

AMENDMENTS TO LB289

(Amendments to Standing Committee amendments, AM1572)

Introduced by Wayne, 13.

1 1. Strike section 16 and insert the following new section:

2 Sec. 16. Section 77-2715.07, Reissue Revised Statutes of Nebraska,
3 is amended to read:

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

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

9 (b) A credit for taxes paid to another state as provided in section
10 77-2730.

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

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

23 (b) For returns filed reporting federal adjusted gross income of
24 twenty-nine thousand dollars or less, a refundable credit equal to a
25 percentage of the federal credit allowable under section 21 of the
26 Internal Revenue Code of 1986, as amended, whether or not the federal

1 credit was limited by the federal tax liability. The percentage of the
2 federal credit shall be one hundred percent for incomes not greater than
3 twenty-two thousand dollars, and the percentage shall be reduced by ten
4 percent for each one thousand dollars, or fraction thereof, by which the
5 reported federal adjusted gross income exceeds twenty-two thousand
6 dollars, except that for taxable years beginning or deemed to begin on or
7 after January 1, 2015, such refundable credit shall be allowed only if
8 the individual would have received the federal credit allowed under
9 section 21 of the code after adding back in any carryforward of a net
10 operating loss that was deducted pursuant to such section in determining
11 eligibility for the federal credit;

12 (c) A refundable credit as provided in section 77-5209.01 for
13 individuals who qualify for an income tax credit as a qualified beginning
14 farmer or livestock producer under the Beginning Farmer Tax Credit Act
15 for all taxable years beginning or deemed to begin on or after January 1,
16 2006, under the Internal Revenue Code of 1986, as amended;

17 (d) A refundable credit for individuals who qualify for an income
18 tax credit under the Angel Investment Tax Credit Act, the Nebraska
19 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
20 and Development Act, or the Volunteer Emergency Responders Incentive Act;
21 and

22 (e)(i) (e) A refundable credit equal to:

23 (A) For taxable years beginning or deemed to begin before January 1,
24 2020, ten percent of the federal credit allowed under section 32 of the
25 Internal Revenue Code of 1986, as amended; and 7

26 (B) For taxable years beginning or deemed to begin on or after
27 January 1, 2020:

28 (I) Fifteen percent of the federal credit allowed under section 32
29 of the Internal Revenue Code of 1986, as amended, if the taxpayer resides
30 in an area that has been declared an extremely blighted area under
31 section 2, Legislative Bill 86, One Hundred Sixth Legislature, First

1 Session, 2019; or

2 (II) Thirteen percent of the federal credit allowed under section 32
3 of the Internal Revenue Code of 1986, as amended, if the taxpayer does
4 not reside in such an area.

5 (ii) For ~~except that~~ for taxable years beginning or deemed to begin
6 on or after January 1, 2015, the such refundable credit provided in
7 subdivision (2)(e)(i) of this section shall be allowed only if the
8 individual would have received the federal credit allowed under section
9 32 of the code after adding back in any carryforward of a net operating
10 loss that was deducted pursuant to such section in determining
11 eligibility for the federal credit.

12 (3) There shall be allowed to all individuals as a nonrefundable
13 credit against the income tax imposed by the Nebraska Revenue Act of
14 1967:

15 (a) A credit for personal exemptions allowed under section
16 77-2716.01;

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

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

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

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

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

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

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

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

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

8 (c) A refundable credit for individuals who qualify for an income
9 tax credit as an owner of agricultural assets under the Beginning Farmer
10 Tax Credit Act for all taxable years beginning or deemed to begin on or
11 after January 1, 2009, under the Internal Revenue Code of 1986, as
12 amended. The credit allowed for each partner, shareholder, member, or
13 beneficiary of a partnership, corporation, limited liability company, or
14 estate or trust qualifying for an income tax credit as an owner of
15 agricultural assets under the Beginning Farmer Tax Credit Act shall be
16 equal to the partner's, shareholder's, member's, or beneficiary's portion
17 of the amount of tax credit distributed pursuant to subsection (4) of
18 section 77-5211.

19 (5)(a) For all taxable years beginning on or after January 1, 2007,
20 and before January 1, 2009, under the Internal Revenue Code of 1986, as
21 amended, there shall be allowed to each partner, shareholder, member, or
22 beneficiary of a partnership, subchapter S corporation, limited liability
23 company, or estate or trust a nonrefundable credit against the income tax
24 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the
25 partner's, shareholder's, member's, or beneficiary's portion of the
26 amount of franchise tax paid to the state under sections 77-3801 to
27 77-3807 by a financial institution.

28 (b) For all taxable years beginning on or after January 1, 2009,
29 under the Internal Revenue Code of 1986, as amended, there shall be
30 allowed to each partner, shareholder, member, or beneficiary of a
31 partnership, subchapter S corporation, limited liability company, or

1 estate or trust a nonrefundable credit against the income tax imposed by
2 the Nebraska Revenue Act of 1967 equal to the partner's, shareholder's,
3 member's, or beneficiary's portion of the amount of franchise tax paid to
4 the state under sections 77-3801 to 77-3807 by a financial institution.

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

11 (6) There shall be allowed to all individuals nonrefundable credits
12 against the income tax imposed by the Nebraska Revenue Act of 1967 as
13 provided in section 77-3604 and refundable credits against the income tax
14 imposed by the Nebraska Revenue Act of 1967 as provided in section
15 77-3605.