal benefit societies, which
12 is transacting business in this state shall, on or before March 1 of each
13 year, pay a tax to the director of one percent of the gross amount of
14 direct writing premiums received by it during the preceding calendar year
15 for business done in this state, except that (1) for group sickness and
16 accident insurance the rate of such tax shall be five-tenths of one
17 percent and (2) for property and casualty insurance, excluding individual
18 sickness and accident insurance, the rate of such tax shall be one
19 percent. A captive insurer authorized under the Captive Insurers Act that
20 is transacting business in this state shall, on or before March 1 of each
21 year, pay to the director a tax of one-fourth of one percent of the gross
22 amount of direct writing premiums received by such insurer during the
23 preceding calendar year for business transacted in the state. The taxable
24 premiums shall include premiums paid on the lives of persons residing in
25 this state and premiums paid for risks located in this state whether the
26 insurance was written in this state or not, including that portion of a
27 group premium paid which represents the premium for insurance on Nebraska
28 residents or risks located in Nebraska included within the group when the
29 number of lives in the group exceeds five hundred. The tax shall also
30 apply to premiums received by domestic companies for insurance written on
31 individuals residing outside this state or risks located outside this

1 state if no comparable tax is paid by the direct writing domestic company
2 to any other appropriate taxing authority. Companies whose scheme of
3 operation contemplates the return of a portion of premiums to
4 policyholders, without such policyholders being claimants under the terms
5 of their policies, may deduct such return premiums or dividends from
6 their gross premiums for the purpose of tax calculations. Any such
7 insurance company shall receive a credit on the tax imposed as provided
8 in the Community Development Assistance Act, the Nebraska Job Creation
9 and Mainstreet Revitalization Act, the New Markets Job Growth Investment
10 Act, the Nebraska Higher Blend Tax Credit Act, ~~and~~ the Affordable Housing
11 Tax Credit Act, and the Pioneer Economic Tax Credit Act.

12 Sec. 20. Section 77-2715.07, Revised Statutes Cumulative Supplement,
13 2022, is amended to read:

14 77-2715.07 (1) There shall be allowed to qualified resident
15 individuals as a nonrefundable credit against the income tax imposed by
16 the Nebraska Revenue Act of 1967:

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

19 (b) A credit for taxes paid to another state as provided in section
20 77-2730.

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

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

1 credit;

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

17 (c) A refundable credit as provided in section 77-5209.01 for
18 individuals who qualify for an income tax credit as a qualified beginning
19 farmer or livestock producer under the Beginning Farmer Tax Credit Act
20 for all taxable years beginning or deemed to begin on or after January 1,
21 2006, under the Internal Revenue Code of 1986, as amended;

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

27 (e) A refundable credit equal to ten percent of the federal credit
28 allowed under section 32 of the Internal Revenue Code of 1986, as
29 amended, except that for taxable years beginning or deemed to begin on or
30 after January 1, 2015, such refundable credit shall be allowed only if
31 the individual would have received the federal credit allowed under

1 section 32 of the code after adding back in any carryforward of a net
2 operating loss that was deducted pursuant to such section in determining
3 eligibility for the federal credit.

4 (3) There shall be allowed to all individuals as a nonrefundable
5 credit against the income tax imposed by the Nebraska Revenue Act of
6 1967:

7 (a) A credit for personal exemptions allowed under section
8 77-2716.01;

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

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

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

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

22 (f) A credit to employers as provided in sections 77-27,238 and
23 77-27,240; ~~and~~

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

26 (h) A credit as provided in the Pioneer Economic Tax Credit Act.

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

29 (a) A credit to all resident estates and trusts for taxes paid to
30 another state as provided in section 77-2730;

31 (b) A credit to all estates and trusts for contributions to

1 certified community betterment programs as provided in the Community
2 Development Assistance Act; and

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

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

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

31 (c) Each partner, shareholder, member, or beneficiary shall report

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

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

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

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

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

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

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

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

28 (d) The credit provided in this subsection shall be subject to
29 recapture by the Department of Revenue if the individual claiming the
30 credit sells or otherwise transfers the residence or quits using the
31 residence as his or her primary residence within five years after the end

1 of the taxable year in which the credit was claimed.

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

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

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

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

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

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

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

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

23 (10) There shall be allowed to all individuals refundable credits
24 against the income tax imposed by the Nebraska Revenue Act of 1967 as
25 provided in section 3 of this act and nonrefundable credits against the
26 income tax imposed by the Nebraska Revenue Act of 1967 as provided in
27 section 4 of this act.

28 Sec. 24. Section 77-2717, Revised Statutes Cumulative Supplement,
29 2022, is amended to read:

30 77-2717 (1)(a)(i) For taxable years beginning or deemed to begin
31 before January 1, 2014, the tax imposed on all resident estates and

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

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

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

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

1 provided in the Nebraska Job Creation and Mainstreet Revitalization Act,
2 the New Markets Job Growth Investment Act, the School Readiness Tax
3 Credit Act, the Child Care Tax Credit Act, the Affordable Housing Tax
4 Credit Act, the Pioneer Economic Tax Credit Act, and sections 77-27,238
5 and 77-27,240.

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

18 (3) The beneficiaries of such estate or trust who are residents of
19 this state shall include in their income their proportionate share of
20 such estate's or trust's federal income and shall reduce their Nebraska
21 tax liability by their proportionate share of the credits as provided in
22 the Angel Investment Tax Credit Act, the Nebraska Advantage
23 Microenterprise Tax Credit Act, the Nebraska Advantage Research and
24 Development Act, the Nebraska Job Creation and Mainstreet Revitalization
25 Act, the New Markets Job Growth Investment Act, the School Readiness Tax
26 Credit Act, the Child Care Tax Credit Act, the Affordable Housing Tax
27 Credit Act, the Nebraska Higher Blend Tax Credit Act, the Nebraska
28 Property Tax Incentive Act, the Renewable Chemical Production Tax Credit
29 Act, the Pioneer Economic Tax Credit Act, and sections 77-27,238 and
30 77-27,240. There shall be allowed to a beneficiary a refundable income
31 tax credit under the Beginning Farmer Tax Credit Act for all taxable

1 years beginning or deemed to begin on or after January 1, 2001, under the
2 Internal Revenue Code of 1986, as amended.

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

24 (5) In the absence of the nonresident beneficiary's executed
25 agreement being attached to the Nebraska fiduciary return, the estate or
26 trust shall remit a portion of such beneficiary's income which was
27 derived from or attributable to Nebraska sources with its Nebraska return
28 for the taxable year. For taxable years beginning or deemed to begin
29 before January 1, 2013, the amount of remittance, in such instance, shall
30 be the highest individual income tax rate determined under section
31 77-2715.02 multiplied by the nonresident beneficiary's share of the

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

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

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

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

29 Sec. 27. Section 77-2734.03, Revised Statutes Cumulative Supplement,
30 2022, is amended to read:

31 77-2734.03 (1)(a) For taxable years commencing prior to January 1,

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

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

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

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

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

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

1 amended.

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

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

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

16 Sec. 31. Section 77-3806, Revised Statutes Cumulative Supplement,
17 2022, is amended to read:

18 77-3806 (1) The tax return shall be filed and the total amount of
19 the franchise tax shall be due on the fifteenth day of the third month
20 after the end of the taxable year. No extension of time to pay the tax
21 shall be granted. If the Tax Commissioner determines that the amount of
22 tax can be computed from available information filed by the financial
23 institutions with either state or federal regulatory agencies, the Tax
24 Commissioner may, by regulation, waive the requirement for the financial
25 institutions to file returns.

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

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

9 (4) Any such financial institution shall receive a credit on the
10 franchise tax as provided under the Affordable Housing Tax Credit Act,
11 the Community Development Assistance Act, the Nebraska Higher Blend Tax
12 Credit Act, the Nebraska Job Creation and Mainstreet Revitalization Act,
13 the Nebraska Property Tax Incentive Act, ~~and~~ the New Markets Job Growth
14 Investment Act, and the Pioneer Economic Tax Credit Act.

15 Sec. 32. Sections 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15 of this act
16 become operative for all taxable years beginning or deemed to begin on or
17 after January 1, 2024, under the Internal Revenue Code of 1986, as
18 amended. The other sections of this act become operative on their
19 effective date.

20 2. Renumber the remaining sections, correct internal references, and
21 correct the repealer accordingly.