

AMENDMENTS TO LB937

Introduced by Revenue.

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

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

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

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

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

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

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

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

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

26 (2) It is the intent of the Legislature to provide an incentive that
27 will allow the state to compete with other states and increase film and

1 television production in this state.

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

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

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

10 (3) Department means the Department of Economic Development;

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

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

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

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

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

1 services in this state;

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

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

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

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

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

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

28 (b) Production activity includes full-length films, animation
29 projects, documentaries, short-length films, commercial advertisements,
30 except commercials containing political promotions, infomercials, or
31 commercials distributed only on the Internet, and over-the-air and

1 streaming television programming, except those television programs that
2 are exclusively for news, weather, sports, financial market reports or
3 instructional videos.

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

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

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

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

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

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

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

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

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

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

31 (a) Pre-production, production, and post-production expenditures

1 made in Nebraska that are subject to taxation by the state;

2 (b) Scouting and spending related to the production activity in the
3 state prior to application for qualification;

4 (c)(i) Above-the-line employee wages for residents of Nebraska or
5 paid through a Nebraska loan out company.

6 (ii) Loan out companies will be required to pay applicable Nebraska
7 income taxes.

8 (iii) The total above-the-line employee wages and related expenses
9 shall be not more than twenty-five percent of the total instate
10 expenditures of a production activity;

11 (d) Below-the-line employee wages;

12 (e) Per diems of up to thirty dollars per day per employee; and

13 (f) Expenditures not otherwise available for rental or purchase
14 within Nebraska and paid for via a Nebraska supplier.

15 (2) Qualifying expenditures do not include:

16 (a) Wages paid to independent contractors, or self-employed
17 individuals, except that wages shown to be paid by a Nebraska-based
18 production company for a commercial production activity may be approved
19 by the department on the application for the tax credit;

20 (b) Above-the-line employee per diems or living allowance expenses;

21 (c) Taxes imposed pursuant to the Federal Insurance Contributions
22 Act and other payroll taxes;

23 (d) Contributions under the Federal Unemployment Tax Act and the
24 Employment Security Law; and

25 (e) Union dues and benefits.

26 Sec. 5. (1) For taxable years beginning or deemed to begin on or
27 after January 1, 2024, a production company shall be eligible to receive
28 tax credits under the Cast and Crew Nebraska Act for qualifying
29 expenditures incurred by the production company in Nebraska directly
30 attributable to a qualified production activity.

31 (2) The tax credit under the Cast and Crew Nebraska Act shall be a

1 refundable tax credit allowed against the income tax imposed by the
2 Nebraska Revenue Act of 1967 in an amount equal to twenty percent of the
3 qualifying expenditures incurred by the production company directly
4 attributable to a qualified production activity.

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

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

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

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

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

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

30 Sec. 6. (1) The total amount of tax credits allowed in any year
31 under the Cast and Crew Nebraska Act shall not exceed one million five

1 hundred thousand dollars.

2 (2) The maximum allowable tax credit claimed under the act in any
3 single taxable year for any qualified production activity that is a full-
4 length film, made-for-television movie, television series of at least
5 five episodes, or streaming television series shall not exceed one
6 million five hundred thousand dollars.

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

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

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

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

17 (a) A nonrefundable fee of five hundred dollars;

18 (b) A detailed description of the production activity;

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

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

23 (e) A worker's compensation policy;

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

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

30 (g) Any other information or documentation required by the
31 department.

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

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

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

16 (1) The total amount of qualifying expenditures for the qualified
17 production activity;

18 (2) The production expenditure report for the qualified production
19 activity;

20 (3) Documentation showing the total expenditures for the qualified
21 production activity are greater or equal to:

22 (a) Five hundred thousand dollars for a full-length film or made-
23 for-television movie;

24 (b) Five hundred thousand dollars per over-the-air and streaming
25 television programing episode; or

26 (c) Twenty-five thousand dollars per short-length film, documentary,
27 animation project, and commercial;

28 (4) Documentation showing the total expenditures for the qualified
29 production activity that is a short-length film, short-length
30 documentary, short-length animation project or commercial are five
31 hundred thousand dollars or less;

1 (5) Documentation showing the total amount of individual or loan out
2 company wages or earnings paid during the qualified production activity
3 is five hundred thousand dollars or less;

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

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

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

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

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

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

25 (2) Each audit shall:

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

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

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

31 (d) Verify each reported qualifying expenditure and identify and

1 exclude each such expenditure that does not fully meet the conditions of
2 the act; and

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

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

9 (a) An identification number for the certificate;

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

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

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

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

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

30 Sec. 12. A production company that receives tax credits under the
31 Cast and Crew Nebraska Act shall not be eligible for a grant under

1 subdivision (3) of section 81-1220.

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

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

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

8 (1) Department means the Department of Revenue;

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

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

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

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

26 Sec. 16. (1) For taxable years beginning or deemed to begin on or
27 after January 1, 2024, under the Internal Revenue Code of 1986, as
28 amended, an eligible taxpayer shall be allowed a credit against the
29 income tax imposed by the Nebraska Revenue Act of 1967 or any tax imposed
30 by sections 77-907 to 77-918 or 77-3801 to 77-3807 for qualified
31 shortline railroad maintenance expenditures.

1 (2) The credit provided in this section shall be a nonrefundable tax
2 credit equal to fifty percent of the qualified shortline railroad
3 maintenance expenditures incurred during the taxable year by the eligible
4 taxpayer. The amount of the credit may not exceed an amount equal to five
5 thousand dollars multiplied by the number of miles of railroad track
6 owned or leased in the state by the eligible taxpayer at the end of the
7 taxable year.

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

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

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

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

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

29 (a) An identification number for the certificate;

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

31 (c) The amount of the tax credit allowed under the act for the

1 eligible taxpayer.

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

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

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

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

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

30 Sec. 22. The department may adopt and promulgate rules and
31 regulations to carry out the Nebraska Shortline Rail Modernization Act.

1 Sec. 23. There shall be no new applications for tax credits filed
2 under the Nebraska Shortline Rail Modernization Act after December 31,
3 2033. All applications and all credits pending or approved before such
4 date shall continue in full force and effect.

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

7 Sec. 25. The Legislature finds and declares that:

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

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

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

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

25 (1) Department means the Department of Revenue; and

26 (2) Eligible charitable organization means an organization that:

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

29 (b) Does not receive more than seventy-five percent of its total
30 annual revenue from federal, state, or local governmental grants or
31 sources, either directly or as a contractor;

1 (c) Is a pregnancy help organization that:

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

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

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

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

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

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

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

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

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

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

30 (d) A statement that the organization does not provide, pay for,
31 provide coverage of, refer for, recommend, or promote abortions and does

1 not financially support any entity that provides, pays for, provides
2 coverage of, refers for, recommends, or promotes abortions, including
3 nonsurgical abortions.

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

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

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

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

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

30 (2) Taxpayers who are married but file separate returns for a tax
31 year in which they could have filed a joint return may each claim only

1 one-half of the tax credit that would otherwise have been allowed for a
2 joint return.

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

8 (4) The tax credit allowed under this section is subject to section
9 32 of this act.

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

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

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

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

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

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

24 (3) The tax credit allowed under this section is subject to section
25 32 of this act.

26 Sec. 31. (1) A corporate taxpayer as defined in section 77-2734.04
27 that makes one or more cash contributions to one or more eligible
28 charitable organizations during a tax year shall be eligible for a credit
29 against the income tax due under the Nebraska Revenue Act of 1967. Except
30 as otherwise provided in the Nebraska Pregnancy Help Act, the amount of
31 the credit shall be equal to the lesser of (a) the total amount of such

1 contributions made during the tax year or (b) fifty percent of the income
2 tax liability of such taxpayer for the tax year. A taxpayer may only
3 claim a credit pursuant to this section for the portion of the
4 contribution that was not claimed as a charitable contribution under the
5 Internal Revenue Code of 1986, as amended.

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

11 (3) The tax credit allowed under this section is subject to section
12 32 of this act.

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

31 (2) In order to be allowed a tax credit as provided by the act, the

1 taxpayer shall make its contribution between thirty-one and sixty days
2 after notifying the eligible charitable organization of the taxpayer's
3 intent to make a contribution. If the eligible charitable organization
4 does not receive the contribution within the required time period, it
5 shall notify the department of such fact and the department shall no
6 longer include such amount when calculating whether the limit prescribed
7 in subsection (3) of this section has been exceeded. If the eligible
8 charitable organization receives the contribution within the required
9 time period, it shall provide the taxpayer with a receipt for the
10 contribution. The receipt shall show the name and address of the eligible
11 charitable organization, the name, address, and, if available, tax
12 identification number of the taxpayer making the contribution, the amount
13 of the contribution, and the date the contribution was received.

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

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

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

30 Sec. 35. For purposes of the Individuals with Intellectual and
31 Developmental Disabilities Support Act:

1 (1) Department means the Department of Revenue;

2 (2) Direct support professional means any individual who is employed
3 in this state and provides direct care support or any other form of
4 treatment, services, or care for individuals with intellectual and
5 developmental disabilities; and

6 (3) Medicaid home and community-based services waiver means a
7 medicaid waiver approved by the federal Centers for Medicare and Medicaid
8 Services under the authority of section 1915(c) of the federal Social
9 Security Act. The term includes a comprehensive developmental
10 disabilities waiver and a developmental disabilities adult day waiver.

11 Sec. 36. (1) For taxable years beginning or deemed to begin on or
12 after January 1, 2025, under the Internal Revenue Code of 1986, as
13 amended, any employer that employs one or more direct support
14 professionals during the taxable year shall be eligible to receive a
15 credit against the income tax imposed by the Nebraska Revenue Act of
16 1967.

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

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

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

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

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

31 (5) The department shall consider applications in the order in which

1 they are received and may approve tax credits under this section in any
2 year until the aggregate limit allowed under section 40 of this act has
3 been reached.

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

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

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

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

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

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

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

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

1 (6) A direct support professional shall claim any tax credits
2 granted under this section by attaching the tax credit certification
3 received from the department under subsection (4) of this section to the
4 direct support professional's tax return.

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

11 (2) The tax credit shall be in an amount equal to one thousand
12 dollars multiplied by the number of employees who:

13 (a) Are receiving services pursuant to a medicaid home and
14 community-based services waiver;

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

17 (c) Work at least two hundred hours for such employer during the
18 taxable year.

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

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

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

31 (6) An employer shall claim any tax credits granted under this

1 section by attaching the tax credit certification received from the
2 department under subsection (4) of this section to the employer's tax
3 return.

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

10 (a) Prevocational;

11 (b) Supported employment - individual;

12 (c) Small group vocational support; or

13 (d) Supported employment - follow along.

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

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

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

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

30 (6) An employer shall claim any tax credits granted under this
31 section by attaching the tax credit certification received from the

1 department under subsection (4) of this section to the employer's tax
2 return.

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

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

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

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

20 Sec. 44. For purposes of the Medical Debt Relief Act:

21 (1) Bad debt expense means the cost of care for which a health care
22 provider expected payment from the patient or a third-party payor, but
23 which the health care provider subsequently determines to be
24 uncollectible;

25 (2) Eligible resident means an individual eligible for relief who:

26 (a) Is a resident of the State of Nebraska; and

27 (b) Has a household income at or below four hundred percent of the
28 federal poverty guidelines or has medical debt equal to five percent or
29 more of the individual's household income;

30 (3) Health care provider means:

31 (a) A facility licensed under the Health Care Facility Licensure

1 Act; and

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

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

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

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

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

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

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

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

30 (b) The State Treasurer shall implement a competitive bidding
31 process to determine which medical debt relief coordinator to use, unless

1 the State Treasurer determines that only a single medical debt relief
2 coordinator has the capacity and willingness to carry out the duties
3 specified in the Medical Debt Relief Act.

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

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

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

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

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

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

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

30 (d) A medical debt relief coordinator shall continue to fulfill its
31 contractual obligations to the State Treasurer until all money contracted

1 to the medical debt relief coordinator is exhausted, regardless of
2 whether money allocated to the program has been exhausted.

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

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

13 Sec. 46. (1) On or before October 1, 2025, and on or before October
14 1 of each year thereafter for as long as medical debt relief coordinators
15 are fulfilling their contractual obligations under the Medical Debt
16 Relief Act, the State Treasurer shall submit an annual report regarding
17 the program in accordance with this section.

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

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

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

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

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

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

31 (f) The number and characteristics of the medical debt relief

1 coordinators contracted with for the purposes of purchasing and
2 discharging medical debt; and

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

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

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

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

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

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

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

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

28 (1) Applicable material means:

29 (a) Monoglycerides, diglycerides, and triglycerides;

30 (b) Free fatty acids; and

31 (c) Fatty acid esters;

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

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

8 (4) Department means the Department of Revenue;

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

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

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

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

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

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

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

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

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

29 (a) Meets the requirements of:

30 (i) The American Society for Testing and Materials International
31 Standard D7566; or

1 (ii) The Fischer-Tropsch provisions of the American Society for
2 Testing and Materials International Standard D1655, Annex A1;

3 (b) Is not derived from coprocessing an applicable material or
4 materials derived from an applicable material with a feedstock which is
5 not biomass;

6 (c) Is not derived from palm or palm derivatives; and

7 (d) Has been certified as having a lifecycle greenhouse gas
8 emissions reduction percentage of at least fifty percent.

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

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

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

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

24 (b) Provide:

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

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

31 (B) In the case of any methodology described in subdivision (5)(b)

1 of section 51 of this act, requirements similar to the requirements
2 described in subdivision (3)(b)(i)(A) of this section; and

3 (ii) Any other information the department may require.

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

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

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

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

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

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

18 (1) Activities of daily living includes:

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

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

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

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

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

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

31 (2)(a) Eligible expenditure includes:

1 (i) The improvement or alteration to the primary residence of the
2 family caregiver or eligible family member to permit the eligible family
3 member to live in the residence and to remain mobile, safe, and
4 independent;

5 (ii) The purchase or lease of equipment by the family caregiver,
6 including, but not limited to, durable medical equipment, that is
7 necessary to assist an eligible family member in carrying out one or more
8 activities of daily living; and

9 (iii) Other paid or incurred expenses by the family caregiver that
10 assist the family caregiver in providing care to an eligible family
11 member such as expenditures related to:

12 (A) Hiring a home care aide;

13 (B) Respite care;

14 (C) Adult day care;

15 (D) Personal care attendants;

16 (E) Health care equipment; and

17 (F) Technology.

18 (b) The eligible expenditure shall be directly related to assisting
19 the family caregiver in providing care to an eligible family member.
20 Eligible expenditure shall not include the carrying out of general
21 household maintenance activities such as painting, plumbing, electrical
22 repairs, or exterior maintenance;

23 (3) Eligible family member means an individual who:

24 (a) Requires assistance with at least two activities of daily living
25 as certified by a licensed health care provider;

26 (b) Qualifies as a dependent, spouse, parent, or other relation by
27 blood or marriage to the family caregiver; and

28 (c) Lives in a private residence and not in an assisted living
29 center, nursing facility, or residential care home; and

30 (4) Family caregiver means an individual:

31 (a) Providing care and support for an eligible family member;

1 (b) Who has a federal adjusted gross income of less than fifty
2 thousand dollars or, if filing as a married couple jointly, less than one
3 hundred thousand dollars; and

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

6 Sec. 58. (1) For all taxable years beginning on or after January 1,
7 2025, there shall be allowed a credit against the income tax imposed by
8 the Nebraska Revenue Act of 1967 to any family caregiver who incurs
9 eligible expenditures for the care and support of an eligible family
10 member.

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

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

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

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

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

29 (b) Any other documentation required by the department.

30 (6) If the Department of Revenue determines that the family
31 caregiver qualifies for the tax credit under this section, the department

1 shall approve the application and certify the amount of the approved
2 credit to the family caregiver.

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

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

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

11 Sec. 61. For purposes of the Reverse Osmosis System Tax Credit Act:

12 (1) Department means the Department of Revenue;

13 (2) Hazard Index means a calculation used to evaluate potential
14 health risks from exposure to one or more of the four listed chemicals
15 using their individual health safety limits as established by the
16 Environmental Protection Agency. The Hazard Index is the sum of the
17 ratios of actual chemical concentrations to the respective health safety
18 limit;

19 (3) Reverse osmosis system means a water filtration system that uses
20 a semi-permeable membrane to remove impurities from water; and

21 (4) Taxpayer means any individual subject to the income tax imposed
22 by the Nebraska Revenue Act of 1967.

23 Sec. 62. (1) A taxpayer shall be eligible to receive a one-time
24 credit against the income tax imposed by the Nebraska Revenue Act of 1967
25 for the cost of installation of a reverse osmosis system at the primary
26 residence of the taxpayer if test results for the following in the
27 drinking water for such residence are above:

28 (a) Ten parts per million for nitrate nitrogen;

29 (b) Four parts per trillion for perfluorooctanoic acid or
30 perfluorooctanesulfonic acid;

31 (c) Thirty micrograms per liter or thirty parts per billion for

1 uranium; or

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

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

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

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

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

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

18 (c) Any other documentation required by the department.

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

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

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

29 Sec. 64. Section 77-908, Revised Statutes Cumulative Supplement,
30 2022, is amended to read:

31 77-908 Every insurance company organized under the stock, mutual,

1 assessment, or reciprocal plan, except fraternal benefit societies, which
2 is transacting business in this state shall, on or before March 1 of each
3 year, pay a tax to the director of one percent of the gross amount of
4 direct writing premiums received by it during the preceding calendar year
5 for business done in this state, except that (1) for group sickness and
6 accident insurance the rate of such tax shall be five-tenths of one
7 percent and (2) for property and casualty insurance, excluding individual
8 sickness and accident insurance, the rate of such tax shall be one
9 percent. A captive insurer authorized under the Captive Insurers Act that
10 is transacting business in this state shall, on or before March 1 of each
11 year, pay to the director a tax of one-fourth of one percent of the gross
12 amount of direct writing premiums received by such insurer during the
13 preceding calendar year for business transacted in the state. The taxable
14 premiums shall include premiums paid on the lives of persons residing in
15 this state and premiums paid for risks located in this state whether the
16 insurance was written in this state or not, including that portion of a
17 group premium paid which represents the premium for insurance on Nebraska
18 residents or risks located in Nebraska included within the group when the
19 number of lives in the group exceeds five hundred. The tax shall also
20 apply to premiums received by domestic companies for insurance written on
21 individuals residing outside this state or risks located outside this
22 state if no comparable tax is paid by the direct writing domestic company
23 to any other appropriate taxing authority. Companies whose scheme of
24 operation contemplates the return of a portion of premiums to
25 policyholders, without such policyholders being claimants under the terms
26 of their policies, may deduct such return premiums or dividends from
27 their gross premiums for the purpose of tax calculations. Any such
28 insurance company shall receive a credit on the tax imposed as provided
29 in the Community Development Assistance Act, the Nebraska Job Creation
30 and Mainstreet Revitalization Act, the New Markets Job Growth Investment
31 Act, the Nebraska Higher Blend Tax Credit Act, the Sustainable Aviation

1 Fuel Tax Credit Act, the Nebraska Shortline Rail Modernization Act, and
2 the Affordable Housing Tax Credit Act.

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

5 77-2704.12 (1) Sales and use taxes shall not be imposed on the gross
6 receipts from the sale, lease, or rental of and the storage, use, or
7 other consumption in this state of purchases by (a) any nonprofit
8 organization created exclusively for religious purposes, (b) any
9 nonprofit organization providing services exclusively to the blind, (c)
10 any nonprofit private educational institution established under sections
11 79-1601 to 79-1607, (d) any accredited, nonprofit, privately controlled
12 college or university with its primary campus physically located in
13 Nebraska, (e) any nonprofit (i) hospital, (ii) health clinic when one or
14 more hospitals or the parent corporations of the hospitals own or control
15 the health clinic for the purpose of reducing the cost of health services
16 or when the health clinic receives federal funds through the United
17 States Public Health Service for the purpose of serving populations that
18 are medically underserved, (iii) skilled nursing facility, (iv)
19 intermediate care facility, (v) assisted-living facility, (vi)
20 intermediate care facility for persons with developmental disabilities,
21 (vii) nursing facility, (viii) home health agency, (ix) hospice or
22 hospice service, (x) respite care service, (xi) mental health substance
23 use treatment center licensed under the Health Care Facility Licensure
24 Act, or (xii) center for independent living as defined in 29 U.S.C. 796a,
25 (f) any nonprofit licensed residential child-caring agency, (g) any
26 nonprofit licensed child-placing agency, (h) any nonprofit organization
27 certified by the Department of Health and Human Services to provide
28 community-based services for persons with developmental disabilities, or
29 (i) any nonprofit organization certified or contracted by a regional
30 behavioral health authority or the Division of Behavioral Health of the
31 Department of Health and Human Services to provide community-based mental

1 health or substance use services, or (j) until the property is
2 transferred or the contract is completed, any nonprofit organization that
3 (i) acquires property that will be transferred to an organization listed
4 in subdivisions (a) through (i) of this subsection or (ii) enters into a
5 contract of construction, improvement, or repair upon property annexed to
6 real estate if the property will be transferred to an organization listed
7 in subdivisions (a) through (i) of this subsection.

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

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

24 (4) Any organization listed in subsection (1) of this section which
25 enters into a contract of construction, improvement, or repair upon
26 property annexed to real estate without first issuing a purchasing agent
27 authorization to a contractor or repairperson prior to the building
28 materials being annexed to real estate in the project may apply to the
29 Tax Commissioner for a refund of any sales and use tax paid by the
30 contractor or repairperson on the building materials physically annexed
31 to real estate in the construction, improvement, or repair.

1 (5) Any person purchasing, storing, using, or otherwise consuming
2 building materials in the performance of any construction, improvement,
3 or repair by or for any institution enumerated in subsection (1) of this
4 section which is licensed upon completion although not licensed at the
5 time of construction or improvement, which building materials are annexed
6 to real estate and which subsequently belong to the owner of the
7 institution, shall pay any applicable sales or use tax thereon. Upon
8 becoming licensed and receiving a numbered certificate of exemption, the
9 institution organized not for profit shall be entitled to a refund of the
10 amount of taxes so paid in the performance of such construction,
11 improvement, or repair and shall submit whatever evidence is required by
12 the Tax Commissioner sufficient to establish the total sales and use tax
13 paid upon the building materials physically annexed to real estate in the
14 construction, improvement, or repair.

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

17 77-2715.07 (1) There shall be allowed to qualified resident
18 individuals as a nonrefundable credit against the income tax imposed by
19 the Nebraska Revenue Act of 1967:

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

22 (b) A credit for taxes paid to another state as provided in section
23 77-2730.

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

26 (a) For returns filed reporting federal adjusted gross incomes of
27 greater than twenty-nine thousand dollars, a nonrefundable credit equal
28 to twenty-five percent of the federal credit allowed under section 21 of
29 the Internal Revenue Code of 1986, as amended, except that for taxable
30 years beginning or deemed to begin on or after January 1, 2015, such
31 nonrefundable credit shall be allowed only if the individual would have

1 received the federal credit allowed under section 21 of the code after
2 adding back in any carryforward of a net operating loss that was deducted
3 pursuant to such section in determining eligibility for the federal
4 credit;

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

20 (c) A refundable credit as provided in section 77-5209.01 for
21 individuals who qualify for an income tax credit as a qualified beginning
22 farmer or livestock producer under the Beginning Farmer Tax Credit Act
23 for all taxable years beginning or deemed to begin on or after January 1,
24 2006, under the Internal Revenue Code of 1986, as amended;

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

30 (e) A refundable credit equal to ten percent of the federal credit
31 allowed under section 32 of the Internal Revenue Code of 1986, as

1 amended, except that for taxable years beginning or deemed to begin on or
2 after January 1, 2015, such refundable credit shall be allowed only if
3 the individual would have received the federal credit allowed under
4 section 32 of the code after adding back in any carryforward of a net
5 operating loss that was deducted pursuant to such section in determining
6 eligibility for the federal credit.

7 (3) There shall be allowed to all individuals as a nonrefundable
8 credit against the income tax imposed by the Nebraska Revenue Act of
9 1967:

10 (a) A credit for personal exemptions allowed under section
11 77-2716.01;

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

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

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

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

25 (f) A credit to employers as provided in sections 77-27,238 and
26 77-27,240;

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

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

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

31 (j) A credit as provided in the Sustainable Aviation Fuel Tax Credit

1 Act;

2 (k) A credit as provided in the Nebraska Shortline Rail
3 Modernization Act;

4 (l) A credit as provided in the Nebraska Pregnancy Help Act; and

5 (m) A credit as provided in the Caregiver Tax Credit Act.

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

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

10 (b) A credit to all estates and trusts for contributions to
11 certified community betterment programs as provided in the Community
12 Development Assistance Act; and

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

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

1 77-3807 by a financial institution.

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

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

16 (6) There shall be allowed to all individuals nonrefundable credits
17 against the income tax imposed by the Nebraska Revenue Act of 1967 as
18 provided in section 77-3604 and refundable credits against the income tax
19 imposed by the Nebraska Revenue Act of 1967 as provided in section
20 77-3605.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 (10) There shall be allowed to all individuals refundable credits
4 against the income tax imposed by the Nebraska Revenue Act of 1967 as
5 provided in section 77-7203 and nonrefundable credits against the income
6 tax imposed by the Nebraska Revenue Act of 1967 as provided in section
7 77-7204.

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

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

15 77-2716 (1) The following adjustments to federal adjusted gross
16 income or, for corporations and fiduciaries, federal taxable income shall
17 be made for interest or dividends received:

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

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

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

1 company;

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

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

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

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

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

1 individual, the net operating loss computed on the federal return shall
2 be adjusted by the modifications contained in this section and any
3 carryovers or carrybacks shall be limited to the portion of the loss
4 derived from or connected with Nebraska sources.

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

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

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

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

29 (a) The amount of federal taxable income from operations within a
30 foreign taxing jurisdiction shall be reduced by the amount of taxes
31 actually paid to the foreign jurisdiction that are not deductible solely

1 because the foreign tax credit was elected on the federal income tax
2 return;

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

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

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

13 (8)(a) Federal adjusted gross income or, for corporations and
14 fiduciaries, federal taxable income shall be reduced, to the extent
15 included, by income from interest, earnings, and state contributions
16 received from the Nebraska educational savings plan trust created in
17 sections 85-1801 to 85-1817 and any account established under the
18 achieving a better life experience program as provided in sections
19 77-1401 to 77-1409.

20 (b) Federal adjusted gross income or, for corporations and
21 fiduciaries, federal taxable income shall be reduced by any contributions
22 as a participant in the Nebraska educational savings plan trust or
23 contributions to an account established under the achieving a better life
24 experience program made for the benefit of a beneficiary as provided in
25 sections 77-1401 to 77-1409, to the extent not deducted for federal
26 income tax purposes, but not to exceed five thousand dollars per married
27 filing separate return or ten thousand dollars for any other return. With
28 respect to a qualified rollover within the meaning of section 529 of the
29 Internal Revenue Code from another state's plan, any interest, earnings,
30 and state contributions received from the other state's educational
31 savings plan which is qualified under section 529 of the code shall

1 qualify for the reduction provided in this subdivision. For contributions
2 by a custodian of a custodial account including rollovers from another
3 custodial account, the reduction shall only apply to funds added to the
4 custodial account after January 1, 2014.

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

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

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

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

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

1 and before December 31, 2005.

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

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

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

28 (10) For taxable years beginning or deemed to begin on or after
29 January 1, 2003, and before January 1, 2006, under the Internal Revenue
30 Code of 1986, as amended, federal adjusted gross income or, for
31 corporations and fiduciaries, federal taxable income shall be increased

1 by the amount of any capital investment that is expensed under section
2 179 of the Internal Revenue Code of 1986, as amended, that is in excess
3 of twenty-five thousand dollars that is allowed under the federal Jobs
4 and Growth Tax Act of 2003. Twenty percent of the total amount of
5 expensing added back by this subsection for tax years beginning or deemed
6 to begin on or after January 1, 2003, may be subtracted in the first
7 taxable year beginning or deemed to begin on or after January 1, 2006,
8 under the Internal Revenue Code of 1986, as amended, and twenty percent
9 in each of the next four following tax years.

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

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

27 (12) There shall be added to federal adjusted gross income for
28 individuals, estates, and trusts any amount taken as a credit for
29 franchise tax paid by a financial institution under sections 77-3801 to
30 77-3807 as allowed by subsection (5) of section 77-2715.07.

31 (13)(a) For taxable years beginning or deemed to begin on or after

1 January 1, 2015, and before January 1, 2024, under the Internal Revenue
2 Code of 1986, as amended, federal adjusted gross income shall be reduced
3 by the amount received as benefits under the federal Social Security Act
4 which are included in the federal adjusted gross income if:

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

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

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

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

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

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

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

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

4 (iv) One hundred percent for taxable years beginning or deemed to
5 begin on or after January 1, 2024, under the Internal Revenue Code of
6 1986, as amended.

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

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

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

27 (b) For taxable years beginning or deemed to begin on or after
28 January 1, 2022, under the Internal Revenue Code of 1986, as amended, an
29 individual may exclude one hundred percent of the military retirement
30 benefit income received by such individual to the extent included in
31 federal adjusted gross income.

1 (c) For purposes of this subsection, military retirement benefit
2 means retirement benefits that are periodic payments attributable to
3 service in the uniformed services of the United States for personal
4 services performed by an individual prior to his or her retirement. The
5 term includes retirement benefits described in this subdivision that are
6 reported to the individual on either:

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

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

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

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

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

26 (19) For taxable years beginning or deemed to begin on or after
27 January 1, 2023, under the Internal Revenue Code of 1986, as amended, a
28 retired individual who was employed full time as a firefighter or
29 certified law enforcement officer for at least twenty years and who is at
30 least sixty years of age as of the end of the taxable year may reduce his
31 or her federal adjusted gross income by the amount of health insurance

1 premiums paid by such individual during the taxable year, to the extent
2 such premiums were not already deducted in determining the individual's
3 federal adjusted gross income.

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

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

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

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

25 77-2717 (1)(a)(i) For taxable years beginning or deemed to begin
26 before January 1, 2014, the tax imposed on all resident estates and
27 trusts shall be a percentage of the federal taxable income of such
28 estates and trusts as modified in section 77-2716, plus a percentage of
29 the federal alternative minimum tax and the federal tax on premature or
30 lump-sum distributions from qualified retirement plans. The additional
31 taxes shall be recomputed by (A) substituting Nebraska taxable income for

1 federal taxable income, (B) calculating what the federal alternative
2 minimum tax would be on Nebraska taxable income and adjusting such
3 calculations for any items which are reflected differently in the
4 determination of federal taxable income, and (C) applying Nebraska rates
5 to the result. The federal credit for prior year minimum tax, after the
6 recomputations required by the Nebraska Revenue Act of 1967, and the
7 credits provided in the Nebraska Advantage Microenterprise Tax Credit Act
8 and the Nebraska Advantage Research and Development Act shall be allowed
9 as a reduction in the income tax due. A refundable income tax credit
10 shall be allowed for all resident estates and trusts under the Angel
11 Investment Tax Credit Act, the Nebraska Advantage Microenterprise Tax
12 Credit Act, and the Nebraska Advantage Research and Development Act. A
13 nonrefundable income tax credit shall be allowed for all resident estates
14 and trusts as provided in the New Markets Job Growth Investment Act.

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

1 and trusts as provided in the Nebraska Job Creation and Mainstreet
2 Revitalization Act, the New Markets Job Growth Investment Act, the School
3 Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable
4 Housing Tax Credit Act, the Opportunity Scholarships Act, the Sustainable
5 Aviation Fuel Tax Credit Act, the Nebraska Shortline Rail Modernization
6 Act, the Nebraska Pregnancy Help Act, the Individuals with Intellectual
7 and Developmental Disabilities Support Act, and sections 77-27,238,
8 77-27,240, and 77-27,241.

9 (b) The tax imposed on all nonresident estates and trusts shall be
10 the portion of the tax imposed on resident estates and trusts which is
11 attributable to the income derived from sources within this state. The
12 tax which is attributable to income derived from sources within this
13 state shall be determined by multiplying the liability to this state for
14 a resident estate or trust with the same total income by a fraction, the
15 numerator of which is the nonresident estate's or trust's Nebraska income
16 as determined by sections 77-2724 and 77-2725 and the denominator of
17 which is its total federal income after first adjusting each by the
18 amounts provided in section 77-2716. The federal credit for prior year
19 minimum tax, after the recomputations required by the Nebraska Revenue
20 Act of 1967, reduced by the percentage of the total income which is
21 attributable to income from sources outside this state, and the credits
22 provided in the Nebraska Advantage Microenterprise Tax Credit Act and the
23 Nebraska Advantage Research and Development Act shall be allowed as a
24 reduction in the income tax due. A refundable income tax credit shall be
25 allowed for all nonresident estates and trusts under the Angel Investment
26 Tax Credit Act, the Cast and Crew Nebraska Act, the Nebraska Advantage
27 Microenterprise Tax Credit Act, the Nebraska Advantage Research and
28 Development Act, the Nebraska Biodiesel Tax Credit Act, the Nebraska
29 Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, and
30 the Renewable Chemical Production Tax Credit Act. A nonrefundable income
31 tax 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 Opportunity Scholarships Act, the Sustainable Aviation
5 Fuel Tax Credit Act, the Nebraska Shortline Rail Modernization Act, the
6 Nebraska Pregnancy Help Act, the Individuals with Intellectual and
7 Developmental Disabilities Support Act, and sections 77-27,238,
8 77-27,240, and 77-27,241.

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

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

1 Renewable Chemical Production Tax Credit Act, the Opportunity
2 Scholarships Act, the Sustainable Aviation Fuel Tax Credit Act, the
3 Nebraska Shortline Rail Modernization Act, the Cast and Crew Nebraska
4 Act, the Nebraska Pregnancy Help Act, the Individuals with Intellectual
5 and Developmental Disabilities Support Act, and sections 77-27,238,
6 77-27,240, and 77-27,241. There shall be allowed to a beneficiary a
7 refundable income tax credit under the Beginning Farmer Tax Credit Act
8 for all taxable years beginning or deemed to begin on or after January 1,
9 2001, under the Internal Revenue Code of 1986, as amended.

10 (4) If any beneficiary of such estate or trust is a nonresident
11 during any part of the estate's or trust's taxable year, he or she shall
12 file a Nebraska income tax return which shall include (a) in Nebraska
13 adjusted gross income that portion of the estate's or trust's Nebraska
14 income, as determined under sections 77-2724 and 77-2725, allocable to
15 his or her interest in the estate or trust and (b) a reduction of the
16 Nebraska tax liability by his or her proportionate share of the credits
17 as provided in the Angel Investment Tax Credit Act, the Nebraska
18 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
19 and Development Act, the Nebraska Job Creation and Mainstreet
20 Revitalization Act, the New Markets Job Growth Investment Act, the School
21 Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable
22 Housing Tax Credit Act, the Nebraska Biodiesel Tax Credit Act, the
23 Nebraska Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive
24 Act, the Renewable Chemical Production Tax Credit Act, the Opportunity
25 Scholarships Act, the Sustainable Aviation Fuel Tax Credit Act, the
26 Nebraska Shortline Rail Modernization Act, the Cast and Crew Nebraska
27 Act, the Nebraska Pregnancy Help Act, the Individuals with Intellectual
28 and Developmental Disabilities Support Act, and sections 77-27,238,
29 77-27,240, and 77-27,241 and shall execute and forward to the fiduciary,
30 on or before the original due date of the Nebraska fiduciary return, an
31 agreement which states that he or she will file a Nebraska income tax

1 return and pay income tax on all income derived from or connected with
2 sources in this state, and such agreement shall be attached to the
3 Nebraska fiduciary return for such taxable year.

4 (5) In the absence of the nonresident beneficiary's executed
5 agreement being attached to the Nebraska fiduciary return, the estate or
6 trust shall remit a portion of such beneficiary's income which was
7 derived from or attributable to Nebraska sources with its Nebraska return
8 for the taxable year. For taxable years beginning or deemed to begin
9 before January 1, 2013, the amount of remittance, in such instance, shall
10 be the highest individual income tax rate determined under section
11 77-2715.02 multiplied by the nonresident beneficiary's share of the
12 estate or trust income which was derived from or attributable to sources
13 within this state. For taxable years beginning or deemed to begin on or
14 after January 1, 2013, the amount of remittance, in such instance, shall
15 be the highest individual income tax rate determined under section
16 77-2715.03 multiplied by the nonresident beneficiary's share of the
17 estate or trust income which was derived from or attributable to sources
18 within this state. The amount remitted shall be allowed as a credit
19 against the Nebraska income tax liability of the beneficiary.

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

29 (7) For purposes of this section, unless the context otherwise
30 requires, simple trust shall mean any trust instrument which (a) requires
31 that all income shall be distributed currently to the beneficiaries, (b)

1 does not allow amounts to be paid, permanently set aside, or used in the
2 tax year for charitable purposes, and (c) does not distribute amounts
3 allocated in the corpus of the trust. Any trust which does not qualify as
4 a simple trust shall be deemed a complex trust.

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

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

11 77-2734.03 (1)(a) For taxable years commencing prior to January 1,
12 1997, any (i) insurer paying a tax on premiums and assessments pursuant
13 to section 77-908 or 81-523, (ii) electric cooperative organized under
14 the Joint Public Power Authority Act, or (iii) credit union shall be
15 credited, in the computation of the tax due under the Nebraska Revenue
16 Act of 1967, with the amount paid during the taxable year as taxes on
17 such premiums and assessments and taxes in lieu of intangible tax.

18 (b) For taxable years commencing on or after January 1, 1997, any
19 insurer paying a tax on premiums and assessments pursuant to section
20 77-908 or 81-523, any electric cooperative organized under the Joint
21 Public Power Authority Act, or any credit union shall be credited, in the
22 computation of the tax due under the Nebraska Revenue Act of 1967, with
23 the amount paid during the taxable year as (i) taxes on such premiums and
24 assessments included as Nebraska premiums and assessments under section
25 77-2734.05 and (ii) taxes in lieu of intangible tax.

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

1 section 44-4233.

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

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

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

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

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

22 (7) There shall be allowed to corporate taxpayers a nonrefundable
23 income tax credit as provided in the Nebraska Job Creation and Mainstreet
24 Revitalization Act, the New Markets Job Growth Investment Act, the School
25 Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable
26 Housing Tax Credit Act, the Opportunity Scholarships Act, the Sustainable
27 Aviation Fuel Tax Credit Act, the Nebraska Shortline Rail Modernization
28 Act, the Nebraska Pregnancy Help Act, the Individuals with Intellectual
29 and Developmental Disabilities Support Act, and sections 77-27,238,
30 77-27,240, and 77-27,241.

31 Sec. 70. Section 77-27,241, Revised Statutes Supplement, 2023, is

1 amended to read:

2 77-27,241 (1) For purposes of this section:

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

6 (b) Department means the Department of Revenue;

7 (c) Food bank means an organization in this state that:

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

10 (ii) Distributes food in ten or more counties in Nebraska and
11 qualifies for the Emergency Food Assistance Program administered by the
12 United States Department of Agriculture;

13 (d) Food pantry means an organization in this state that:

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

16 (ii) Distributes emergency food supplies to low-income individuals
17 in this state who would otherwise not have access to such food supplies;

18 (e) Food rescue means an organization in this state that:

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

21 (ii) Accepts donations of food and delivers such food to food banks
22 or food pantries so that such food may be distributed to low-income
23 individuals in this state;

24 (f) Grocery store retailer means a retailer located in this state
25 that is primarily engaged in business activities classified as code
26 445110 under the North American Industry Classification System;

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

1 applicable requirements of the food bank, food pantry, or food rescue to
2 which the qualifying agricultural food donation is made; and

3 (h) Restaurant means a business located in this state that is
4 primarily engaged in business activities classified as code 722511,
5 722513, 722514, or 722515 under the North American Industry
6 Classification System.

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

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

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

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

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

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

1 department.

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

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

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

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

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

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

30 (12) The department may adopt and promulgate rules and regulations
31 to carry out this section.

1 Sec. 71. Section 77-3806, Revised Statutes Cumulative Supplement,
2 2022, is amended to read:

3 77-3806 (1) The tax return shall be filed and the total amount of
4 the franchise tax shall be due on the fifteenth day of the third month
5 after the end of the taxable year. No extension of time to pay the tax
6 shall be granted. If the Tax Commissioner determines that the amount of
7 tax can be computed from available information filed by the financial
8 institutions with either state or federal regulatory agencies, the Tax
9 Commissioner may, by regulation, waive the requirement for the financial
10 institutions to file returns.

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

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

25 (4) Any such financial institution shall receive a credit on the
26 franchise tax as provided under the Affordable Housing Tax Credit Act,
27 the Community Development Assistance Act, the Nebraska Higher Blend Tax
28 Credit Act, the Nebraska Job Creation and Mainstreet Revitalization Act,
29 the Nebraska Property Tax Incentive Act, ~~and~~ the New Markets Job Growth
30 Investment Act, the Sustainable Aviation Fuel Tax Credit Act, and the
31 Nebraska Shortline Rail Modernization Act.

1 Sec. 72. Section 77-7012, Revised Statutes Supplement, 2023, is
2 amended to read:

3 77-7012 (1) If the department determines that an application is
4 complete and that the taxpayer qualifies for tax credits, the department
5 shall approve the application within the limits set forth in this section
6 and shall certify the amount of tax credits approved to the taxpayer.

7 (2) The department may approve up to one million dollars in tax
8 credits in any calendar year 2024, up to one million five hundred
9 thousand dollars in tax credits in calendar year 2025, and up to two
10 million dollars in tax credits in any calendar year thereafter. If the
11 total amount of tax credits requested in any calendar year exceeds such
12 limit, the department shall allocate the tax credits proportionally based
13 upon amounts requested.

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

16 77-7015 There shall be no new applications filed under the Nebraska
17 Biodiesel Tax Credit Act after December 31, 2029 ~~2028~~. All applications
18 and all tax credits pending or approved before such date shall continue
19 in full force and effect.

20 Sec. 74. Section 81-1220, Revised Statutes Cumulative Supplement,
21 2022, is amended to read:

22 81-1220 (1)(a) The Nebraska Film Office Fund is created. The fund
23 shall be administered by the Department of Economic Development and used
24 for grants for Nebraska-based films, Nebraska filmmakers, and tribal
25 communities in Nebraska as provided in this section.

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

30 (c) Any money in the Nebraska Film Office Fund available for
31 investment shall be invested by the state investment officer pursuant to

1 the Nebraska Capital Expansion Act and the Nebraska State Funds
2 Investment Act.

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

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

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

9 (ii) The film tells a Nebraska story; and

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

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

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

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

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

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

31 (ii) The applicant is a resident that has a validated credit as a

1 producer, director, director of photography, or screenwriter for the
2 film;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 applicant shall repay the entirety of the grant.

2 (j) For purposes of this subsection:

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

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

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

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

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

14 Sec. 75. Sections 65 and 76 of this act become operative on October
15 1, 2024. Sections 24, 25, 26, 27, 28, 29, 30, 31, 32, and 33 of this act
16 become operative for all taxable years beginning or deemed to begin on or
17 after January 1, 2025, under the Internal Revenue Code of 1986, as
18 amended. The other sections of this act become operative on their
19 effective date.

20 Sec. 76. Original section 77-2704.12, Revised Statutes Supplement,
21 2023, is repealed.

22 Sec. 77. Original sections 77-908, 77-3806, and 81-1220, Revised
23 Statutes Cumulative Supplement, 2022, and sections 77-2715.07, 77-2716,
24 77-2717, 77-2734.03, 77-27,241, 77-7012, and 77-7015, Revised Statutes
25 Supplement, 2023, are repealed.