

E AND R AMENDMENTS TO LB 456

Introduced by Enrollment and Review Committee: McGill, 26,
Chairperson

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

3 Section 1. Section 77-2715.07, Revised Statutes
4 Cumulative Supplement, 2006, is amended to read:

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

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

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

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

15 (a) For returns filed reporting federal adjusted
16 gross incomes of greater than twenty-nine thousand dollars, a
17 nonrefundable credit equal to twenty-five percent of the federal
18 credit allowed under section 21 of the Internal Revenue Code of
19 1986, as amended;

20 (b) For returns filed reporting federal adjusted gross
21 income of twenty-nine thousand dollars or less, a refundable credit
22 equal to a percentage of the federal credit allowable under section
23 21 of the Internal Revenue Code of 1986, as amended, whether or

1 not the federal credit was limited by the federal tax liability.
2 The percentage of the federal credit shall be one hundred percent
3 for incomes not greater than twenty-two thousand dollars, and
4 the percentage shall be reduced by ten percent for each one
5 thousand dollars, or fraction thereof, by which the reported
6 federal adjusted gross income exceeds twenty-two thousand dollars;

7 (c) A refundable credit for individuals who qualify for
8 an income tax credit as an owner of agricultural assets under the
9 Beginning Farmer Tax Credit Act for all taxable years beginning or
10 deemed to begin on or after January 1, 2001, under the Internal
11 Revenue Code of 1986, as amended; and a refundable credit as
12 provided in section 77-5209.01 for individuals who qualify for an
13 income tax credit as a qualified beginning farmer or livestock
14 producer under the Beginning Farmer Tax Credit Act for all taxable
15 years beginning or deemed to begin on or after January 1, 2006,
16 under the Internal Revenue Code of 1986, as amended;

17 (d) A refundable credit for individuals who qualify for
18 an income tax credit under the Nebraska Advantage Microenterprise
19 Tax Credit Act or the Nebraska Advantage Research and Development
20 Act; and

21 (e) A refundable credit equal to eight percent of the
22 federal credit allowed under section 32 of the Internal Revenue
23 Code of 1986, as amended.

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

27 (a) A credit for personal exemptions allowed under

1 section 77-2716.01; and

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

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

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

14 (b) A credit to all estates and trusts for contributions
15 to certified community betterment programs as provided in the
16 Community Development Assistance Act.

17 (5) There shall be allowed to all business firms as a
18 credit against the income tax imposed by the Nebraska Revenue Act
19 of 1967 a credit as provided in section 77-27,222.

20 (6) (a) For all taxable years beginning on or after
21 January 1, 2007, and before January 1, 2008, under the Internal
22 Revenue Code of 1986, as amended, there shall be allowed to each
23 partner, shareholder, member, or beneficiary of a partnership,
24 subchapter S corporation, limited liability company, or estate or
25 trust a nonrefundable credit against the income tax imposed by
26 the Nebraska Revenue Act of 1967 equal to fifty percent of the
27 partner's, shareholder's, member's, or beneficiary's portion of the

1 amount of franchise tax paid to the state under sections 77-3801 to
2 77-3807 by a financial institution.

3 (b) For all taxable years beginning on or after January
4 1, 2008, under the Internal Revenue Code of 1986, as amended,
5 there shall be allowed to each partner, shareholder, member, or
6 beneficiary of a partnership, subchapter S corporation, limited
7 liability company, or estate or trust a nonrefundable credit
8 against the income tax imposed by the Nebraska Revenue Act of 1967
9 equal to the partner's, shareholder's, member's, or beneficiary's
10 portion of the amount of franchise tax paid to the state under
11 sections 77-3801 to 77-3807 by a financial institution.

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

19 Sec. 2. Section 77-3807, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 77-3807 (1) The Tax Commissioner shall prescribe the
22 necessary forms and the supporting documentation to be filed for
23 the reporting and payment of the tax imposed by section 77-3802 and
24 for the calculation of credits allowable under subsection (6) of
25 section 77-2715.07.

26 (2) The Tax Commissioner shall adopt and promulgate rules
27 and regulations to carry out sections 77-3801 to 77-3807.

1 (3) The Tax Commissioner may use electronic funds
2 transfers to collect the tax imposed by section 77-3802 or to pay
3 any refunds allowed under section 77-3806. The use of electronic
4 funds transfers shall not change the rights of any party from the
5 rights such party would have if a different method of payment is
6 used.

7 The other sections of this act become operative on their
8 effective date.

9 Sec. 3. Original section 77-3807, Reissue Revised
10 Statutes of Nebraska, and section 77-2715.07, Revised Statutes
11 Cumulative Supplement, 2006, are repealed.

12 2. On page 1, strike beginning with the second "to" in
13 line 4 through "date" in line 6 and insert "for franchise taxes
14 paid by certain financial institutions".