

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 524

Introduced by Brandt, 32; Kolterman, 24; Stinner, 48; Williams, 36.

Read first time January 19, 2021

Committee: Revenue

- 1 A BILL FOR AN ACT relating to the Nebraska Property Tax Incentive Act; to
- 2 amend section 77-6703, Revised Statutes Cumulative Supplement, 2020;
- 3 to change provisions relating to the calculation of tax credits; to
- 4 repeal the original section; and to declare an emergency.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-6703, Revised Statutes Cumulative Supplement,
2 2020, is amended to read:

3 77-6703 (1) For taxable years beginning or deemed to begin on or
4 after January 1, 2020, under the Internal Revenue Code of 1986, as
5 amended, there shall be allowed to each eligible taxpayer a refundable
6 credit against the income tax imposed by the Nebraska Revenue Act of 1967
7 or against the franchise tax imposed by sections 77-3801 to 77-3807. The
8 credit shall be equal to the credit percentage for the taxable year, as
9 set by the department under subsection (2) of this section, multiplied by
10 the amount of school district taxes paid by the eligible taxpayer during
11 such taxable year.

12 (2)(a) For taxable years beginning or deemed to begin during
13 calendar year 2020, the department shall set the credit percentage so
14 that the total amount of credits for such taxable years shall be one
15 hundred twenty-five million dollars;

16 (b) For taxable years beginning or deemed to begin during calendar
17 year 2021, the department shall set the credit percentage so that the
18 total amount of credits for such taxable years shall be one hundred
19 twenty-five million dollars plus either (i) the amount calculated for
20 such calendar year under subdivision (3)(b)(ii)(B) of section 77-4602 or
21 (ii) the amount calculated for such calendar year under subdivision (3)
22 (c)(ii)(B) of section 77-4602, whichever is applicable;

23 (c) For taxable years beginning or deemed to begin during calendar
24 year 2022, the department shall set the credit percentage so that the
25 total amount of credits for such taxable years shall be the maximum
26 amount of credits allowed under subdivision (2)(b) of this section plus
27 either (i) the amount calculated for such calendar year under subdivision
28 (3)(b)(ii)(B) of section 77-4602 or (ii) the amount calculated for such
29 calendar year under subdivision (3)(c)(ii)(B) of section 77-4602,
30 whichever is applicable;

31 (d) For taxable years beginning or deemed to begin during calendar

1 year 2023, the department shall set the credit percentage so that the
2 total amount of credits for such taxable years shall be the maximum
3 amount of credits allowed under subdivision (2)(c) of this section plus
4 either (i) the amount calculated for such calendar year under subdivision
5 (3)(b)(ii)(B) of section 77-4602 or (ii) the amount calculated for such
6 calendar year under subdivision (3)(c)(ii)(B) of section 77-4602,
7 whichever is applicable;

8 (e) For taxable years beginning or deemed to begin during calendar
9 year 2024, the department shall set the credit percentage so that the
10 total amount of credits for such taxable years shall be three hundred
11 seventy-five million dollars; and

12 (f) For taxable years beginning or deemed to begin during calendar
13 year 2025 and each calendar year thereafter, the department shall set the
14 credit percentage so that the total amount of credits for such taxable
15 years shall be the maximum amount of credits allowed in the prior year
16 increased by the allowable growth percentage.

17 (3) If the school district taxes are paid by a corporation having an
18 election in effect under subchapter S of the Internal Revenue Code, a
19 partnership, a limited liability company, a trust, or an estate, the
20 amount of school district taxes paid during the taxable year shall be
21 allocated to the shareholders, partners, members, or beneficiaries in the
22 same proportion that income is distributed. The department shall provide
23 forms and schedules necessary for verifying eligibility for the credit
24 provided in this section and for allocating the school district taxes
25 paid.

26 (4) For purposes of calculating the credit for taxable years
27 beginning or deemed to begin during calendar year 2020, any 2019 school
28 district taxes that were both levied and paid during calendar year 2019
29 shall be deemed to have been paid in calendar year 2020.

30 Sec. 2. Original section 77-6703, Revised Statutes Cumulative
31 Supplement, 2020, is repealed.

1 Sec. 3. Since an emergency exists, this act takes effect when
2 passed and approved according to law.