

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FIFTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 272**

Introduced by Vargas, 7; Hilkemann, 4.

Read first time January 11, 2017

Committee: Revenue

- 1 A BILL FOR AN ACT relating to the Nebraska Job Creation and Mainstreet
- 2 Revitalization Act; to amend section 77-2906, Revised Statutes
- 3 Cumulative Supplement, 2016; to provide powers and duties for the
- 4 Department of Revenue; to establish a deadline for the determination
- 5 of the amount of tax credit; and to repeal the original section.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2906, Revised Statutes Cumulative Supplement,  
2 2016, is amended to read:

3 77-2906 (1)(a) ~~(1)~~ Within twelve months after the date on which the  
4 historically significant real property is placed in service, a person  
5 whose application was approved under section 77-2905 shall file a request  
6 for final approval containing all required information with the officer  
7 on a form prescribed by the officer and shall include a fee established  
8 by the officer pursuant to section 77-2907. The officer shall then  
9 determine whether the work substantially conforms to the application  
10 approved under section 77-2905. If the work substantially conforms and no  
11 other significant improvements have been made to the historically  
12 significant real property that do not substantially comply with the  
13 standards, the officer shall approve the request for final approval and  
14 refer the application to the department to determine the amount of  
15 eligible expenditures, calculate the amount of the credit, and issue a  
16 certificate to the person evidencing the credit. If the work does not  
17 substantially conform to the approved application or if other significant  
18 improvements have been made to the historically significant real property  
19 that do not substantially comply with the standards, the officer shall  
20 deny the request for final approval and provide the person with a written  
21 explanation of the decision. The officer shall make a determination on  
22 the request for final approval in writing within thirty days after the  
23 filing of the request. If the officer does not make a determination  
24 within thirty days after the filing of the request, the request shall be  
25 deemed approved and the person may petition the department directly to  
26 determine the amount of eligible expenditures, calculate the amount of  
27 the credit, and issue a certificate evidencing the credit.

28 (b) The department shall determine the amount of eligible  
29 expenditures, calculate the amount of the credit, and issue a certificate  
30 evidencing the credit within sixty days after referral of the application  
31 to the department by the officer or the filing of a petition pursuant to

1 subdivision (1)(a) of this section. The taxpayer and the department may  
2 also agree to extend the sixty-day period, but such extension shall not  
3 exceed an additional thirty days. If the department does not make a  
4 determination within such period or agreed-upon longer period, the  
5 credits shall be deemed approved in the amount requested, except that  
6 such amount shall not exceed one hundred ten percent of the amount of  
7 credits allocated by the officer for such historically significant real  
8 property and such amount shall not increase the total amount of credits  
9 that may be allocated by the officer under section 77-2905 in any  
10 calendar year.

11 (c) Any denial of a request for final approval by the officer, any  
12 calculation by the department of the amount of eligible expenditures or  
13 the amount of the credit, or issuance of a certificate by the department  
14 pursuant to this section may be appealed, and the appeal shall be in  
15 accordance with the Administrative Procedure Act.

16 (2) The department shall divide the credit and issue multiple  
17 certificates to a person who qualifies for the credit upon reasonable  
18 request.

19 (3) In calculating the amount of the credits to be issued pursuant  
20 to this section, the department may issue credits in an amount that  
21 differs from the amount of credits allocated by the officer under section  
22 77-2905 if such credits are supported by eligible expenditures as  
23 determined by the department, except that the department shall not issue  
24 credits in an amount exceeding one hundred ten percent of the amount of  
25 credits allocated by the officer under section 77-2905. If the amount of  
26 credits to be issued under this section is more than the amount of  
27 credits allocated by the officer pursuant to section 77-2905, the  
28 department shall notify the officer of the difference and such amount  
29 shall be subtracted from the annual amount available for allocation under  
30 section 77-2905. If the amount of credits to be issued under this section  
31 is less than the amount of credits allocated by the officer pursuant to

1 section 77-2905, the department shall notify the officer of the  
2 difference and such amount shall be added to the annual amount available  
3 for allocation under section 77-2905.

4 (4) The department shall not issue any certificates for credits  
5 under this section until the recipient of the credit has paid to the  
6 department a fee equal to one-quarter of one percent of the credit  
7 amount. The department shall remit such fees to the State Treasurer for  
8 credit to the Civic and Community Center Financing Fund.

9 (5) If the recipient of the credit is (a) a corporation having an  
10 election in effect under subchapter S of the Internal Revenue Code of  
11 1986, as amended, (b) a partnership, or (c) a limited liability company,  
12 the credit may be claimed by the shareholders of the corporation, the  
13 partners of the partnership, or the members of the limited liability  
14 company in the same manner as those shareholders, partners, or members  
15 account for their proportionate shares of the income or losses of the  
16 corporation, partnership, or limited liability company, or as provided in  
17 the bylaws or other executed agreement of the corporation, partnership,  
18 or limited liability company. Credits granted to a partnership, a limited  
19 liability company taxed as a partnership, or other multiple owners of  
20 property shall be passed through to the partners, members, or owners,  
21 respectively, on a pro rata basis or pursuant to an executed agreement  
22 among the partners, members, or owners documenting any alternate  
23 distribution method.

24 (6) Subject to section 77-2912, any credit amount that is unused may  
25 be carried forward to subsequent tax years until fully utilized.

26 (7) Credits allowed under this section may be claimed for taxable  
27 years beginning or deemed to begin on or after January 1, 2015, under the  
28 Internal Revenue Code of 1986, as amended.

29 Sec. 2. Original section 77-2906, Revised Statutes Cumulative  
30 Supplement, 2016, is repealed.