

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 954

Introduced by Hansen, 26.

Read first time January 10, 2018

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend section
- 2 77-2715.07, Revised Statutes Cumulative Supplement, 2016; to provide
- 3 refundable income tax credits to individuals who rent their primary
- 4 residence as prescribed; to provide an operative date; and to repeal
- 5 the original section.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2715.07, Revised Statutes Cumulative
2 Supplement, 2016, is amended to read:

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

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

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

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

12 (a) For returns filed reporting federal adjusted gross incomes of
13 greater than twenty-nine thousand dollars, a nonrefundable credit equal
14 to twenty-five percent of the federal credit allowed under section 21 of
15 the Internal Revenue Code of 1986, as amended, except that for taxable
16 years beginning or deemed to begin on or after January 1, 2015, such
17 nonrefundable credit shall be allowed only if the individual would have
18 received the federal credit allowed under section 21 of the code after
19 adding back in any carryforward of a net operating loss that was deducted
20 pursuant to such section in determining eligibility for the federal
21 credit;

22 (b) For returns filed reporting federal adjusted gross income of
23 twenty-nine thousand dollars or less, a refundable credit equal to a
24 percentage of the federal credit allowable under section 21 of the
25 Internal Revenue Code of 1986, as amended, whether or not the federal
26 credit was limited by the federal tax liability. The percentage of the
27 federal credit shall be one hundred percent for incomes not greater than
28 twenty-two thousand dollars, and the percentage shall be reduced by ten
29 percent for each one thousand dollars, or fraction thereof, by which the
30 reported federal adjusted gross income exceeds twenty-two thousand
31 dollars, except that for taxable years beginning or deemed to begin on or

1 after January 1, 2015, such refundable credit shall be allowed only if
2 the individual would have received the federal credit allowed under
3 section 21 of the code after adding back in any carryforward of a net
4 operating loss that was deducted pursuant to such section in determining
5 eligibility for the federal credit;

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

11 (d) A refundable credit for individuals who qualify for an income
12 tax credit under the Angel Investment Tax Credit Act, the Nebraska
13 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
14 and Development Act, or the Volunteer Emergency Responders Incentive Act;
15 and

16 (e) A refundable credit equal to ten percent of the federal credit
17 allowed under section 32 of the Internal Revenue Code of 1986, as
18 amended, except that for taxable years beginning or deemed to begin on or
19 after January 1, 2015, such refundable credit shall be allowed only if
20 the individual would have received the federal credit allowed under
21 section 32 of the code after adding back in any carryforward of a net
22 operating loss that was deducted pursuant to such section in determining
23 eligibility for the federal credit; and -

24 (f) A refundable credit for individuals who rent their primary
25 residence in an amount equal to two percent of the rent paid by the
26 individual during the taxable year for such primary residence, not to
27 exceed five hundred dollars.

28 (3) There shall be allowed to all individuals as a nonrefundable
29 credit against the income tax imposed by the Nebraska Revenue Act of
30 1967:

31 (a) A credit for personal exemptions allowed under section

1 77-2716.01;

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

9 (c) A credit for investment in a biodiesel facility as provided in
10 section 77-27,236;

11 (d) A credit as provided in the New Markets Job Growth Investment
12 Act;

13 (e) A credit as provided in the Nebraska Job Creation and Mainstreet
14 Revitalization Act;

15 (f) A credit to employers as provided in section 77-27,238; and

16 (g) A credit as provided in the Affordable Housing Tax Credit Act.

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

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

21 (b) A credit to all estates and trusts for contributions to
22 certified community betterment programs as provided in the Community
23 Development Assistance Act; and

24 (c) A refundable credit for individuals who qualify for an income
25 tax credit as an owner of agricultural assets under the Beginning Farmer
26 Tax Credit Act for all taxable years beginning or deemed to begin on or
27 after January 1, 2009, under the Internal Revenue Code of 1986, as
28 amended. The credit allowed for each partner, shareholder, member, or
29 beneficiary of a partnership, corporation, limited liability company, or
30 estate or trust qualifying for an income tax credit as an owner of
31 agricultural assets under the Beginning Farmer Tax Credit Act shall be

1 equal to the partner's, shareholder's, member's, or beneficiary's portion
2 of the amount of tax credit distributed pursuant to subsection (4) of
3 section 77-5211.

4 (5)(a) For all taxable years beginning on or after January 1, 2007,
5 and before January 1, 2009, under the Internal Revenue Code of 1986, as
6 amended, there shall be allowed to each partner, shareholder, member, or
7 beneficiary of a partnership, subchapter S corporation, limited liability
8 company, or estate or trust a nonrefundable credit against the income tax
9 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the
10 partner's, shareholder's, member's, or beneficiary's portion of the
11 amount of franchise tax paid to the state under sections 77-3801 to
12 77-3807 by a financial institution.

13 (b) For all taxable years beginning on or after January 1, 2009,
14 under the Internal Revenue Code of 1986, as amended, there shall be
15 allowed to each partner, shareholder, member, or beneficiary of a
16 partnership, subchapter S corporation, limited liability company, or
17 estate or trust a nonrefundable credit against the income tax imposed by
18 the Nebraska Revenue Act of 1967 equal to the partner's, shareholder's,
19 member's, or beneficiary's portion of the amount of franchise tax paid to
20 the state under sections 77-3801 to 77-3807 by a financial institution.

21 (c) Each partner, shareholder, member, or beneficiary shall report
22 his or her share of the credit in the same manner and proportion as he or
23 she reports the partnership, subchapter S corporation, limited liability
24 company, or estate or trust income. If any partner, shareholder, member,
25 or beneficiary cannot fully utilize the credit for that year, the credit
26 may not be carried forward or back.

27 (6) There shall be allowed to all individuals nonrefundable credits
28 against the income tax imposed by the Nebraska Revenue Act of 1967 as
29 provided in section 77-3604 and refundable credits against the income tax
30 imposed by the Nebraska Revenue Act of 1967 as provided in section
31 77-3605.

1 Sec. 2. This act becomes operative for all taxable years beginning
2 or deemed to begin on or after January 1, 2019, under the Internal
3 Revenue Code of 1986, as amended.

4 Sec. 3. Original section 77-2715.07, Revised Statutes Cumulative
5 Supplement, 2016, is repealed.