

AMENDMENTS TO LB432

Introduced by Revenue.

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

3 Sec. 10. Section 77-2715.07, Revised Statutes Cumulative Supplement,
4 2020, is amended to read:

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

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

10 (b) A credit for taxes paid to another state as provided in section
11 77-2730.

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

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

24 (b) For returns filed reporting federal adjusted gross income of
25 twenty-nine thousand dollars or less, a refundable credit equal to a
26 percentage of the federal credit allowable under section 21 of the
27 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) A refundable credit equal to ten percent of the federal credit
23 allowed under section 32 of the Internal Revenue Code of 1986, as
24 amended, except that for taxable years beginning or deemed to begin on or
25 after January 1, 2015, such refundable credit shall be allowed only if
26 the individual would have received the federal credit allowed under
27 section 32 of the code after adding back in any carryforward of a net
28 operating loss that was deducted pursuant to such section in determining
29 eligibility for the federal credit.

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

1 1967:

2 (a) A credit for personal exemptions allowed under section
3 77-2716.01;

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

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

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

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

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

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

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

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

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

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

1 estate or trust qualifying for an income tax credit as an owner of
2 agricultural assets under the Beginning Farmer Tax Credit Act shall be
3 equal to the partner's, shareholder's, member's, or beneficiary's portion
4 of the amount of tax credit distributed pursuant to subsection (6) of
5 section 77-5211.

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

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

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

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

1 imposed by the Nebraska Revenue Act of 1967 as provided in section
2 77-3605.

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

9 (i) Is located within an area that has been declared an extremely
10 blighted area under section 18-2101.02;

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

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

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

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

20 (d) The credit provided in this subsection shall be subject to
21 recapture by the Department of Revenue if the individual claiming the
22 credit sells or otherwise transfers the residence or quits using the
23 residence as his or her primary residence within five years after the end
24 of the taxable year in which the credit was claimed.

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

28 (8) There shall be allowed to all individuals refundable credits
29 against the income tax imposed by the Nebraska Revenue Act of 1967 as
30 provided in the Nebraska Property Tax Incentive Act and the Renewable
31 Chemical Production Tax Credit Act.

1 (9)(a) For taxable years beginning or deemed to begin on or after
2 January 1, 2022, under the Internal Revenue Code of 1986, as amended, a
3 refundable credit against the income tax imposed by the Nebraska Revenue
4 Act of 1967 shall be allowed to the parent of a stillborn child if:

5 (i) A fetal death certificate is filed pursuant to subsection (1) of
6 section 71-606 for such child;

7 (ii) Such child had advanced to at least the twentieth week of
8 gestation; and

9 (iii) Such child would have been a dependent of the individual
10 claiming the credit.

11 (b) The amount of the credit shall be two thousand dollars.

12 (c) The credit shall be allowed for the taxable year in which the
13 stillbirth occurred.