

LEGISLATURE OF NEBRASKA
ONE HUNDREDTH LEGISLATURE
SECOND SESSION
LEGISLATIVE BILL 1088

Introduced by Dierks, 40.

Read first time January 22, 2008

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section
2 77-5905, Revised Statutes Cumulative Supplement, 2006; to
3 eliminate the limit on tax credits under the Nebraska
4 Advantage Microenterprise Tax Credit Act; to provide an
5 operative date; and to repeal the original section.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-5905, Revised Statutes Cumulative
2 Supplement, 2006, is amended to read:

3 77-5905 (1) If the Department of Revenue determines
4 that an application meets the requirements of section 77-5904 and
5 that the investment or employment is eligible for the credit and
6 (a) the applicant is actively engaged in the operation of the
7 microbusiness or will be actively engaged in the operation upon its
8 establishment, (b) the majority of the assets of the microbusiness
9 are located in a distressed area or will be upon its establishment,
10 (c) the applicant will make new investment or employment in the
11 microbusiness, and (d) the new investment or employment will create
12 new income or jobs in the distressed area, the department shall
13 approve the application and authorize tentative tax credits to the
14 applicant ~~within the limits set forth in this section~~ and certify
15 the amount of tentative tax credits approved for the applicant.
16 ~~Applications for tax credits shall be considered in the order in~~
17 ~~which they are received.~~

18 (2) The department may approve applications ~~up to the~~
19 ~~adjusted limit~~ for each calendar year beginning January 1,
20 2006, through December 31, 2010. ~~After applications totaling the~~
21 ~~adjusted limit have been approved for a calendar year, no further~~
22 ~~applications shall be approved for that year. The adjusted limit~~
23 ~~in a given year is two million dollars plus tentative tax credits~~
24 ~~that were not granted by the end of the preceding year. Tax credits~~
25 shall not be allowed for a taxpayer receiving benefits under the

1 Employment and Investment Growth Act, the Nebraska Advantage Act,
2 or the Nebraska Advantage Rural Development Act.

3 Sec. 2. This act is operative for all taxable years
4 beginning or deemed to begin on or after January 1, 2008, under the
5 Internal Revenue Code of 1986, as amended.

6 Sec. 3. Original section 77-5905, Revised Statutes
7 Cumulative Supplement, 2006, is repealed.