

AMENDMENTS TO LB88

Introduced by Revenue.

1 1. Strike the original sections and insert the following new
2 sections:

3 Section 1. Section 18-2101, Revised Statutes Cumulative Supplement,
4 2018, is amended to read:

5 18-2101 Sections 18-2101 to 18-2154 and section 2 of this act shall
6 be known and may be cited as the Community Development Law.

7 Sec. 2. (1) For any city that (a) intends to carry out a
8 redevelopment project which will involve the construction of workforce
9 housing in an extremely blighted area as authorized under subdivision
10 (28)(g) of section 18-2103 or (b) intends to declare an area as an
11 extremely blighted area in order for individuals purchasing residences in
12 such area to qualify for the income tax credit authorized in subsection
13 (7) of section 77-2715.07, the governing body of such city must first
14 declare, by resolution adopted after the public hearings required under
15 this section, such area to be an extremely blighted area.

16 (2) Prior to making such declaration, the governing body of the city
17 shall conduct or cause to be conducted a study or an analysis on whether
18 the area is extremely blighted and shall submit the question of whether
19 such area is extremely blighted to the planning commission or board of
20 the city for its review and recommendation. The planning commission or
21 board shall hold a public hearing on the question after giving notice of
22 the hearing as provided in section 18-2115.01. Such notice shall include
23 a map of sufficient size to show the area to be declared extremely
24 blighted or information on where to find such map and shall provide
25 information on where to find copies of the study or analysis conducted
26 pursuant to this subsection. The planning commission or board shall
27 submit its written recommendations to the governing body of the city

1 within thirty days after the public hearing.

2 (3) Upon receipt of the recommendations of the planning commission
3 or board, or if no recommendations are received within thirty days after
4 the public hearing required under subsection (2) of this section, the
5 governing body shall hold a public hearing on the question of whether the
6 area is extremely blighted after giving notice of the hearing as provided
7 in section 18-2115.01. Such notice shall include a map of sufficient size
8 to show the area to be declared extremely blighted or information on
9 where to find such map and shall provide information on where to find
10 copies of the study or analysis conducted pursuant to subsection (2) of
11 this section. At the public hearing, all interested parties shall be
12 afforded a reasonable opportunity to express their views respecting the
13 proposed declaration. After such hearing, the governing body of the city
14 may make its declaration.

15 (4) Copies of each study or analysis conducted pursuant to
16 subsection (2) of this section shall be posted on the city's public web
17 site or made available for public inspection at a location designated by
18 the city.

19 (5) The study or analysis required under subsection (2) of this
20 section may be conducted in conjunction with the study or analysis
21 required under section 18-2109. The hearings required under this section
22 may be held in conjunction with the hearings required under section
23 18-2109.

24 Sec. 3. Section 18-2115.01, Revised Statutes Cumulative Supplement,
25 2018, is amended to read:

26 18-2115.01 (1) Public notice of any hearing required under section
27 18-2109 or 18-2115 or section 2 of this act shall be given by publication
28 at least once a week for two consecutive weeks in a legal newspaper in or
29 of general circulation in the community. The time of the hearing shall be
30 at least ten days from the last publication.

31 (2)(a) Notice of any hearing required under section 18-2109 or

1 18-2115 or section 2 of this act shall be given to neighborhood
2 associations that have registered under subsection (5) of this section as
3 follows:

4 (i) For a hearing under section 18-2109, notice shall be given to
5 each registered neighborhood association whose area of representation is
6 located in whole or in part within a one-mile radius of the area to be
7 declared substandard and blighted;~~and~~

8 (ii) For a hearing under section 2 of this act, notice shall be
9 given to each registered neighborhood association whose area of
10 representation is located in whole or in part within a one-mile radius of
11 the area to be declared extremely blighted; and

12 (iii) (ii) For a hearing under section 18-2115, notice shall be
13 given to each registered neighborhood association whose area of
14 representation is located in whole or in part within a one-mile radius of
15 the area to be redeveloped.

16 (b) Notice under this subsection shall be given at least ten days
17 prior to the hearing in the manner requested by the neighborhood
18 association. The notice shall be deemed given on the date it is sent.

19 (3)(a) Notice of any hearing required under section 18-2109 or
20 18-2115 or section 2 of this act shall be given to political subdivisions
21 as follows:

22 (i) For a hearing under section 18-2109, notice shall be given to
23 the president or chairperson of the governing body of each county, school
24 district, community college area, educational service unit, and natural
25 resources district in which the real property to be declared substandard
26 and blighted is located;~~and~~

27 (ii) For a hearing under section 2 of this act, notice shall be
28 given to the president or chairperson of the governing body of each
29 county, school district, community college area, educational service
30 unit, and natural resources district in which the real property to be
31 declared extremely blighted is located; and

1 (iii) ~~(ii)~~ For a hearing under section 18-2115, notice shall be
2 given to the president or chairperson of the governing body of each
3 county, school district, community college area, educational service
4 unit, and natural resources district in which the real property subject
5 to the redevelopment plan or substantial modification thereof is located.

6 (b) Notice under this subsection shall be given at least ten days
7 prior to the hearing by certified mail, return receipt requested. The
8 notice shall be deemed given on the date it is mailed by certified mail.

9 (4) All notices given under this section shall describe the time,
10 date, place, and purpose of the hearing.

11 (5) Each neighborhood association desiring to receive notice of any
12 hearing required under section 18-2109 or 18-2115 or section 2 of this
13 act shall register with the city's planning department or, if there is no
14 planning department, with the city clerk. The registration shall include
15 a description of the area of representation of the association, the name
16 of and contact information for the individual designated by the
17 association to receive the notice on its behalf, and the requested manner
18 of service, whether by email, first-class mail, or certified mail.
19 Registration of the neighborhood association for purposes of this section
20 shall be accomplished in accordance with such other rules and regulations
21 as may be adopted and promulgated by the city.

22 Sec. 4. Section 18-2117.04, Revised Statutes Cumulative Supplement,
23 2018, is amended to read:

24 18-2117.04 (1) On and after October 1, 2018, each city that has
25 approved one or more redevelopment plans or redevelopment projects that
26 are financed in whole or in part through the division of taxes as
27 provided in section 18-2147 shall retain copies of (a) all such
28 redevelopment plans and (b) all supporting documents associated with the
29 redevelopment plans or redevelopment projects, ~~and~~ and with any related
30 substandard and blighted declaration under section 18-2109, and with any
31 related extremely blighted declaration under section 2 of this act that

1 are received or generated by the city.

2 (2) The city shall retain the redevelopment plans and supporting
3 documents described in subsection (1) of this section for the period of
4 time required under any applicable records retention schedule adopted
5 under the Records Management Act or for three years following the end of
6 the last fiscal year in which ad valorem taxes are divided, whichever
7 period is longer.

8 (3) For purposes of this section, supporting document includes any
9 substandard and blighted study or analysis conducted pursuant to section
10 18-2109, any extremely blighted study or analysis conducted pursuant to
11 section 2 of this act, any cost-benefit analysis conducted pursuant to
12 section 18-2113, and any invoice, receipt, claim, or contract received or
13 generated by the city that provides support for receipts or payments
14 associated with the redevelopment plan or redevelopment project.

15 Sec. 5. Section 77-2715.07, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 77-2715.07 (1) There shall be allowed to qualified resident
18 individuals as a nonrefundable credit against the income tax imposed by
19 the Nebraska Revenue Act of 1967:

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

22 (b) A credit for taxes paid to another state as provided in section
23 77-2730.

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

26 (a) For returns filed reporting federal adjusted gross incomes of
27 greater than twenty-nine thousand dollars, a nonrefundable credit equal
28 to twenty-five percent of the federal credit allowed under section 21 of
29 the Internal Revenue Code of 1986, as amended, except that for taxable
30 years beginning or deemed to begin on or after January 1, 2015, such
31 nonrefundable credit shall be allowed only if the individual would have

1 received the federal credit allowed under section 21 of the code after
2 adding back in any carryforward of a net operating loss that was deducted
3 pursuant to such section in determining eligibility for the federal
4 credit;

5 (b) For returns filed reporting federal adjusted gross income of
6 twenty-nine thousand dollars or less, a refundable credit equal to a
7 percentage of the federal credit allowable under section 21 of the
8 Internal Revenue Code of 1986, as amended, whether or not the federal
9 credit was limited by the federal tax liability. The percentage of the
10 federal credit shall be one hundred percent for incomes not greater than
11 twenty-two thousand dollars, and the percentage shall be reduced by ten
12 percent for each one thousand dollars, or fraction thereof, by which the
13 reported federal adjusted gross income exceeds twenty-two thousand
14 dollars, except that for taxable years beginning or deemed to begin on or
15 after January 1, 2015, such refundable credit shall be allowed only if
16 the individual would have received the federal credit allowed under
17 section 21 of the code after adding back in any carryforward of a net
18 operating loss that was deducted pursuant to such section in determining
19 eligibility for the federal credit;

20 (c) A refundable credit as provided in section 77-5209.01 for
21 individuals who qualify for an income tax credit as a qualified beginning
22 farmer or livestock producer under the Beginning Farmer Tax Credit Act
23 for all taxable years beginning or deemed to begin on or after January 1,
24 2006, under the Internal Revenue Code of 1986, as amended;

25 (d) A refundable credit for individuals who qualify for an income
26 tax credit under the Angel Investment Tax Credit Act, the Nebraska
27 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
28 and Development Act, or the Volunteer Emergency Responders Incentive Act;
29 and

30 (e) A refundable credit equal to ten percent of the federal credit
31 allowed under section 32 of the Internal Revenue Code of 1986, as

1 amended, except that for taxable years beginning or deemed to begin on or
2 after January 1, 2015, such refundable credit shall be allowed only if
3 the individual would have received the federal credit allowed under
4 section 32 of the code after adding back in any carryforward of a net
5 operating loss that was deducted pursuant to such section in determining
6 eligibility for the federal credit.

7 (3) There shall be allowed to all individuals as a nonrefundable
8 credit against the income tax imposed by the Nebraska Revenue Act of
9 1967:

10 (a) A credit for personal exemptions allowed under section
11 77-2716.01;

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

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

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

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

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

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

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

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

31 (b) A credit to all estates and trusts for contributions to

1 certified community betterment programs as provided in the Community
2 Development Assistance Act; and

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

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

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

31 (c) Each partner, shareholder, member, or beneficiary shall report

1 his or her share of the credit in the same manner and proportion as he or
2 she reports the partnership, subchapter S corporation, limited liability
3 company, or estate or trust income. If any partner, shareholder, member,
4 or beneficiary cannot fully utilize the credit for that year, the credit
5 may not be carried forward or back.

6 (6) There shall be allowed to all individuals nonrefundable credits
7 against the income tax imposed by the Nebraska Revenue Act of 1967 as
8 provided in section 77-3604 and refundable credits against the income tax
9 imposed by the Nebraska Revenue Act of 1967 as provided in section
10 77-3605.

11 (7)(a) For taxable years beginning or deemed to begin on or after
12 January 1, 2020, and before January 1, 2026, under the Internal Revenue
13 Code of 1986, as amended, a nonrefundable credit against the income tax
14 imposed by the Nebraska Revenue Act of 1967 in the amount of five
15 thousand dollars shall be allowed to any individual who purchases a
16 residence during the taxable year if such residence:

17 (i) Is located within an area that has been declared an extremely
18 blighted area under section 2 of this act;

19 (ii) Is the individual's primary residence; and

20 (iii) Was not purchased from a family member of the individual or a
21 family member of the individual's spouse.

22 (b) The credit provided in this subsection shall be claimed for the
23 taxable year in which the residence is purchased. If the individual
24 cannot fully utilize the credit for such year, the credit may be carried
25 forward to subsequent taxable years until fully utilized.

26 (c) No more than one credit may be claimed under this subsection
27 with respect to a single residence.

28 (d) The credit provided in this subsection shall be subject to
29 recapture by the Department of Revenue if the individual claiming the
30 credit sells or otherwise transfers the residence or quits using the
31 residence as his or her primary residence within five years after the end

1 of the taxable year in which the credit was claimed.

2 (e) For purposes of this subsection, family member means an
3 individual's spouse, child, parent, brother, sister, grandchild, or
4 grandparent, whether by blood, marriage, or adoption.

5 Sec. 6. Original section 77-2715.07, Reissue Revised Statutes of
6 Nebraska, and sections 18-2101, 18-2115.01, and 18-2117.04, Revised
7 Statutes Cumulative Supplement, 2018, are repealed.