

LEGISLATURE OF NEBRASKA

ONE HUNDREDTH LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 684

Introduced by Dubas, 34; Carlson, 38; Christensen, 44; Dierks, 40;
Hudkins, 21; Karpisek, 32; Louden, 49; McDonald, 41;
Nelson, 6; Pankonin, 2; Wallman, 30

Read first time January 17, 2007

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section
2 77-2715.07, Revised Statutes Cumulative Supplement, 2006;
3 to provide for an income tax credit based upon certain
4 property taxes as prescribed; to provide an operative
5 date; and to repeal the original section.
6 Be it enacted by the people of the State of Nebraska,

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

3 77-2715.07 (1) There shall be allowed to qualified
4 resident individuals as a nonrefundable credit against the income
5 tax imposed by the Nebraska Revenue Act of 1967:

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

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

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

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

18 (b) For returns filed reporting federal adjusted gross
19 income of twenty-nine thousand dollars or less, a refundable credit
20 equal to a percentage of the federal credit allowable under section
21 21 of the Internal Revenue Code of 1986, as amended, whether or
22 not the federal credit was limited by the federal tax liability.
23 The percentage of the federal credit shall be one hundred percent
24 for incomes not greater than twenty-two thousand dollars, and
25 the percentage shall be reduced by ten percent for each one

1 thousand dollars, or fraction thereof, by which the reported
2 federal adjusted gross income exceeds twenty-two thousand dollars;

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

13 (d) A refundable credit for individuals who qualify for
14 an income tax credit under the Nebraska Advantage Microenterprise
15 Tax Credit Act or the Nebraska Advantage Research and Development
16 Act; and

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

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

23 (a) A credit for personal exemptions allowed under
24 section 77-2716.01; and

25 (b) A credit for contributions to certified community

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

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

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

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

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

18 (6) There shall be allowed to qualified taxpayers against
19 the income tax imposed by the Nebraska Revenue Act of 1967 a
20 refundable credit in the amount by which the property taxes due
21 and paid in the previous calendar year on the taxpayer's residence
22 exceed XXX percent of the taxpayer's federal adjusted gross income.
23 The property taxes used to calculate the credit shall not exceed
24 the amount of property taxes levied on a property assessed at the
25 average assessed value of single-family residential property in the

1 county.

2 (7) (a) There shall be allowed to qualified taxpayers
3 against the income tax imposed by the Nebraska Revenue Act of 1967
4 a refundable credit in the amount by which the property taxes due
5 and paid in the previous calendar year on agricultural land and
6 horticultural land owned and operated by the taxpayer exceed XXX
7 percent of the taxpayer's federal adjusted gross income as federal
8 taxable income. The property taxes used to calculate the credit
9 shall not exceed the amount of property taxes levied on an acre
10 of agricultural land and horticultural land assessed at the average
11 assessed value per acre of agricultural land and horticultural land
12 in the county.

13 (b) For purposes of this subsection, agricultural land
14 and horticultural land owned and operated by the taxpayer means
15 land on which the taxpayer or the taxpayer's family operates the
16 land as a farm or ranch and (i) provides the majority of the labor
17 and management for the farm or ranch or (ii) farming or ranching is
18 the taxpayer's or the taxpayer's family's primary occupation.

19 Sec. 2. This act becomes operative for taxable years
20 beginning or deemed to begin on or after January 1, 2007, under the
21 Internal Revenue Code of 1986, as amended.

22 Sec. 3. Original section 77-2715.07, Revised Statutes
23 Cumulative Supplement, 2006, is repealed.