

# One Hundred Second Legislature - Second Session - 2012

## Introducer's Statement of Intent

### LB983

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**Chairperson: Senator Abbie Cornett**

**Committee: Revenue**

**Date of Hearing: February 01, 2012**

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 983 would strike the limitation on the number of years that a taxpayer can claim the research and development (R&D) tax credits authorized by Neb. Rev. Stat. sec. 77-5803, thereby recognizing and affirming Nebraska's commitment to providing R&D tax credits for projects that may take more than five years to successfully research and develop.

One of those tax credits applies to university-based R&D projects (that credit is equal to 35 percent of the federal R&D income tax credit) and the other applies to R&D projects that are not university-based projects (that credit is equal to 15 percent of the federal R&D income tax credit). Current Nebraska law limits a taxpayer's ability to claim those R&D tax credits to a total of five tax years.

The Nebraska R&D tax credits can be used to obtain a refund of state sales and use taxes paid, may be used against the income tax liability of the taxpayer, or may be used as a refundable credit claimed on an income tax return of the taxpayer, pursuant to Neb. Rev. Stat, sec. 77-5804.

The changes proposed by LB 983 would be operative for all taxable years beginning or deemed to begin on or after January 1, 2012, under the 12 Internal Revenue Code of 1986, as amended.

**Principal Introducer:** \_\_\_\_\_

**Senator Abbie Cornett**