

ONE HUNDRED EIGHTH LEGISLATURE - SECOND SESSION - 2024
COMMITTEE STATEMENT
LB1059

Hearing Date: Thursday January 25, 2024
Committee On: Revenue
Introducer: Linehan
One Liner: Change provisions relating to income taxes imposed on partnerships and small business corporations and notices of deficiency

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye: 8 Senators Albrecht, Bostar, Dungan, Kauth, Linehan, Meyer, Murman,
von Gillern
Nay:
Absent:
Present Not Voting:

Testimony:

Proponents:

Senator Lou Ann Linehan
Jeffery R Schaffart

Nicholas Bjornson

Representing:

Opening Presenter
Greater Omaha Chamber, Nebraska Chamber,
Lincoln Chamber of Commerce, Nebraska Bankers
Association
Greater Omaha Chamber

Opponents:

Representing:

Neutral:

Representing:

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:

LB 1059 amends Neb. Rev. Stats. § 77-2776, 77-2727, and 2734.01 to provide for making a election to become a passthrough entity on the applicable tax form, to be able to claim credit during the year the election is made without regard to when it is either paid in Nebraska or deducted on a federal income tax return, and provide for specific information on a written notice of deficiency.

Section 1. Amends Neb. Rev. Stat. § 77-2727 to allow partnerships to make an election as a passthrough entity on the respective income tax form and allow credit to be claimed in the year the election was made regardless of when such taxes for which credit is taken were paid in Nebraska or deducted from federal income tax.

Section 2. Amends Neb. Rev. Stat. § 77-2734.01 to allow S corporations and LLCs to make an election as a passthrough entity on the respective income tax form and allow credit to be claimed in the year the election was made



regardless of when such taxes for which credit is taken were paid in Nebraska or deducted from federal income tax.

Section 3. Amends Neb. Rev. Stat. § 77-2776 to require written notice of deficiency to include a written statement containing the facts, circumstances, and reasons used by the Tax Commissioner to determine the amount of tax shown on the return is less than the correct amount.

Section 4. Repeals the original sections of the Neb. Rev. Stat. sections shown above.

Lou Ann Linehan, Chairperson

