

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 888

Introduced by Mello, 5; Fox, 7; Harr, 8.

Read first time January 11, 2016

Committee: Revenue

- 1 A BILL FOR AN ACT relating to the Nebraska Job Creation and Mainstreet
- 2 Revitalization Act; to amend section 77-2909, Revised Statutes
- 3 Cumulative Supplement, 2014, and section 77-2904, Revised Statutes
- 4 Supplement, 2015; to change provisions relating to the treatment and
- 5 applicability of certain tax credits; to repeal the original
- 6 sections; and to declare an emergency.
- 7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2904, Revised Statutes Supplement, 2015, is
2 amended to read:

3 77-2904 (1) Any person incurring eligible expenditures may receive a
4 nonrefundable credit against any income tax imposed by the Nebraska
5 Revenue Act of 1967 or any tax imposed pursuant to sections 44-101 to
6 44-165, 77-907 to 77-918, or 77-3801 to 77-3807 for the year the
7 historically significant real property is placed in service. The amount
8 of the credit shall be equal to twenty percent of eligible expenditures
9 up to a maximum credit of one million dollars. Any taxpayer that claims a
10 tax credit shall not be required to pay any additional retaliatory tax
11 under section 44-150 as a result of claiming such tax credit. Any tax
12 credit claimed under this section shall be considered a payment of tax
13 for purposes of subsection (1) of section 77-2734.03.

14 (2) To claim the credit authorized under this section, a person must
15 first apply and receive an allocation of credits and application approval
16 under section 77-2905 and then request and receive final approval under
17 section 77-2906.

18 (3) Interest shall not be allowed on any refund paid under the
19 Nebraska Job Creation and Mainstreet Revitalization Act.

20 Sec. 2. Section 77-2909, Revised Statutes Cumulative Supplement,
21 2014, is amended to read:

22 77-2909 (1) Persons who receive the original issuance of credits
23 from the department under section 77-2906 may transfer, sell, or assign
24 up to fifty percent of such credits to any person or legal entity. If the
25 person who receives the original issuance of credits from the department
26 is a political subdivision or a tax-exempt entity under section 501(c)(3)
27 of the Internal Revenue Code of 1986, as amended, such fifty-percent
28 limitation shall not apply.

29 (2) The credits allowed to be transferred, sold, or assigned
30 pursuant to subsection (1) of this section may thereafter be transferred,
31 sold, or assigned multiple times, either in whole or in part, by or to

1 any person or legal entity.

2 (3) Any person acquiring credits under this section may use such
3 credits to offset up to one hundred percent of such person's income tax
4 due under the Nebraska Revenue Act of 1967 or any tax due under sections
5 44-101 to 44-165, 77-907 to 77-918, or 77-3801 to 77-3807 in the year the
6 historically significant real property is placed in service and in
7 subsequent years until all credits have been utilized, except as
8 otherwise provided in section 77-2912. Any taxpayer that claims a tax
9 credit shall not be required to pay any additional retaliatory tax under
10 section 44-150 as a result of claiming such tax credit. Any tax credit
11 claimed shall be considered a payment of tax for purposes of subsection
12 (1) of section 77-2734.03.

13 (4) The person transferring, selling, or assigning the credits shall
14 notify the officer and the department in writing within fifteen calendar
15 days following the effective date of the transfer, sale, or assignment
16 and shall remit to the department the certificate issued for the credits
17 that were transferred, sold, or assigned. The department shall then issue
18 new certificates as necessary to effectuate the transfer, sale, or
19 assignment. The issuance of the new credits by the department shall
20 perfect the transfer, sale, or assignment of credits.

21 (5) The department shall develop a system to track the transfer,
22 sale, and assignment of credits and to certify the ownership of the
23 credits.

24 (6) The department shall have, with respect to the Nebraska Job
25 Creation and Mainstreet Revitalization Act, all authority granted to it
26 in section 77-27,119.

27 Sec. 3. Original section 77-2909, Revised Statutes Cumulative
28 Supplement, 2014, and section 77-2904, Revised Statutes Supplement, 2015,
29 are repealed.

30 Sec. 4. Since an emergency exists, this act takes effect when
31 passed and approved according to law.