

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SPECIAL SESSION

LEGISLATIVE BILL 33

Introduced by Brandt, 32.

Read first time July 26, 2024

Committee: Revenue

- 1 A BILL FOR AN ACT relating to the Nebraska Property Tax Incentive Act; to
- 2 amend section 77-6703, Revised Statutes Supplement, 2023; to change
- 3 provisions related to tax credits for school district taxes paid;
- 4 and to repeal the original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-6703, Revised Statutes Supplement, 2023, is
2 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 five hundred
26 forty-eight million dollars;

27 (d) For taxable years beginning or deemed to begin during calendar
28 year 2023, the department shall set the credit percentage so that the
29 total amount of credits for such taxable years shall be five hundred
30 sixty million seven hundred thousand dollars;

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

1 year 2024, the department shall set the credit percentage so that the
2 total amount of credits for such taxable years shall be eight hundred
3 sixty million seven hundred thousand dollars;

4 (f) For taxable years beginning or deemed to begin during calendar
5 year 2025, the department shall set the credit percentage so that the
6 total amount of credits for such taxable years shall be one billion one
7 hundred sixty million seven hundred thousand dollars;

8 (g) ~~(e)~~ For taxable years beginning or deemed to begin during
9 calendar year ~~2026~~ 2024 through calendar year 2028, the department shall
10 set the credit percentage so that the total amount of credits for such
11 taxable years shall be the maximum amount of credits allowed in the prior
12 year increased by the allowable growth percentage;

13 (h) ~~(f)~~ For taxable years beginning or deemed to begin during
14 calendar year 2029, the department shall set the credit percentage so
15 that the total amount of credits for such taxable years shall be the
16 maximum amount of credits allowed in the prior year increased by the
17 allowable growth percentage plus an additional seventy-five million
18 dollars; and

19 (i) ~~(g)~~ For taxable years beginning or deemed to begin during
20 calendar year 2030 and each calendar year thereafter, the department
21 shall set the credit percentage so that the total amount of credits for
22 such taxable years shall be the maximum amount of credits allowed in the
23 prior year increased by the allowable growth percentage.

24 (3) If the school district taxes are paid by a corporation having an
25 election in effect under subchapter S of the Internal Revenue Code, a
26 partnership, a limited liability company, a trust, or an estate, the
27 amount of school district taxes paid during the taxable year may be
28 allocated to the shareholders, partners, members, or beneficiaries in the
29 same proportion that income is distributed for taxable years beginning or
30 deemed to begin before January 1, 2021, under the Internal Revenue Code
31 of 1986, as amended. The department shall provide forms and schedules

1 necessary for verifying eligibility for the credit provided in this
2 section and for allocating the school district taxes paid. For taxable
3 years beginning or deemed to begin on or after January 1, 2021, under the
4 Internal Revenue Code of 1986, as amended, the refundable credit shall be
5 claimed by the corporation having an election in effect under subchapter
6 S of the Internal Revenue Code, the partnership, the limited liability
7 company, the trust, or the estate that paid the school district taxes.

8 (4) For any fiscal year or short year taxpayer, the credit may be
9 claimed in the first taxable year that begins following the calendar year
10 for which the credit percentage was determined. The credit shall be taken
11 for the school district taxes paid by the taxpayer during the immediately
12 preceding calendar year.

13 (5) For the first taxable year beginning or deemed to begin on or
14 after January 1, 2021, and before January 1, 2022, under the Internal
15 Revenue Code of 1986, as amended, for a corporation having an election in
16 effect under subchapter S of the Internal Revenue Code, a partnership, a
17 limited liability company, a trust, or an estate that paid school
18 district taxes in calendar year 2020 but did not claim the credit
19 directly or allocate such school district taxes to the shareholders,
20 partners, members, or beneficiaries as permitted under subsection (3) of
21 this section, there shall be allowed an additional refundable credit.
22 This credit shall be equal to six percent, multiplied by the amount of
23 school district taxes paid during 2020 by the eligible taxpayer.

24 Sec. 2. Original section 77-6703, Revised Statutes Cumulative
25 Supplement, 2024, is repealed.