

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SPECIAL SESSION

LEGISLATIVE BILL 14

Introduced by Bostar, 29.

Read first time July 25, 2024

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend section
2 77-2715.07, Revised Statutes Supplement, 2023, as amended by Laws
3 2024, LB937, section 74, Laws 2024, LB1023, section 9, Laws 2024,
4 LB1344, section 9, and Laws 2024, LB1402, section 2; to provide an
5 income tax credit for renters as prescribed; and to repeal the
6 original section.

7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2715.07, Revised Statutes Supplement, 2023, as
2 amended by Laws 2024, LB937, section 74, Laws 2024, LB1023, section 9,
3 Laws 2024, LB1344, section 9, and Laws 2024, LB1402, section 2, is
4 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
28 credit was limited by the federal tax liability. The percentage of the
29 federal credit shall be one hundred percent for incomes not greater than
30 twenty-two thousand dollars, and the percentage shall be reduced by ten
31 percent for each one thousand dollars, or fraction thereof, by which the

1 reported federal adjusted gross income exceeds twenty-two thousand
2 dollars, except that for taxable years beginning or deemed to begin on or
3 after January 1, 2015, such refundable credit shall be allowed only if
4 the individual would have received the federal credit allowed under
5 section 21 of the code after adding back in any carryforward of a net
6 operating loss that was deducted pursuant to such section in determining
7 eligibility for the federal credit;

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

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

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

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

29 (a) A credit for personal exemptions allowed under section
30 77-2716.01;

31 (b) A credit for contributions to programs or projects certified for

1 tax credit status as provided in the Creating High Impact Economic
2 Futures Act. Each partner, each shareholder of an electing subchapter S
3 corporation, each beneficiary of an estate or trust, or each member of a
4 limited liability company shall report his or her share of the credit in
5 the same manner and proportion as he or she reports the partnership,
6 subchapter S corporation, estate, trust, or limited liability company
7 income;

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

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

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

14 (f) A credit to employers as provided in sections 77-27,238 and
15 77-27,240;

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

17 (h) A credit to grocery store retailers, restaurants, and
18 agricultural producers as provided in section 77-27,241;

19 (i) A credit as provided in the Sustainable Aviation Fuel Tax Credit
20 Act;

21 (j) A credit as provided in the Nebraska Shortline Rail
22 Modernization Act;

23 (k) A credit as provided in the Nebraska Pregnancy Help Act; and

24 (l) A credit as provided in the Caregiver Tax Credit Act.

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

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

29 (b) A credit to all estates and trusts for contributions to programs
30 or projects certified for tax credit status as provided in the Creating
31 High Impact Economic Futures Act; and

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

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

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

29 (c) Each partner, shareholder, member, or beneficiary shall report
30 his or her share of the credit in the same manner and proportion as he or
31 she reports the partnership, subchapter S corporation, limited liability

1 company, or estate or trust income. If any partner, shareholder, member,
2 or beneficiary cannot fully utilize the credit for that year, the credit
3 may not be carried forward or back.

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

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

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

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

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

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

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

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

31 (e) For purposes of this subsection, family member means an

1 individual's spouse, child, parent, brother, sister, grandchild, or
2 grandparent, whether by blood, marriage, or adoption.

3 (8) There shall be allowed to all individuals refundable credits
4 against the income tax imposed by the Nebraska Revenue Act of 1967 as
5 provided in the Cast and Crew Nebraska Act, the Nebraska Biodiesel Tax
6 Credit Act, the Nebraska Higher Blend Tax Credit Act, the Nebraska
7 Property Tax Incentive Act, the Relocation Incentive Act, and the
8 Renewable Chemical Production Tax Credit Act.

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

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

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

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

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

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

22 (10) There shall be allowed to all individuals refundable credits
23 against the income tax imposed by the Nebraska Revenue Act of 1967 as
24 provided in section 77-7203 and nonrefundable credits against the income
25 tax imposed by the Nebraska Revenue Act of 1967 as provided in section
26 77-7204.

27 (11) There shall be allowed to all individuals refundable credits
28 against the income tax imposed by the Nebraska Revenue Act of 1967 as
29 provided in section 37 of this act and nonrefundable credits against the
30 income tax imposed by the Nebraska Revenue Act of 1967 as provided in
31 sections 36, 38, and 39 of this act.

1 (12) For taxable years beginning or deemed to begin on or after
2 January 1, 2024, 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 any individual who rents a house,
5 apartment, or other residential unit in this state during the taxable
6 year for use as such individual's primary residence. The credit shall be
7 equal to five percent of the total amount of rent paid by the individual
8 during the taxable year.

9 Sec. 2. Original section 77-2715.07, Revised Statutes Supplement,
10 2023, as amended by Laws 2024, LB937, section 74, Laws 2024, LB1023,
11 section 9, Laws 2024, LB1344, section 9, and Laws 2024, LB1402, section
12 2, is repealed.