

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 650**

Introduced by von Gillern, 4; at the request of the Governor.

Read first time January 22, 2025

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend section  
2 13-3106, Reissue Revised Statutes of Nebraska, and sections 77-908,  
3 77-2701.04, 77-2701.16, 77-2703, 77-2704.36, 77-2708, 77-2715.07,  
4 77-2716, 77-2717, 77-2733, 77-2734.03, 77-27,187.02, 77-27,188,  
5 77-27,241, 77-3109, 77-3110, 77-3111, 77-3120, 77-3125, 77-3126,  
6 77-3136, 77-3143, 77-3152, 77-3169, 77-3806, 77-4405, 77-6605,  
7 77-6607, 77-6610, 77-6919, and 77-7012, Revised Statutes Cumulative  
8 Supplement, 2024; to provide a sunset date for applications  
9 involving sports complexes and large public stadiums under the  
10 Sports Arena Facility Financing Assistance Act; to eliminate sales  
11 tax exemptions relating to towers used for furnishing Internet  
12 access services, net wrap, and twine; to change sales tax collection  
13 fees; to change provisions relating to nonresident income and a food  
14 donation tax credit; to change provisions relating to tax credits  
15 allowed under the Nebraska Advantage Rural Development Act, the  
16 Relocation Incentive Act, the Creating High Impact Economic Futures  
17 Act, the Cast and Crew Nebraska Act, the Nebraska Shortline Rail  
18 Modernization Act, the Nebraska Pregnancy Help Act, the Reverse  
19 Osmosis System Tax Credit Act, the Renewable Chemical Production Tax  
20 Credit Act, and the Nebraska Biodiesel Tax Credit Act; to provide  
21 and change sunset dates for the approval of applications under the  
22 Good Life Transformational Projects Act and the Urban Redevelopment  
23 Act; to eliminate the Sustainable Aviation Fuel Tax Credit Act and

1 provisions relating to the appointment of purchasing agents; to  
2 harmonize provisions; to provide operative dates; to repeal the  
3 original sections; to outright repeal sections 77-2701.56,  
4 77-2706.02, 77-7017, 77-7018, 77-7019, 77-7020, 77-7021, and  
5 77-7022, Revised Statutes Cumulative Supplement, 2024; and to  
6 declare an emergency.

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

1           **Section 1.** Section 13-3106, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3           13-3106 (1) After consideration of the application and the evidence,  
4 if the board finds that the project described in the application is  
5 eligible and that state assistance is in the best interest of the state,  
6 the application shall be approved, except that an approval of an  
7 application submitted because of the requirement in subdivision (1)(c) of  
8 section 13-3103 is a temporary approval. If the general obligation bond  
9 issue is subsequently approved by the voters of the political  
10 subdivision, the approval by the board becomes permanent. If the general  
11 obligation bond issue is not approved by such voters, the temporary  
12 approval shall become void.

13           (2) In determining whether state assistance is in the best interest  
14 of the state, the board shall consider the fiscal and economic capacity  
15 of the applicant to finance the local share of the project.

16           (3) A majority of the board members constitutes a quorum for the  
17 purpose of conducting business. All actions of the board shall be by a  
18 majority vote of all the board members, one of whom must be the Governor.

19           (4) The board shall not approve any application involving a sports  
20 complex or a large public stadium on or after the operative date of this  
21 section.

22           **Sec. 2.** Section 77-908, Revised Statutes Cumulative Supplement,  
23 2024, is amended to read:

24           77-908 Every insurance company organized under the stock, mutual,  
25 assessment, or reciprocal plan, except fraternal benefit societies, which  
26 is transacting business in this state shall, on or before March 1 of each  
27 year, pay a tax to the director of one percent of the gross amount of  
28 direct writing premiums received by it during the preceding calendar year  
29 for business done in this state, except that (1) for group sickness and  
30 accident insurance the rate of such tax shall be five-tenths of one  
31 percent and (2) for property and casualty insurance, excluding individual

1 sickness and accident insurance, the rate of such tax shall be one  
2 percent. A captive insurer authorized under the Captive Insurers Act that  
3 is transacting business in this state shall, on or before March 1 of each  
4 year, pay to the director a tax of one-fourth of one percent of the gross  
5 amount of direct writing premiums received by such insurer during the  
6 preceding calendar year for business transacted in the state. The taxable  
7 premiums shall include premiums paid on the lives of persons residing in  
8 this state and premiums paid for risks located in this state whether the  
9 insurance was written in this state or not, including that portion of a  
10 group premium paid which represents the premium for insurance on Nebraska  
11 residents or risks located in Nebraska included within the group when the  
12 number of lives in the group exceeds five hundred. The tax shall also  
13 apply to premiums received by domestic companies for insurance written on  
14 individuals residing outside this state or risks located outside this  
15 state if no comparable tax is paid by the direct writing domestic company  
16 to any other appropriate taxing authority. Companies whose scheme of  
17 operation contemplates the return of a portion of premiums to  
18 policyholders, without such policyholders being claimants under the terms  
19 of their policies, may deduct such return premiums or dividends from  
20 their gross premiums for the purpose of tax calculations. Any such  
21 insurance company shall receive a credit on the tax imposed as provided  
22 in the Creating High Impact Economic Futures Act, the Nebraska Job  
23 Creation and Mainstreet Revitalization Act, the New Markets Job Growth  
24 Investment Act, the Nebraska Higher Blend Tax Credit Act, the Relocation  
25 Incentive Act, ~~the Sustainable Aviation Fuel Tax Credit Act,~~ the Nebraska  
26 Shortline Rail Modernization Act, and the Affordable Housing Tax Credit  
27 Act.

28 **Sec. 3.** Section 77-2701.04, Revised Statutes Cumulative Supplement,  
29 2024, is amended to read:

30 77-2701.04 For purposes of sections 77-2701.04 to 77-2713 and  
31 77-27,239, unless the context otherwise requires, the definitions found

1 in sections 77-2701.05 to ~~77-2701.55~~ ~~77-2701.56~~ shall be used.

2 **Sec. 4.** Section 77-2701.16, Revised Statutes Cumulative Supplement,  
3 2024, is amended to read:

4 77-2701.16 (1) Gross receipts means the total amount of the sale or  
5 lease or rental price, as the case may be, of the retail sales of  
6 retailers.

7 (2) Gross receipts of every person engaged as a public utility  
8 specified in this subsection, as a community antenna television service  
9 operator, or as a satellite service operator or any person involved in  
10 connecting and installing services defined in subdivision (2)(a), (b), or  
11 (d) of this section means:

12 (a)(i) In the furnishing of telephone communication service, other  
13 than mobile telecommunications service as described in section  
14 77-2703.04, the gross income received from furnishing ancillary services,  
15 except for conference bridging services, and intrastate  
16 telecommunications services, except for value-added, nonvoice data  
17 service.

18 (ii) In the furnishing of mobile telecommunications service as  
19 described in section 77-2703.04, the gross income received from  
20 furnishing mobile telecommunications service that originates and  
21 terminates in the same state to a customer with a place of primary use in  
22 Nebraska;

23 (b) In the furnishing of telegraph service, the gross income  
24 received from the furnishing of intrastate telegraph services;

25 (c)(i) In the furnishing of gas, sewer, water, and electricity  
26 service, other than electricity service to a customer-generator as  
27 defined in section 70-2002, the gross income received from the furnishing  
28 of such services upon billings or statements rendered to consumers for  
29 such utility services.

30 (ii) In the furnishing of electricity service to a customer-  
31 generator as defined in section 70-2002, the net energy use upon billings

1 or statements rendered to customer-generators for such electricity  
2 service;

3 (d) In the furnishing of community antenna television service or  
4 satellite service, the gross income received from the furnishing of such  
5 community antenna television service as regulated under sections 18-2201  
6 to 18-2205 or 23-383 to 23-388 or satellite service; and

7 (e) The gross income received from the provision, installation,  
8 construction, servicing, or removal of property used in conjunction with  
9 the furnishing, installing, or connecting of any public utility services  
10 specified in subdivision (2)(a) or (b) of this section or community  
11 antenna television service or satellite service specified in subdivision  
12 (2)(d) of this section, except when acting as a subcontractor for a  
13 public utility, this subdivision does not apply to the gross income  
14 received by a contractor electing to be treated as a consumer of building  
15 materials under subdivision (2) or (3) of section 77-2701.10 for any such  
16 services performed on the customer's side of the utility demarcation  
17 point. This subdivision also does not apply to ~~the~~ ~~;~~ ~~(i)~~ The gross income  
18 received by a political subdivision of the state, an electric  
19 cooperative, or an electric membership association for the lease or use  
20 of, or by a contractor for the construction of or services provided on,  
21 electric generation, transmission, distribution, or street lighting  
22 structures or facilities owned by a political subdivision of the state,  
23 an electric cooperative, or an electric membership association. ~~;~~ ~~or~~

24 ~~(ii) The gross income received for the lease or use of towers or~~  
25 ~~other structures primarily used in conjunction with the furnishing of (A)~~  
26 ~~Internet access services, (B) agricultural global positioning system~~  
27 ~~locating services, or (C) over-the-air radio and television broadcasting~~  
28 ~~licensed by the Federal Communications Commission, including antennas and~~  
29 ~~studio transmitter link systems. For purposes of this subdivision, studio~~  
30 ~~transmitter link system means a system which serves as a conduit to~~  
31 ~~deliver audio from its origin in a studio to a broadcast transmitter.~~

1 (3) Gross receipts of every person engaged in selling, leasing, or  
2 otherwise providing intellectual or entertainment property means:

3 (a) In the furnishing of computer software, the gross income  
4 received, including the charges for coding, punching, or otherwise  
5 producing any computer software and the charges for the tapes, disks,  
6 punched cards, or other properties furnished by the seller; and

7 (b) In the furnishing of videotapes, movie film, satellite  
8 programming, satellite programming service, and satellite television  
9 signal descrambling or decoding devices, the gross income received from  
10 the license, franchise, or other method establishing the charge.

11 (4) Gross receipts for providing a service means:

12 (a) The gross income received for building cleaning and maintenance,  
13 pest control, and security;

14 (b) The gross income received for motor vehicle washing, waxing,  
15 towing, and painting;

16 (c) The gross income received for computer software training;

17 (d) The gross income received for installing and applying tangible  
18 personal property if the sale of the property is subject to tax. If any  
19 or all of the charge for installation is free to the customer and is paid  
20 by a third-party service provider to the installer, any tax due on that  
21 part of the activation commission, finder's fee, installation charge, or  
22 similar payment made by the third-party service provider shall be paid  
23 and remitted by the third-party service provider;

24 (e) The gross income received for services of recreational vehicle  
25 parks;

26 (f) The gross income received for labor for repair or maintenance  
27 services performed with regard to tangible personal property the sale of  
28 which would be subject to sales and use taxes, excluding motor vehicles,  
29 except as otherwise provided in section 77-2704.26 or 77-2704.50;

30 (g) The gross income received for animal specialty services except  
31 (i) veterinary services, (ii) specialty services performed on livestock

1 as defined in section 54-183, and (iii) animal grooming performed by a  
2 licensed veterinarian or a licensed veterinary technician in conjunction  
3 with medical treatment; and

4 (h) The gross income received for detective services.

5 (5) Gross receipts includes the sale of admissions. When an  
6 admission to an activity or a membership constituting an admission is  
7 combined with the solicitation of a contribution, the portion or the  
8 amount charged representing the fair market price of the admission shall  
9 be considered a retail sale subject to the tax imposed by section  
10 77-2703. The organization conducting the activity shall determine the  
11 amount properly attributable to the purchase of the privilege, benefit,  
12 or other consideration in advance, and such amount shall be clearly  
13 indicated on any ticket, receipt, or other evidence issued in connection  
14 with the payment.

15 (6) Gross receipts includes the sale of live plants incorporated  
16 into real estate except when such incorporation is incidental to the  
17 transfer of an improvement upon real estate or the real estate.

18 (7) Gross receipts includes the sale of any building materials  
19 annexed to real estate by a person electing to be taxed as a retailer  
20 pursuant to subdivision (1) of section 77-2701.10.

21 (8) Gross receipts includes the sale of and recharge of prepaid  
22 calling service and prepaid wireless calling service.

23 (9) Gross receipts includes the retail sale of digital audio works,  
24 digital audiovisual works, digital codes, and digital books delivered  
25 electronically if the products are taxable when delivered on tangible  
26 storage media. A sale includes the transfer of a permanent right of use,  
27 the transfer of a right of use that terminates on some condition, and the  
28 transfer of a right of use conditioned upon the receipt of continued  
29 payments.

30 (10) Gross receipts includes any receipts from sales of tangible  
31 personal property made over a multivendor marketplace platform that acts



1 as the intermediary by facilitating sales between a seller and the  
2 purchaser and that, either directly or indirectly through agreements or  
3 arrangements with third parties, collects payment from the purchaser and  
4 transmits payment to the seller.

5 (11) Gross receipts does not include:

6 (a) The amount of any rebate granted by a motor vehicle or motorboat  
7 manufacturer or dealer at the time of sale of the motor vehicle or  
8 motorboat, which rebate functions as a discount from the sales price of  
9 the motor vehicle or motorboat; or

10 (b) The price of property or services returned or rejected by  
11 customers when the full sales price is refunded either in cash or credit.

12 **Sec. 5.** Section 77-2703, Revised Statutes Cumulative Supplement,  
13 2024, is amended to read:

14 77-2703 (1) There is hereby imposed a tax at the rate provided in  
15 section 77-2701.02 upon the gross receipts from all sales of tangible  
16 personal property sold at retail in this state; the gross receipts of  
17 every person engaged as a public utility, as a community antenna  
18 television service operator, or as a satellite service operator, any  
19 person involved in the connecting and installing of the services defined  
20 in subdivision (2)(a), (b), (d), or (e) of section 77-2701.16, or every  
21 person engaged as a retailer of intellectual or entertainment properties  
22 referred to in subsection (3) of section 77-2701.16; the gross receipts  
23 from the sale of admissions in this state; the gross receipts from the  
24 sale of warranties, guarantees, service agreements, or maintenance  
25 agreements when the items covered are subject to tax under this section;  
26 beginning January 1, 2008, the gross receipts from the sale of bundled  
27 transactions when one or more of the products included in the bundle are  
28 taxable; the gross receipts from the provision of services defined in  
29 subsection (4) of section 77-2701.16; and the gross receipts from the  
30 sale of products delivered electronically as described in subsection (9)  
31 of section 77-2701.16. Except as provided in section 77-2701.03, when

1 there is a sale, the tax shall be imposed at the rate in effect at the  
2 time the gross receipts are realized under the accounting basis used by  
3 the retailer to maintain his or her books and records.

4 (a) The tax imposed by this section shall be collected by the  
5 retailer from the consumer. It shall constitute a part of the purchase  
6 price and until collected shall be a debt from the consumer to the  
7 retailer and shall be recoverable at law in the same manner as other  
8 debts. The tax required to be collected by the retailer from the consumer  
9 constitutes a debt owed by the retailer to this state.

10 (b) It is unlawful for any retailer to advertise, hold out, or state  
11 to the public or to any customer, directly or indirectly, that the tax or  
12 part thereof will be assumed or absorbed by the retailer, that it will  
13 not be added to the selling, renting, or leasing price of the property  
14 sold, rented, or leased, or that, if added, it or any part thereof will  
15 be refunded. The provisions of this subdivision shall not apply to a  
16 public utility.

17 (c) The tax required to be collected by the retailer from the  
18 purchaser, unless otherwise provided by statute or by rule and regulation  
19 of the Tax Commissioner, shall be displayed separately from the list  
20 price, the price advertised in the premises, the marked price, or other  
21 price on the sales check or other proof of sales, rentals, or leases.

22 (d) For the purpose of more efficiently securing the payment,  
23 collection, and accounting for the sales tax and for the convenience of  
24 the retailer in collecting the sales tax, it shall be the duty of the Tax  
25 Commissioner to provide a schedule or schedules of the amounts to be  
26 collected from the consumer or user to effectuate the computation and  
27 collection of the tax imposed by the Nebraska Revenue Act of 1967. Such  
28 schedule or schedules shall provide that the tax shall be collected from  
29 the consumer or user uniformly on sales according to brackets based on  
30 sales prices of the item or items. Retailers may compute the tax due on  
31 any transaction on an item or an invoice basis. The rounding rule

1 provided in section 77-3,117 applies.

2 (e) The use of tokens or stamps for the purpose of collecting or  
3 enforcing the collection of the taxes imposed in the Nebraska Revenue Act  
4 of 1967 or for any other purpose in connection with such taxes is  
5 prohibited.

6 (f) For the purpose of the proper administration of the provisions  
7 of the Nebraska Revenue Act of 1967 and to prevent evasion of the retail  
8 sales tax, it shall be presumed that all gross receipts are subject to  
9 the tax until the contrary is established. The burden of proving that a  
10 sale of property is not a sale at retail is upon the person who makes the  
11 sale unless he or she takes from the purchaser (i) a resale certificate  
12 to the effect that the property is purchased for the purpose of  
13 reselling, leasing, or renting it, (ii) an exemption certificate pursuant  
14 to subsection (7) of section 77-2705, or (iii) a direct payment permit  
15 pursuant to sections 77-2705.01 to 77-2705.03. Receipt of a resale  
16 certificate, exemption certificate, or direct payment permit shall be  
17 conclusive proof for the seller that the sale was made for resale or was  
18 exempt or that the tax will be paid directly to the state.

19 (g) In the rental or lease of automobiles, trucks, trailers,  
20 semitrailers, and truck-tractors as defined in the Motor Vehicle  
21 Registration Act, the tax shall be collected by the lessor on the rental  
22 or lease price, except as otherwise provided within this section.

23 (h) In the rental or lease of automobiles, trucks, trailers,  
24 semitrailers, and truck-tractors as defined in the act, for periods of  
25 one year or more, the lessor may elect not to collect and remit the sales  
26 tax on the gross receipts and instead pay a sales tax on the cost of such  
27 vehicle. If such election is made, it shall be made pursuant to the  
28 following conditions:

29 (i) Notice of the desire to make such election shall be filed with  
30 the Tax Commissioner and shall not become effective until the Tax  
31 Commissioner is satisfied that the taxpayer has complied with all

1 conditions of this subsection and all rules and regulations of the Tax  
2 Commissioner;

3 (ii) Such election when made shall continue in force and effect for  
4 a period of not less than two years and thereafter until such time as the  
5 lessor elects to terminate the election;

6 (iii) When such election is made, it shall apply to all vehicles of  
7 the lessor rented or leased for periods of one year or more except  
8 vehicles to be leased to common or contract carriers who provide to the  
9 lessor a valid common or contract carrier exemption certificate. If the  
10 lessor rents or leases other vehicles for periods of less than one year,  
11 such lessor shall maintain his or her books and records and his or her  
12 accounting procedure as the Tax Commissioner prescribes; and

13 (iv) The Tax Commissioner by rule and regulation shall prescribe the  
14 contents and form of the notice of election, a procedure for the  
15 determination of the tax base of vehicles which are under an existing  
16 lease at the time such election becomes effective, the method and manner  
17 for terminating such election, and such other rules and regulations as  
18 may be necessary for the proper administration of this subdivision.

19 (i) The tax imposed by this section on the sales of motor vehicles,  
20 semitrailers, and trailers as defined in sections 60-339, 60-348, and  
21 60-354 shall be the liability of the purchaser and, with the exception of  
22 motor vehicles, semitrailers, and trailers registered pursuant to section  
23 60-3,198, the tax shall be collected by the county treasurer as provided  
24 in the Motor Vehicle Registration Act or by an approved licensed dealer  
25 participating in the electronic dealer services system pursuant to  
26 section 60-1507 at the time the purchaser makes application for the  
27 registration of the motor vehicle, semitrailer, or trailer for operation  
28 upon the highways of this state. The tax imposed by this section on motor  
29 vehicles, semitrailers, and trailers registered pursuant to section  
30 60-3,198 shall be collected by the Department of Motor Vehicles at the  
31 time the purchaser makes application for the registration of the motor

1 vehicle, semitrailer, or trailer for operation upon the highways of this  
2 state. At the time of the sale of any motor vehicle, semitrailer, or  
3 trailer, the seller shall (i) state on the sales invoice the dollar  
4 amount of the tax imposed under this section and (ii) furnish to the  
5 purchaser a certified statement of the transaction, in such form as the  
6 Tax Commissioner prescribes, setting forth as a minimum the total sales  
7 price, the allowance for any trade-in, and the difference between the  
8 two. The sales tax due shall be computed on the difference between the  
9 total sales price and the allowance for any trade-in as disclosed by such  
10 certified statement. Any seller who willfully understates the amount upon  
11 which the sales tax is due shall be subject to a penalty of one thousand  
12 dollars. A copy of such certified statement shall also be furnished to  
13 the Tax Commissioner. Any seller who fails or refuses to furnish such  
14 certified statement shall be guilty of a misdemeanor and shall, upon  
15 conviction thereof, be punished by a fine of not less than twenty-five  
16 dollars nor more than one hundred dollars. If the purchaser does not  
17 register such motor vehicle, semitrailer, or trailer for operation on the  
18 highways of this state within thirty days of the purchase thereof, the  
19 tax imposed by this section shall immediately thereafter be paid by the  
20 purchaser to the county treasurer or the Department of Motor Vehicles. If  
21 the tax is not paid on or before the thirtieth day after its purchase,  
22 the county treasurer or Department of Motor Vehicles shall also collect  
23 from the purchaser interest from the thirtieth day through the date of  
24 payment and sales tax penalties as provided in the Nebraska Revenue Act  
25 of 1967. The county treasurer or Department of Motor Vehicles shall  
26 report and remit the tax so collected to the Tax Commissioner by the  
27 fifteenth day of the following month. The county treasurer, for his or  
28 her collection fee, shall deduct and withhold, from all amounts required  
29 to be collected under this subsection, the collection fee permitted to be  
30 deducted by any retailer collecting the sales tax, all of which shall be  
31 deposited in the county general fund, plus an additional amount equal to

1 one-half of one percent of all amounts in excess of six thousand dollars  
2 remitted each month. Prior to January 1, 2023, fifty percent of such  
3 additional amount shall be deposited in the county general fund and fifty  
4 percent of such additional amount shall be deposited in the county road  
5 fund. On and after January 1, 2023, seventy-five percent of such  
6 additional amount shall be deposited in the county general fund and  
7 twenty-five percent of such additional amount shall be deposited in the  
8 county road fund. In any county with a population of one hundred fifty  
9 thousand inhabitants or more, the county treasurer shall remit one dollar  
10 of his or her collection fee for each of the first five thousand motor  
11 vehicles, semitrailers, or trailers registered with such county treasurer  
12 on or after January 1, 2020, to the State Treasurer for credit to the  
13 Department of Revenue Enforcement Fund. The Department of Motor Vehicles,  
14 for its collection fee, shall deduct, withhold, and deposit in the Motor  
15 Carrier Division Cash Fund the collection fee permitted to be deducted by  
16 any retailer collecting the sales tax. The collection fee for the county  
17 treasurer or the Department of Motor Vehicles shall be forfeited if the  
18 county treasurer or department violates any rule or regulation pertaining  
19 to the collection of the use tax.

20 (j)(i) The tax imposed by this section on the sale of a motorboat as  
21 defined in section 37-1204 shall be the liability of the purchaser. The  
22 tax shall be collected by the county treasurer at the time the purchaser  
23 makes application for the registration of the motorboat. At the time of  
24 the sale of a motorboat, the seller shall (A) state on the sales invoice  
25 the dollar amount of the tax imposed under this section and (B) furnish  
26 to the purchaser a certified statement of the transaction, in such form  
27 as the Tax Commissioner prescribes, setting forth as a minimum the total  
28 sales price, the allowance for any trade-in, and the difference between  
29 the two. The sales tax due shall be computed on the difference between  
30 the total sales price and the allowance for any trade-in as disclosed by  
31 such certified statement. Any seller who willfully understates the amount

1 upon which the sales tax is due shall be subject to a penalty of one  
2 thousand dollars. A copy of such certified statement shall also be  
3 furnished to the Tax Commissioner. Any seller who fails or refuses to  
4 furnish such certified statement shall be guilty of a misdemeanor and  
5 shall, upon conviction thereof, be punished by a fine of not less than  
6 twenty-five dollars nor more than one hundred dollars. If the purchaser  
7 does not register such motorboat within thirty days of the purchase  
8 thereof, the tax imposed by this section shall immediately thereafter be  
9 paid by the purchaser to the county treasurer. If the tax is not paid on  
10 or before the thirtieth day after its purchase, the county treasurer  
11 shall also collect from the purchaser interest from the thirtieth day  
12 through the date of payment and sales tax penalties as provided in the  
13 Nebraska Revenue Act of 1967. The county treasurer shall report and remit  
14 the tax so collected to the Tax Commissioner by the fifteenth day of the  
15 following month. The county treasurer, for his or her collection fee,  
16 shall deduct and withhold for the use of the county general fund, from  
17 all amounts required to be collected under this subsection, the  
18 collection fee permitted to be deducted by any retailer collecting the  
19 sales tax. The collection fee shall be forfeited if the county treasurer  
20 violates any rule or regulation pertaining to the collection of the use  
21 tax.

22 (ii) In the rental or lease of motorboats, the tax shall be  
23 collected by the lessor on the rental or lease price.

24 (k)(i) The tax imposed by this section on the sale of an all-terrain  
25 vehicle as defined in section 60-103 or a utility-type vehicle as defined  
26 in section 60-135.01 shall be the liability of the purchaser. The tax  
27 shall be collected by the county treasurer or by an approved licensed  
28 dealer participating in the electronic dealer services system pursuant to  
29 section 60-1507 at the time the purchaser makes application for the  
30 certificate of title for the all-terrain vehicle or utility-type vehicle.  
31 At the time of the sale of an all-terrain vehicle or a utility-type

1 vehicle, the seller shall (A) state on the sales invoice the dollar  
2 amount of the tax imposed under this section and (B) furnish to the  
3 purchaser a certified statement of the transaction, in such form as the  
4 Tax Commissioner prescribes, setting forth as a minimum the total sales  
5 price, the allowance for any trade-in, and the difference between the  
6 two. The sales tax due shall be computed on the difference between the  
7 total sales price and the allowance for any trade-in as disclosed by such  
8 certified statement. Any seller who willfully understates the amount upon  
9 which the sales tax is due shall be subject to a penalty of one thousand  
10 dollars. A copy of such certified statement shall also be furnished to  
11 the Tax Commissioner. Any seller who fails or refuses to furnish such  
12 certified statement shall be guilty of a misdemeanor and shall, upon  
13 conviction thereof, be punished by a fine of not less than twenty-five  
14 dollars nor more than one hundred dollars. If the purchaser does not  
15 obtain a certificate of title for such all-terrain vehicle or utility-  
16 type vehicle within thirty days of the purchase thereof, the tax imposed  
17 by this section shall immediately thereafter be paid by the purchaser to  
18 the county treasurer. If the tax is not paid on or before the thirtieth  
19 day after its purchase, the county treasurer shall also collect from the  
20 purchaser interest from the thirtieth day through the date of payment and  
21 sales tax penalties as provided in the Nebraska Revenue Act of 1967. The  
22 county treasurer shall report and remit the tax so collected to the Tax  
23 Commissioner by the fifteenth day of the following month. The county  
24 treasurer, for his or her collection fee, shall deduct and withhold for  
25 the use of the county general fund, from all amounts required to be  
26 collected under this subsection, the collection fee permitted to be  
27 deducted by any retailer collecting the sales tax. The collection fee  
28 shall be forfeited if the county treasurer violates any rule or  
29 regulation pertaining to the collection of the use tax.

30 (ii) In the rental or lease of an all-terrain vehicle or a utility-  
31 type vehicle, the tax shall be collected by the lessor on the rental or



1 lease price.

2 (iii) County treasurers are appointed as sales and use tax  
3 collectors for all sales of all-terrain vehicles or utility-type vehicles  
4 made outside of this state to purchasers or users of all-terrain vehicles  
5 or utility-type vehicles which are required to have a certificate of  
6 title in this state. The county treasurer shall collect the applicable  
7 use tax from the purchaser of an all-terrain vehicle or a utility-type  
8 vehicle purchased outside of this state at the time application for a  
9 certificate of title is made. The full use tax on the purchase price  
10 shall be collected by the county treasurer if a sales or occupation tax  
11 was not paid by the purchaser in the state of purchase. If a sales or  
12 occupation tax was lawfully paid in the state of purchase at a rate less  
13 than the tax imposed in this state, use tax must be collected on the  
14 difference as a condition for obtaining a certificate of title in this  
15 state.

16 (1) The Tax Commissioner shall adopt and promulgate necessary rules  
17 and regulations for determining the amount subject to the taxes imposed  
18 by this section so as to insure that the full amount of any applicable  
19 tax is paid in cases in which a sale is made of which a part is subject  
20 to the taxes imposed by this section and a part of which is not so  
21 subject and a separate accounting is not practical or economical.

22 (2) A use tax is hereby imposed on the storage, use, or other  
23 consumption in this state of property purchased, leased, or rented from  
24 any retailer and on any transaction the gross receipts of which are  
25 subject to tax under subsection (1) of this section on or after June 1,  
26 1967, for storage, use, or other consumption in this state at the rate  
27 set as provided in subsection (1) of this section on the sales price of  
28 the property or, in the case of leases or rentals, of the lease or rental  
29 prices.

30 (a) Every person storing, using, or otherwise consuming in this  
31 state property purchased from a retailer or leased or rented from another

1 person for such purpose shall be liable for the use tax at the rate in  
2 effect when his or her liability for the use tax becomes certain under  
3 the accounting basis used to maintain his or her books and records. His  
4 or her liability shall not be extinguished until the use tax has been  
5 paid to this state, except that a receipt from a retailer engaged in  
6 business in this state or from a retailer who is authorized by the Tax  
7 Commissioner, under such rules and regulations as he or she may  
8 prescribe, to collect the sales tax and who is, for the purposes of the  
9 Nebraska Revenue Act of 1967 relating to the sales tax, regarded as a  
10 retailer engaged in business in this state, which receipt is given to the  
11 purchaser pursuant to subdivision (b) of this subsection, shall be  
12 sufficient to relieve the purchaser from further liability for the tax to  
13 which the receipt refers.

14 (b) Every retailer engaged in business in this state and selling,  
15 leasing, or renting property for storage, use, or other consumption in  
16 this state shall, at the time of making any sale, collect any tax which  
17 may be due from the purchaser and shall give to the purchaser, upon  
18 request, a receipt therefor in the manner and form prescribed by the Tax  
19 Commissioner.

20 (c) The Tax Commissioner, in order to facilitate the proper  
21 administration of the use tax, may designate such person or persons as he  
22 or she may deem necessary to be use tax collectors and delegate to such  
23 persons such authority as is necessary to collect any use tax which is  
24 due and payable to the State of Nebraska. The Tax Commissioner may  
25 require of all persons so designated a surety bond in favor of the State  
26 of Nebraska to insure against any misappropriation of state funds so  
27 collected. The Tax Commissioner may require any tax official, city,  
28 county, or state, to collect the use tax on behalf of the state. All  
29 persons designated to or required to collect the use tax shall account  
30 for such collections in the manner prescribed by the Tax Commissioner.  
31 Nothing in this subdivision shall be so construed as to prevent the Tax

1 Commissioner or his or her employees from collecting any use taxes due  
2 and payable to the State of Nebraska.

3 (d) All persons designated to collect the use tax and all persons  
4 required to collect the use tax shall forward the total of such  
5 collections to the Tax Commissioner at such time and in such manner as  
6 the Tax Commissioner may prescribe. Such collectors of the use tax shall  
7 deduct and withhold from the amount of taxes collected two and one-half  
8 ~~three~~ percent of the first three ~~five~~ thousand dollars remitted each  
9 month as reimbursement for the cost of collecting the tax. Any such  
10 deduction shall be forfeited to the State of Nebraska if such collector  
11 violates any rule, regulation, or directive of the Tax Commissioner.

12 (e) For the purpose of the proper administration of the Nebraska  
13 Revenue Act of 1967 and to prevent evasion of the use tax, it shall be  
14 presumed that property sold, leased, or rented by any person for delivery  
15 in this state is sold, leased, or rented for storage, use, or other  
16 consumption in this state until the contrary is established. The burden  
17 of proving the contrary is upon the person who purchases, leases, or  
18 rents the property.

19 (f) For the purpose of the proper administration of the Nebraska  
20 Revenue Act of 1967 and to prevent evasion of the use tax, for the sale  
21 of property to an advertising agency which purchases the property as an  
22 agent for a disclosed or undisclosed principal, the advertising agency is  
23 and remains liable for the sales and use tax on the purchase the same as  
24 if the principal had made the purchase directly.

25 **Sec. 6.** Section 77-2704.36, Revised Statutes Cumulative Supplement,  
26 2024, is amended to read:

27 77-2704.36 (1) Sales and use tax shall not be imposed on the gross  
28 receipts from the sale, lease, or rental of:

29 (a) Depreciable agricultural machinery and equipment purchased,  
30 leased, or rented on or after January 1, 1993, for use in commercial  
31 agriculture; or

1 (b) ~~Baling Net wrap, baling wire, and twine~~ purchased for use in  
2 commercial agriculture.

3 (2) For purposes of this section:

4 (a)(i) Agricultural machinery and equipment means tangible personal  
5 property that is used directly in (A) cultivating or harvesting a crop,  
6 (B) raising or caring for animal life, (C) protecting the health and  
7 welfare of animal life, including fans, curtains, and climate control  
8 equipment within livestock buildings, or (D) collecting or processing an  
9 agricultural product on a farm or ranch, regardless of the degree of  
10 attachment to any real property; and

11 (ii) Agricultural machinery and equipment includes, but is not  
12 limited to, header trailers, head haulers, header transports, and seed  
13 tender trailers and excludes any current tractor model as defined in  
14 section 2-2701.01 not permitted for sale in Nebraska pursuant to sections  
15 2-2701 to 2-2711; and

16 (b) Baling wire means wire used in the baling of livestock feed or  
17 bedding. ;

18 ~~(c) Net wrap means plastic wrap used in the baling of livestock feed~~  
19 ~~or bedding; and~~

20 ~~(d) Twine means a strong string of two or more strands twisted~~  
21 ~~together used in the baling of livestock feed or bedding.~~

22 **Sec. 7.** Section 77-2708, Revised Statutes Cumulative Supplement,  
23 2024, is amended to read:

24 77-2708 (1)(a) The sales and use taxes imposed by the Nebraska  
25 Revenue Act of 1967 shall be due and payable to the Tax Commissioner  
26 monthly on or before the twentieth day of the month next succeeding each  
27 monthly period unless otherwise provided pursuant to the Nebraska Revenue  
28 Act of 1967.

29 (b)(i) On or before the twentieth day of the month following each  
30 monthly period or such other period as the Tax Commissioner may require,  
31 a return for such period, along with all taxes due, shall be filed with

1 the Tax Commissioner in such form and content as the Tax Commissioner may  
2 prescribe and containing such information as the Tax Commissioner deems  
3 necessary for the proper administration of the Nebraska Revenue Act of  
4 1967. The Tax Commissioner, if he or she deems it necessary in order to  
5 insure payment to or facilitate the collection by the state of the amount  
6 of sales or use taxes due, may require returns and payment of the amount  
7 of such taxes for periods other than monthly periods in the case of a  
8 particular seller, retailer, or purchaser, as the case may be. The Tax  
9 Commissioner shall by rule and regulation require reports and tax  
10 payments from sellers, retailers, or purchasers depending on their yearly  
11 tax liability. Except as required by the streamlined sales and use tax  
12 agreement, annual returns shall be required if such sellers', retailers',  
13 or purchasers' yearly tax liability is less than nine hundred dollars,  
14 quarterly returns shall be required if their yearly tax liability is nine  
15 hundred dollars or more and less than three thousand dollars, and monthly  
16 returns shall be required if their yearly tax liability is three thousand  
17 dollars or more. The Tax Commissioner shall have the discretion to allow  
18 an annual return for seasonal retailers, even when their yearly tax  
19 liability exceeds the amounts listed in this subdivision.

20 The Tax Commissioner may adopt and promulgate rules and regulations  
21 to allow annual, semiannual, or quarterly returns for any retailer making  
22 monthly remittances or payments of sales and use taxes by electronic  
23 funds transfer or for any retailer remitting tax to the state pursuant to  
24 the streamlined sales and use tax agreement. Such rules and regulations  
25 may establish a method of determining the amount of the payment that will  
26 result in substantially all of the tax liability being paid each quarter.  
27 At least once each year, the difference between the amount paid and the  
28 amount due shall be reconciled. If the difference is more than ten  
29 percent of the amount paid, a penalty of fifty percent of the unpaid  
30 amount shall be imposed.

31 (ii) For purposes of the sales tax, a return shall be filed by every

1 retailer liable for collection from a purchaser and payment to the state  
2 of the tax, except that a combined sales tax return may be filed for all  
3 licensed locations which are subject to common ownership. For purposes of  
4 this subdivision, common ownership means the same person or persons own  
5 eighty percent or more of each licensed location. For purposes of the use  
6 tax, a return shall be filed by every retailer engaged in business in  
7 this state and by every person who has purchased property, the storage,  
8 use, or other consumption of which is subject to the use tax, but who has  
9 not paid the use tax due to a retailer required to collect the tax.

10 (iii) The Tax Commissioner may require that returns be signed by the  
11 person required to file the return or by his or her duly authorized agent  
12 but need not be verified by oath.

13 (iv) A taxpayer who keeps his or her regular books and records on a  
14 cash basis, an accrual basis, or any generally recognized accounting  
15 basis which correctly reflects the operation of the business may file the  
16 sales and use tax returns required by the Nebraska Revenue Act of 1967 on  
17 the same accounting basis that is used for the regular books and records,  
18 except that on credit, conditional, and installment sales, the retailer  
19 who keeps his or her books on an accrual basis may report such sales on  
20 the cash basis and pay the tax upon the collections made during each  
21 month. If a taxpayer transfers, sells, assigns, or otherwise disposes of  
22 an account receivable, he or she shall be deemed to have received the  
23 full balance of the consideration for the original sale and shall be  
24 liable for the remittance of the sales tax on the balance of the total  
25 sale price not previously reported, except that such transfer, sale,  
26 assignment, or other disposition of an account receivable by a retailer  
27 to a subsidiary shall not be deemed to require the retailer to pay the  
28 sales tax on the credit sale represented by the account transferred prior  
29 to the time the customer makes payment on such account. If the subsidiary  
30 does not obtain a Nebraska sales tax permit, the taxpayer shall obtain a  
31 surety bond in favor of the State of Nebraska to insure payment of the

1 tax and any interest and penalty imposed thereon under this section in an  
2 amount not less than two times the amount of tax payable on outstanding  
3 accounts receivable held by the subsidiary as of the end of the prior  
4 calendar year. Failure to obtain either a sales tax permit or a surety  
5 bond in accordance with this section shall result in the payment on the  
6 next required filing date of all sales taxes not previously remitted.  
7 When the retailer has adopted one basis or the other of reporting credit,  
8 conditional, or installment sales and paying the tax thereon, he or she  
9 will not be permitted to change from that basis without first having  
10 notified the Tax Commissioner.

11 (c) Except as provided in the streamlined sales and use tax  
12 agreement, the taxpayer required to file the return shall deliver or mail  
13 any required return together with a remittance of the net amount of the  
14 tax due to the office of the Tax Commissioner on or before the required  
15 filing date. Failure to file the return, filing after the required filing  
16 date, failure to remit the net amount of the tax due, or remitting the  
17 net amount of the tax due after the required filing date shall be cause  
18 for a penalty, in addition to interest, of ten percent of the amount of  
19 tax not paid by the required filing date or twenty-five dollars,  
20 whichever is greater, unless the penalty is being collected under  
21 subdivision (1)(i), (1)(j)(i), or (1)(k)(i) of section 77-2703 by a  
22 county treasurer or the Department of Motor Vehicles, in which case the  
23 penalty shall be five dollars.

24 (d) The taxpayer shall deduct and withhold, from the taxes otherwise  
25 due from him or her on his or her tax return, two and one-half ~~three~~  
26 percent of the first three ~~five~~ thousand dollars remitted each month to  
27 reimburse himself or herself for the cost of collecting the tax.  
28 Taxpayers filing a combined return as allowed by subdivision (1)(b)(ii)  
29 of this subsection shall compute such collection fees on the basis of the  
30 receipts and liability of each licensed location.

31 (e) A retailer that makes sales into Nebraska using a multivendor

1 marketplace platform is relieved of its obligation to collect and remit  
2 sales taxes to Nebraska with regard to any sales taxes collected and  
3 remitted by the multivendor marketplace platform. Such a retailer must  
4 include all sales into Nebraska in its gross receipts in its return, but  
5 may claim credit for any sales taxes collected and remitted by the  
6 multivendor marketplace platform with respect to such retailer's sales.  
7 Such retailer is liable for the sales tax due on sales into Nebraska as  
8 provided in section 77-2704.35.

9 (f) A multivendor marketplace platform is relieved of its obligation  
10 to collect and remit the correct amount of state and local sales taxes to  
11 Nebraska to the extent that the multivendor marketplace platform can  
12 establish that the error was due to insufficient or incorrect information  
13 given to the multivendor marketplace platform by the seller and relied on  
14 by the multivendor marketplace platform. This subdivision shall not apply  
15 if the multivendor marketplace platform and the seller are related  
16 persons under either section 267(b) or (c) or section 707(b) of the  
17 Internal Revenue Code of 1986 or if the seller is also the multivendor  
18 marketplace platform operator.

19 (2)(a) If the Tax Commissioner determines that any sales or use tax  
20 amount, penalty, or interest has been paid more than once, has been  
21 erroneously or illegally collected or computed, or has been paid and the  
22 purchaser qualifies for a refund under section 77-2708.01, the Tax  
23 Commissioner shall set forth that fact in his or her records and the  
24 excess amount collected or paid may be credited on any sales, use, or  
25 income tax amounts then due and payable from the person under the  
26 Nebraska Revenue Act of 1967. Any balance may be refunded to the person  
27 by whom it was paid or his or her successors, administrators, or  
28 executors.

29 (b) No refund shall be allowed unless a claim therefor is filed with  
30 the Tax Commissioner by the person who made the overpayment or his or her  
31 attorney, executor, or administrator within three years from the required



1 filing date following the close of the period for which the overpayment  
2 was made, within six months after any determination becomes final under  
3 section 77-2709, or within six months from the date of overpayment with  
4 respect to such determinations, whichever of these three periods expires  
5 later, unless the credit relates to a period for which a waiver has been  
6 given. Failure to file a claim within the time prescribed in this  
7 subsection shall constitute a waiver of any demand against the state on  
8 account of overpayment.

9 (c) Every claim shall be in writing on forms prescribed by the Tax  
10 Commissioner and shall state the specific amount and grounds upon which  
11 the claim is founded. No refund shall be made in any amount less than two  
12 dollars.

13 (d) The Tax Commissioner shall allow or disallow a claim within one  
14 hundred eighty days after it has been filed. A request for a hearing  
15 shall constitute a waiver of the one-hundred-eighty-day period. The  
16 claimant and the Tax Commissioner may also agree to extend the one-  
17 hundred-eighty-day period. If a hearing has not been requested and the  
18 Tax Commissioner has neither allowed nor disallowed a claim within either  
19 the one hundred eighty days or the period agreed to by the claimant and  
20 the Tax Commissioner, the claim shall be deemed to have been allowed.

21 (e) Within thirty days after disallowing any claim in whole or in  
22 part, the Tax Commissioner shall serve notice of his or her action on the  
23 claimant in the manner prescribed for service of notice of a deficiency  
24 determination.

25 (f) Within thirty days after the mailing of the notice of the Tax  
26 Commissioner's action upon a claim filed pursuant to the Nebraska Revenue  
27 Act of 1967, the action of the Tax Commissioner shall be final unless the  
28 taxpayer seeks review of the Tax Commissioner's determination as provided  
29 in section 77-27,127.

30 (g) Upon the allowance of a credit or refund of any sum erroneously  
31 or illegally assessed or collected, of any penalty collected without

1 authority, or of any sum which was excessive or in any manner wrongfully  
2 collected, interest shall be allowed and paid on the amount of such  
3 credit or refund at the rate specified in section 45-104.02, as such rate  
4 may from time to time be adjusted, from the date such sum was paid or  
5 from the date the return was required to be filed, whichever date is  
6 later, to the date of the allowance of the refund or, in the case of a  
7 credit, to the due date of the amount against which the credit is  
8 allowed, but in the case of a voluntary and unrequested payment in excess  
9 of actual tax liability or a refund under section 77-2708.01, no interest  
10 shall be allowed when such excess is refunded or credited.

11 (h) No suit or proceeding shall be maintained in any court for the  
12 recovery of any amount alleged to have been erroneously or illegally  
13 determined or collected unless a claim for refund or credit has been duly  
14 filed.

15 (i) The Tax Commissioner may recover any refund or part thereof  
16 which is erroneously made and any credit or part thereof which is  
17 erroneously allowed by issuing a deficiency determination within one year  
18 from the date of refund or credit or within the period otherwise allowed  
19 for issuing a deficiency determination, whichever expires later.

20 (j)(i) Credit shall be allowed to the retailer, contractor, or  
21 repairperson for sales or use taxes paid pursuant to the Nebraska Revenue  
22 Act of 1967 on any deduction taken that is attributed to bad debts not  
23 including interest. Bad debt has the same meaning as in 26 U.S.C. 166, as  
24 such section existed on January 1, 2003. However, the amount calculated  
25 pursuant to 26 U.S.C. 166 shall be adjusted to exclude: Financing charges  
26 or interest; sales or use taxes charged on the purchase price;  
27 uncollectible amounts on property that remains in the possession of the  
28 seller until the full purchase price is paid; and expenses incurred in  
29 attempting to collect any debt and repossessed property.

30 (ii) Bad debts may be deducted on the return for the period during  
31 which the bad debt is written off as uncollectible in the claimant's

1 books and records and is eligible to be deducted for federal income tax  
2 purposes. A claimant who is not required to file federal income tax  
3 returns may deduct a bad debt on a return filed for the period in which  
4 the bad debt is written off as uncollectible in the claimant's books and  
5 records and would be eligible for a bad debt deduction for federal income  
6 tax purposes if the claimant was required to file a federal income tax  
7 return.

8 (iii) If a deduction is taken for a bad debt and the debt is  
9 subsequently collected in whole or in part, the tax on the amount so  
10 collected must be paid and reported on the return filed for the period in  
11 which the collection is made.

12 (iv) When the amount of bad debt exceeds the amount of taxable sales  
13 for the period during which the bad debt is written off, a refund claim  
14 may be filed within the otherwise applicable statute of limitations for  
15 refund claims. The statute of limitations shall be measured from the due  
16 date of the return on which the bad debt could first be claimed.

17 (v) If filing responsibilities have been assumed by a certified  
18 service provider, the service provider may claim, on behalf of the  
19 retailer, any bad debt allowance provided by this section. The certified  
20 service provider shall credit or refund the full amount of any bad debt  
21 allowance or refund received to the retailer.

22 (vi) For purposes of reporting a payment received on a previously  
23 claimed bad debt, any payments made on a debt or account are applied  
24 first proportionally to the taxable price of the property or service and  
25 the sales tax thereon, and secondly to interest, service charges, and any  
26 other charges.

27 (vii) In situations in which the books and records of the party  
28 claiming the bad debt allowance support an allocation of the bad debts  
29 among the member states in the streamlined sales and use tax agreement,  
30 the state shall permit the allocation.

31 (3) Beginning July 1, 2020, if a refund claim under this section

1 involves a refund of a tax imposed under the Local Option Revenue Act or  
2 section 13-319, 13-2813, or 77-6403 and the amount of such tax to be  
3 refunded is at least five thousand dollars, the Tax Commissioner shall  
4 notify the affected city, village, county, or municipal county of such  
5 claim within twenty days after receiving the claim. If the Tax  
6 Commissioner allows the claim and the refund of such tax is at least five  
7 thousand dollars, the Tax Commissioner shall notify the affected city,  
8 village, county, or municipal county of such refund and shall give the  
9 city, village, county, or municipal county the option of having such  
10 refund deducted from its tax proceeds in one lump sum or in twelve equal  
11 monthly installments. The city, village, county, or municipal county  
12 shall make its selection and shall certify the selection to the Tax  
13 Commissioner within twenty days after receiving notice of the refund. The  
14 Tax Commissioner shall then deduct such refund from the applicable tax  
15 proceeds in accordance with the selection when he or she deducts refunds  
16 pursuant to section 13-324, 13-2814, or 77-6403 or subsection (1) of  
17 section 77-27,144, whichever is applicable. This subsection shall not  
18 apply to any refund that is subject to subdivision (2)(a) or (2)(b)(ii)  
19 or subsection (3) or (4) of section 77-27,144.

20 **Sec. 8.** Section 77-2715.07, Revised Statutes Cumulative Supplement,  
21 2024, is amended to read:

22 77-2715.07 (1) There shall be allowed to qualified resident  
23 individuals as a nonrefundable credit against the income tax imposed by  
24 the Nebraska Revenue Act of 1967:

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

27 (b) A credit for taxes paid to another state as provided in section  
28 77-2730.

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

31 (a) For returns filed reporting federal adjusted gross incomes of

1 greater than twenty-nine thousand dollars, a nonrefundable credit equal  
2 to twenty-five percent of the federal credit allowed under section 21 of  
3 the Internal Revenue Code of 1986, as amended, except that for taxable  
4 years beginning or deemed to begin on or after January 1, 2015, such  
5 nonrefundable credit shall be allowed only if the individual would have  
6 received the federal credit allowed under section 21 of the code after  
7 adding back in any carryforward of a net operating loss that was deducted  
8 pursuant to such section in determining eligibility for the federal  
9 credit;

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

25 (c) A refundable credit as provided in section 77-5209.01 for  
26 individuals who qualify for an income tax credit as a qualified beginning  
27 farmer or livestock producer under the Beginning Farmer Tax Credit Act  
28 for all taxable years beginning or deemed to begin on or after January 1,  
29 2006, under the Internal Revenue Code of 1986, as amended;

30 (d) A refundable credit for individuals who qualify for an income  
31 tax credit under the Angel Investment Tax Credit Act, the Nebraska

1 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research  
2 and Development Act, the Reverse Osmosis System Tax Credit Act, or the  
3 Volunteer Emergency Responders Incentive Act; and

4 (e) A refundable credit equal to ten percent of the federal credit  
5 allowed under section 32 of the Internal Revenue Code of 1986, as  
6 amended, 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 32 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 (3) There shall be allowed to all individuals as a nonrefundable  
13 credit against the income tax imposed by the Nebraska Revenue Act of  
14 1967:

15 (a) A credit for personal exemptions allowed under section  
16 77-2716.01;

17 (b) A credit for contributions to programs or projects certified for  
18 tax credit status as provided in the Creating High Impact Economic  
19 Futures Act. Each partner, each shareholder of an electing subchapter S  
20 corporation, each beneficiary of an estate or trust, or each member of a  
21 limited liability company shall report his or her share of the credit in  
22 the same manner and proportion as he or she reports the partnership,  
23 subchapter S corporation, estate, trust, or limited liability company  
24 income;

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

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

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

31 (f) A credit to employers as provided in sections 77-27,238 and

1 77-27,240;

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

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

5 ~~(i) A credit as provided in the Sustainable Aviation Fuel Tax Credit  
6 Act;~~

7 ~~(i) (j)~~ A credit as provided in the Nebraska Shortline Rail  
8 Modernization Act;

9 ~~(j) (k)~~ A credit as provided in the Nebraska Pregnancy Help Act; and

10 ~~(k) (l)~~ A credit as provided in the Caregiver Tax Credit Act.

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

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

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

18 (c) A refundable credit for individuals who qualify for an income  
19 tax credit as an owner of agricultural assets under the Beginning Farmer  
20 Tax Credit Act for all taxable years beginning or deemed to begin on or  
21 after January 1, 2009, under the Internal Revenue Code of 1986, as  
22 amended. The credit allowed for each partner, shareholder, member, or  
23 beneficiary of a partnership, corporation, limited liability company, or  
24 estate or trust qualifying for an income tax credit as an owner of  
25 agricultural assets under the Beginning Farmer Tax Credit Act shall be  
26 equal to the partner's, shareholder's, member's, or beneficiary's portion  
27 of the amount of tax credit distributed pursuant to subsection (6) of  
28 section 77-5211.

29 (5)(a) For all taxable years beginning on or after January 1, 2007,  
30 and before January 1, 2009, under the Internal Revenue Code of 1986, as  
31 amended, there shall be allowed to each partner, shareholder, member, or

1 beneficiary of a partnership, subchapter S corporation, limited liability  
2 company, or estate or trust a nonrefundable credit against the income tax  
3 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the  
4 partner's, shareholder's, member's, or beneficiary's portion of the  
5 amount of franchise tax paid to the state under sections 77-3801 to  
6 77-3807 by a financial institution.

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

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

21 (6) There shall be allowed to all individuals nonrefundable credits  
22 against the income tax imposed by the Nebraska Revenue Act of 1967 as  
23 provided in section 77-3604 and refundable credits against the income tax  
24 imposed by the Nebraska Revenue Act of 1967 as provided in section  
25 77-3605.

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



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

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

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

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

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

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

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

20 (8) There shall be allowed to all individuals refundable credits  
21 against the income tax imposed by the Nebraska Revenue Act of 1967 as  
22 provided in the Cast and Crew Nebraska Act, the Nebraska Biodiesel Tax  
23 Credit Act, the Nebraska Higher Blend Tax Credit Act, the Nebraska  
24 Property Tax Incentive Act, the Relocation Incentive Act, and the  
25 Renewable Chemical Production Tax Credit Act.

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

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

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

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

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

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

8 (10) There shall be allowed to all individuals refundable credits  
9 against the income tax imposed by the Nebraska Revenue Act of 1967 as  
10 provided in section 77-7203 and nonrefundable credits against the income  
11 tax imposed by the Nebraska Revenue Act of 1967 as provided in section  
12 77-7204.

13 (11) There shall be allowed to all individuals refundable credits  
14 against the income tax imposed by the Nebraska Revenue Act of 1967 as  
15 provided in section 77-3157 and nonrefundable credits against the income  
16 tax imposed by the Nebraska Revenue Act of 1967 as provided in sections  
17 77-3156, 77-3158, and 77-3159.

18 **Sec. 9.** Section 77-2716, Revised Statutes Cumulative Supplement,  
19 2024, is amended to read:

20 77-2716 (1) The following adjustments to federal adjusted gross  
21 income or, for corporations and fiduciaries, federal taxable income shall  
22 be made for interest or dividends received:

23 (a)(i) There shall be subtracted interest or dividends received by  
24 the owner of obligations of the United States and its territories and  
25 possessions or of any authority, commission, or instrumentality of the  
26 United States to the extent includable in gross income for federal income  
27 tax purposes but exempt from state income taxes under the laws of the  
28 United States; and

29 (ii) There shall be subtracted interest received by the owner of  
30 obligations of the State of Nebraska or its political subdivisions or  
31 authorities which are Build America Bonds to the extent includable in

1 gross income for federal income tax purposes;

2 (b) There shall be subtracted that portion of the total dividends  
3 and other income received from a regulated investment company which is  
4 attributable to obligations described in subdivision (a) of this  
5 subsection as reported to the recipient by the regulated investment  
6 company;

7 (c) There shall be added interest or dividends received by the owner  
8 of obligations of the District of Columbia, other states of the United  
9 States, or their political subdivisions, authorities, commissions, or  
10 instrumentalities to the extent excluded in the computation of gross  
11 income for federal income tax purposes except that such interest or  
12 dividends shall not be added if received by a corporation which is a  
13 regulated investment company;

14 (d) There shall be added that portion of the total dividends and  
15 other income received from a regulated investment company which is  
16 attributable to obligations described in subdivision (c) of this  
17 subsection and excluded for federal income tax purposes as reported to  
18 the recipient by the regulated investment company; and

19 (e)(i) Any amount subtracted under this subsection shall be reduced  
20 by any interest on indebtedness incurred to carry the obligations or  
21 securities described in this subsection or the investment in the  
22 regulated investment company and by any expenses incurred in the  
23 production of interest or dividend income described in this subsection to  
24 the extent that such expenses, including amortizable bond premiums, are  
25 deductible in determining federal taxable income.

26 (ii) Any amount added under this subsection shall be reduced by any  
27 expenses incurred in the production of such income to the extent  
28 disallowed in the computation of federal taxable income.

29 (2) There shall be allowed a net operating loss derived from or  
30 connected with Nebraska sources computed under rules and regulations  
31 adopted and promulgated by the Tax Commissioner consistent, to the extent

1 possible under the Nebraska Revenue Act of 1967, with the laws of the  
2 United States. For a resident individual, estate, or trust, the net  
3 operating loss computed on the federal income tax return shall be  
4 adjusted by the modifications contained in this section. For a  
5 nonresident individual, estate, or trust or for a partial-year resident  
6 individual, the net operating loss computed on the federal return shall  
7 be adjusted by the modifications contained in this section and any  
8 carryovers or carrybacks shall be limited to the portion of the loss  
9 derived from or connected with Nebraska sources.

10 (3) There shall be subtracted from federal adjusted gross income for  
11 all taxable years beginning on or after January 1, 1987, the amount of  
12 any state income tax refund to the extent such refund was deducted under  
13 the Internal Revenue Code, was not allowed in the computation of the tax  
14 due under the Nebraska Revenue Act of 1967, and is included in federal  
15 adjusted gross income.

16 (4) Federal adjusted gross income, or, for a fiduciary, federal  
17 taxable income shall be modified to exclude the portion of the income or  
18 loss received from a small business corporation with an election in  
19 effect under subchapter S of the Internal Revenue Code or from a limited  
20 liability company organized pursuant to the Nebraska Uniform Limited  
21 Liability Company Act that is not derived from or connected with Nebraska  
22 sources as determined in section 77-2734.01.

23 (5) There shall be subtracted from federal adjusted gross income or,  
24 for corporations and fiduciaries, federal taxable income dividends  
25 received or deemed to be received from corporations which are not subject  
26 to the Internal Revenue Code.

27 (6) There shall be subtracted from federal taxable income a portion  
28 of the income earned by a corporation subject to the Internal Revenue  
29 Code of 1986 that is actually taxed by a foreign country or one of its  
30 political subdivisions at a rate in excess of the maximum federal tax  
31 rate for corporations. The taxpayer may make the computation for each

1 foreign country or for groups of foreign countries. The portion of the  
2 taxes that may be deducted shall be computed in the following manner:

3 (a) The amount of federal taxable income from operations within a  
4 foreign taxing jurisdiction shall be reduced by the amount of taxes  
5 actually paid to the foreign jurisdiction that are not deductible solely  
6 because the foreign tax credit was elected on the federal income tax  
7 return;

8 (b) The amount of after-tax income shall be divided by one minus the  
9 maximum tax rate for corporations in the Internal Revenue Code; and

10 (c) The result of the calculation in subdivision (b) of this  
11 subsection shall be subtracted from the amount of federal taxable income  
12 used in subdivision (a) of this subsection. The result of such  
13 calculation, if greater than zero, shall be subtracted from federal  
14 taxable income.

15 (7) Federal adjusted gross income shall be modified to exclude any  
16 amount repaid by the taxpayer for which a reduction in federal tax is  
17 allowed under section 1341(a)(5) of the Internal Revenue Code.

18 (8)(a) Federal adjusted gross income or, for corporations and  
19 fiduciaries, federal taxable income shall be reduced, to the extent  
20 included, by income from interest, earnings, and state contributions  
21 received from the Nebraska educational savings plan trust created in  
22 sections 85-1801 to 85-1817 and any account established under the  
23 achieving a better life experience program as provided in sections  
24 77-1401 to 77-1409.

25 (b) Federal adjusted gross income or, for corporations and  
26 fiduciaries, federal taxable income shall be reduced by any contributions  
27 as a participant in the Nebraska educational savings plan trust or  
28 contributions to an account established under the achieving a better life  
29 experience program made for the benefit of a beneficiary as provided in  
30 sections 77-1401 to 77-1409, to the extent not deducted for federal  
31 income tax purposes, but not to exceed five thousand dollars per married

1 filing separate return or ten thousand dollars for any other return. With  
2 respect to a qualified rollover within the meaning of section 529 of the  
3 Internal Revenue Code from another state's plan, any interest, earnings,  
4 and state contributions received from the other state's educational  
5 savings plan which is qualified under section 529 of the code shall  
6 qualify for the reduction provided in this subdivision. For contributions  
7 by a custodian of a custodial account including rollovers from another  
8 custodial account, the reduction shall only apply to funds added to the  
9 custodial account after January 1, 2014.

10 (c) For taxable years beginning or deemed to begin on or after  
11 January 1, 2021, under the Internal Revenue Code of 1986, as amended,  
12 federal adjusted gross income shall be reduced, to the extent included in  
13 the adjusted gross income of an individual, by the amount of any  
14 contribution made by the individual's employer into an account under the  
15 Nebraska educational savings plan trust owned by the individual, not to  
16 exceed five thousand dollars per married filing separate return or ten  
17 thousand dollars for any other return.

18 (d) Federal adjusted gross income or, for corporations and  
19 fiduciaries, federal taxable income shall be increased by:

20 (i) The amount resulting from the cancellation of a participation  
21 agreement refunded to the taxpayer as a participant in the Nebraska  
22 educational savings plan trust to the extent previously deducted under  
23 subdivision (8)(b) of this section; and

24 (ii) The amount of any withdrawals by the owner of an account  
25 established under the achieving a better life experience program as  
26 provided in sections 77-1401 to 77-1409 for nonqualified expenses to the  
27 extent previously deducted under subdivision (8)(b) of this section.

28 (9)(a) For income tax returns filed after September 10, 2001, for  
29 taxable years beginning or deemed to begin before January 1, 2006, under  
30 the Internal Revenue Code of 1986, as amended, federal adjusted gross  
31 income or, for corporations and fiduciaries, federal taxable income shall

1 be increased by eighty-five percent of any amount of any federal bonus  
2 depreciation received under the federal Job Creation and Worker  
3 Assistance Act of 2002 or the federal Jobs and Growth Tax Act of 2003,  
4 under section 168(k) or section 1400L of the Internal Revenue Code of  
5 1986, as amended, for assets placed in service after September 10, 2001,  
6 and before December 31, 2005.

7 (b) For a partnership, limited liability company, cooperative,  
8 including any cooperative exempt from income taxes under section 521 of  
9 the Internal Revenue Code of 1986, as amended, limited cooperative  
10 association, subchapter S corporation, or joint venture, the increase  
11 shall be distributed to the partners, members, shareholders, patrons, or  
12 beneficiaries in the same manner as income is distributed for use against  
13 their income tax liabilities.

14 (c) For a corporation with a unitary business having activity both  
15 inside and outside the state, the increase shall be apportioned to  
16 Nebraska in the same manner as income is apportioned to the state by  
17 section 77-2734.05.

18 (d) The amount of bonus depreciation added to federal adjusted gross  
19 income or, for corporations and fiduciaries, federal taxable income by  
20 this subsection shall be subtracted in a later taxable year. Twenty  
21 percent of the total amount of bonus depreciation added back by this  
22 subsection for tax years beginning or deemed to begin before January 1,  
23 2003, under the Internal Revenue Code of 1986, as amended, may be  
24 subtracted in the first taxable year beginning or deemed to begin on or  
25 after January 1, 2005, under the Internal Revenue Code of 1986, as  
26 amended, and twenty percent in each of the next four following taxable  
27 years. Twenty percent of the total amount of bonus depreciation added  
28 back by this subsection for tax years beginning or deemed to begin on or  
29 after January 1, 2003, may be subtracted in the first taxable year  
30 beginning or deemed to begin on or after January 1, 2006, under the  
31 Internal Revenue Code of 1986, as amended, and twenty percent in each of

1 the next four following taxable years.

2 (10) For taxable years beginning or deemed to begin on or after  
3 January 1, 2003, and before January 1, 2006, under the Internal Revenue  
4 Code of 1986, as amended, federal adjusted gross income or, for  
5 corporations and fiduciaries, federal taxable income shall be increased  
6 by the amount of any capital investment that is expensed under section  
7 179 of the Internal Revenue Code of 1986, as amended, that is in excess  
8 of twenty-five thousand dollars that is allowed under the federal Jobs  
9 and Growth Tax Act of 2003. Twenty percent of the total amount of  
10 expensing added back by this subsection for tax years beginning or deemed  
11 to begin on or after January 1, 2003, may be subtracted in the first  
12 taxable year beginning or deemed to begin on or after January 1, 2006,  
13 under the Internal Revenue Code of 1986, as amended, and twenty percent  
14 in each of the next four following tax years.

15 (11)(a) For taxable years beginning or deemed to begin before  
16 January 1, 2018, under the Internal Revenue Code of 1986, as amended,  
17 federal adjusted gross income shall be reduced by contributions, up to  
18 two thousand dollars per married filing jointly return or one thousand  
19 dollars for any other return, and any investment earnings made as a  
20 participant in the Nebraska long-term care savings plan under the Long-  
21 Term Care Savings Plan Act, to the extent not deducted for federal income  
22 tax purposes.

23 (b) For taxable years beginning or deemed to begin before January 1,  
24 2018, under the Internal Revenue Code of 1986, as amended, federal  
25 adjusted gross income shall be increased by the withdrawals made as a  
26 participant in the Nebraska long-term care savings plan under the act by  
27 a person who is not a qualified individual or for any reason other than  
28 transfer of funds to a spouse, long-term care expenses, long-term care  
29 insurance premiums, or death of the participant, including withdrawals  
30 made by reason of cancellation of the participation agreement, to the  
31 extent previously deducted as a contribution or as investment earnings.



1 (12) There shall be added to federal adjusted gross income for  
2 individuals, estates, and trusts any amount taken as a credit for  
3 franchise tax paid by a financial institution under sections 77-3801 to  
4 77-3807 as allowed by subsection (5) of section 77-2715.07.

5 (13)(a) For taxable years beginning or deemed to begin on or after  
6 January 1, 2015, and before January 1, 2024, under the Internal Revenue  
7 Code of 1986, as amended, federal adjusted gross income shall be reduced  
8 by the amount received as benefits under the federal Social Security Act  
9 which are included in the federal adjusted gross income if:

10 (i) For taxpayers filing a married filing joint return, federal  
11 adjusted gross income is fifty-eight thousand dollars or less; or

12 (ii) For taxpayers filing any other return, federal adjusted gross  
13 income is forty-three thousand dollars or less.

14 (b) For taxable years beginning or deemed to begin on or after  
15 January 1, 2020, and before January 1, 2024, under the Internal Revenue  
16 Code of 1986, as amended, the Tax Commissioner shall adjust the dollar  
17 amounts provided in subdivisions (13)(a)(i) and (ii) of this section by  
18 the same percentage used to adjust individual income tax brackets under  
19 subsection (3) of section 77-2715.03.

20 (c) For taxable years beginning or deemed to begin on or after  
21 January 1, 2021, and before January 1, 2024, under the Internal Revenue  
22 Code of 1986, as amended, a taxpayer may claim the reduction to federal  
23 adjusted gross income allowed under this subsection or the reduction to  
24 federal adjusted gross income allowed under subsection (14) of this  
25 section, whichever provides the greater reduction.

26 (14)(a) For taxable years beginning or deemed to begin on or after  
27 January 1, 2021, under the Internal Revenue Code of 1986, as amended,  
28 federal adjusted gross income shall be reduced by a percentage of the  
29 social security benefits that are received and included in federal  
30 adjusted gross income. The pertinent percentage shall be:

31 (i) Five percent for taxable years beginning or deemed to begin on

1 or after January 1, 2021, and before January 1, 2022, under the Internal  
2 Revenue Code of 1986, as amended;

3 (ii) Forty percent for taxable years beginning or deemed to begin on  
4 or after January 1, 2022, and before January 1, 2023, under the Internal  
5 Revenue Code of 1986, as amended;

6 (iii) Sixty percent for taxable years beginning or deemed to begin  
7 on or after January 1, 2023, and before January 1, 2024, under the  
8 Internal Revenue Code of 1986, as amended; and

9 (iv) One hundred percent for taxable years beginning or deemed to  
10 begin on or after January 1, 2024, under the Internal Revenue Code of  
11 1986, as amended.

12 (b) For purposes of this subsection, social security benefits means  
13 benefits received under the federal Social Security Act.

14 (c) For taxable years beginning or deemed to begin on or after  
15 January 1, 2021, and before January 1, 2024, under the Internal Revenue  
16 Code of 1986, as amended, a taxpayer may claim the reduction to federal  
17 adjusted gross income allowed under this subsection or the reduction to  
18 federal adjusted gross income allowed under subsection (13) of this  
19 section, whichever provides the greater reduction.

20 (15)(a) For taxable years beginning or deemed to begin on or after  
21 January 1, 2015, and before January 1, 2022, under the Internal Revenue  
22 Code of 1986, as amended, an individual may make a one-time election  
23 within two calendar years after the date of his or her retirement from  
24 the military to exclude income received as a military retirement benefit  
25 by the individual to the extent included in federal adjusted gross income  
26 and as provided in this subdivision. The individual may elect to exclude  
27 forty percent of his or her military retirement benefit income for seven  
28 consecutive taxable years beginning with the year in which the election  
29 is made or may elect to exclude fifteen percent of his or her military  
30 retirement benefit income for all taxable years beginning with the year  
31 in which he or she turns sixty-seven years of age.

1 (b) For taxable years beginning or deemed to begin on or after  
2 January 1, 2022, under the Internal Revenue Code of 1986, as amended, an  
3 individual may exclude one hundred percent of the military retirement  
4 benefit income received by such individual to the extent included in  
5 federal adjusted gross income.

6 (c) For purposes of this subsection, military retirement benefit  
7 means retirement benefits that are periodic payments attributable to  
8 service in the uniformed services of the United States for personal  
9 services performed by an individual prior to his or her retirement. The  
10 term includes retirement benefits described in this subdivision that are  
11 reported to the individual on either:

12 (i) An Internal Revenue Service Form 1099-R received from the United  
13 States Department of Defense; or

14 (ii) An Internal Revenue Service Form 1099-R received from the  
15 United States Office of Personnel Management.

16 (16) For taxable years beginning or deemed to begin on or after  
17 January 1, 2021, under the Internal Revenue Code of 1986, as amended,  
18 federal adjusted gross income shall be reduced by the amount received as  
19 a Segal AmeriCorps Education Award, to the extent such amount is included  
20 in federal adjusted gross income.

21 (17) For taxable years beginning or deemed to begin on or after  
22 January 1, 2022, under the Internal Revenue Code of 1986, as amended,  
23 federal adjusted gross income shall be reduced by the amount received by  
24 or on behalf of a firefighter for cancer benefits under the Firefighter  
25 Cancer Benefits Act to the extent included in federal adjusted gross  
26 income.

27 (18) There shall be subtracted from the federal adjusted gross  
28 income of individuals any amount received by the individual as student  
29 loan repayment assistance under the Teach in Nebraska Today Act, to the  
30 extent such amount is included in federal adjusted gross income.

31 (19) For taxable years beginning or deemed to begin on or after

1 January 1, 2023, under the Internal Revenue Code of 1986, as amended, a  
2 retired individual who was employed full time as a firefighter or  
3 certified law enforcement officer for at least twenty years and who is at  
4 least sixty years of age as of the end of the taxable year may reduce his  
5 or her federal adjusted gross income by the amount of health insurance  
6 premiums paid by such individual during the taxable year, to the extent  
7 such premiums were not already deducted in determining the individual's  
8 federal adjusted gross income.

9 (20) For taxable years beginning or deemed to begin on or after  
10 January 1, 2024, under the Internal Revenue Code of 1986, as amended, an  
11 individual may reduce his or her federal adjusted gross income by the  
12 amounts received as annuities under the Civil Service Retirement System  
13 which were earned for being employed by the federal government, to the  
14 extent such amounts are included in federal adjusted gross income.

15 (21) For taxable years beginning or deemed to begin on or after  
16 January 1, 2025, under the Internal Revenue Code of 1986, as amended, an  
17 individual who is a member of the Nebraska National Guard may exclude one  
18 hundred percent of the income received from any of the following sources  
19 to the extent such income is included in the individual's federal  
20 adjusted gross income:

21 (a) Serving in a 32 U.S.C. duty status such as members attending  
22 drills, annual training, and military schools and members who are serving  
23 in a 32 U.S.C. active guard reserve or active duty for operational  
24 support duty status;

25 (b) Employment as a 32 U.S.C. federal dual-status technician with  
26 the Nebraska National Guard; or

27 (c) Serving in a state active duty status.

28 (22)(a) For taxable years beginning or deemed to begin on or after  
29 January 1, 2024, under the Internal Revenue Code of 1986, as amended, an  
30 individual may reduce his or her federal adjusted gross income by the  
31 amount of interest and principal balance of medical debt discharged under

1 the Medical Debt Relief Act, to the extent included in such individual's  
2 federal adjusted gross income.

3 (b) For taxable years beginning or deemed to begin on or after  
4 January 1, 2024, under the Internal Revenue Code of 1986, as amended,  
5 federal adjusted gross income or, for corporations and fiduciaries,  
6 federal taxable income shall be reduced by the amount of contributions  
7 made to the Medical Debt Relief Fund, to the extent not deducted for  
8 federal income tax purposes.

9 (23) For taxable years beginning or deemed to begin on or after  
10 January 1, 2025, and before January 1, 2026, under the Internal Revenue  
11 Code of 1986, as amended, an individual who is a qualifying employee as  
12 defined in section 77-3108 may reduce his or her federal adjusted gross  
13 income by the amount allowed under section 77-3111.

14 (24) For taxable years beginning or deemed to begin on or after  
15 January 1, 2026, under the Internal Revenue Code of 1986, as amended,  
16 federal adjusted gross income or, for corporations and fiduciaries,  
17 federal taxable income shall be reduced by the amounts allowed to be  
18 deducted pursuant to section 77-27,242.

19 (25) There shall be added to federal adjusted gross income or, for  
20 corporations and fiduciaries, federal taxable income for all taxable  
21 years beginning on or after January 1, 2025, the amount of any net  
22 capital loss that is derived from the sale or exchange of gold or silver  
23 bullion to the extent such loss is included in federal adjusted gross  
24 income except that such loss shall not be added if the loss is derived  
25 from the sale of bullion as a taxable distribution from any retirement  
26 plan account that holds gold or silver bullion. For the purposes of this  
27 subsection, bullion has the same meaning as in section 77-2704.66.

28 (26) There shall be subtracted from federal adjusted gross income  
29 or, for corporations and fiduciaries, federal taxable income for all  
30 taxable years beginning on or after January 1, 2025, the amount of any  
31 net capital gain that is derived from the sale or exchange of gold or

1 silver bullion to the extent such gain is included in federal adjusted  
2 gross income except that such gain shall not be subtracted if the gain is  
3 derived from the sale of bullion as a taxable distribution from any  
4 retirement plan account that holds gold or silver bullion. For the  
5 purposes of this subsection, bullion has the same meaning as in section  
6 77-2704.66.

7 **Sec. 10.** Section 77-2717, Revised Statutes Cumulative Supplement,  
8 2024, is amended to read:

9 77-2717 (1)(a)(i) For taxable years beginning or deemed to begin  
10 before January 1, 2014, the tax imposed on all resident estates and  
11 trusts shall be a percentage of the federal taxable income of such  
12 estates and trusts as modified in section 77-2716, plus a percentage of  
13 the federal alternative minimum tax and the federal tax on premature or  
14 lump-sum distributions from qualified retirement plans. The additional  
15 taxes shall be recomputed by (A) substituting Nebraska taxable income for  
16 federal taxable income, (B) calculating what the federal alternative  
17 minimum tax would be on Nebraska taxable income and adjusting such  
18 calculations for any items which are reflected differently in the  
19 determination of federal taxable income, and (C) applying Nebraska rates  
20 to the result. The federal credit for prior year minimum tax, after the  
21 recomputations required by the Nebraska Revenue Act of 1967, and the  
22 credits provided in the Nebraska Advantage Microenterprise Tax Credit Act  
23 and the Nebraska Advantage Research and Development Act shall be allowed  
24 as a reduction in the income tax due. A refundable income tax credit  
25 shall be allowed for all resident estates and trusts under the Angel  
26 Investment Tax Credit Act, the Nebraska Advantage Microenterprise Tax  
27 Credit Act, and the Nebraska Advantage Research and Development Act. A  
28 nonrefundable income tax credit shall be allowed for all resident estates  
29 and trusts as provided in the New Markets Job Growth Investment Act.

30 (ii) For taxable years beginning or deemed to begin on or after  
31 January 1, 2014, the tax imposed on all resident estates and trusts shall

1 be a percentage of the federal taxable income of such estates and trusts  
2 as modified in section 77-2716, plus a percentage of the federal tax on  
3 premature or lump-sum distributions from qualified retirement plans. The  
4 additional taxes shall be recomputed by substituting Nebraska taxable  
5 income for federal taxable income and applying Nebraska rates to the  
6 result. The credits provided in the Nebraska Advantage Microenterprise  
7 Tax Credit Act and the Nebraska Advantage Research and Development Act  
8 shall be allowed as a reduction in the income tax due. A refundable  
9 income tax credit shall be allowed for all resident estates and trusts  
10 under the Angel Investment Tax Credit Act, the Cast and Crew Nebraska  
11 Act, the Nebraska Advantage Microenterprise Tax Credit Act, the Nebraska  
12 Advantage Research and Development Act, the Nebraska Biodiesel Tax Credit  
13 Act, the Nebraska Higher Blend Tax Credit Act, the Nebraska Property Tax  
14 Incentive Act, the Relocation Incentive Act, and the Renewable Chemical  
15 Production Tax Credit Act. A nonrefundable income tax credit shall be  
16 allowed for all resident estates and trusts as provided in the Nebraska  
17 Job Creation and Mainstreet Revitalization Act, the New Markets Job  
18 Growth Investment Act, the School Readiness Tax Credit Act, the Child  
19 Care Tax Credit Act, the Affordable Housing Tax Credit Act, ~~the~~  
20 ~~Sustainable Aviation Fuel Tax Credit Act,~~ the Nebraska Shortline Rail  
21 Modernization Act, the Nebraska Pregnancy Help Act, the Individuals with  
22 Intellectual and Developmental Disabilities Support Act, and sections  
23 77-27,238, 77-27,240, and 77-27,241.

24 (b) The tax imposed on all nonresident estates and trusts shall be  
25 the portion of the tax imposed on resident estates and trusts which is  
26 attributable to the income derived from sources within this state. The  
27 tax which is attributable to income derived from sources within this  
28 state shall be determined by multiplying the liability to this state for  
29 a resident estate or trust with the same total income by a fraction, the  
30 numerator of which is the nonresident estate's or trust's Nebraska income  
31 as determined by sections 77-2724 and 77-2725 and the denominator of

1 which is its total federal income after first adjusting each by the  
2 amounts provided in section 77-2716. The federal credit for prior year  
3 minimum tax, after the recomputations required by the Nebraska Revenue  
4 Act of 1967, reduced by the percentage of the total income which is  
5 attributable to income from sources outside this state, and the credits  
6 provided in the Nebraska Advantage Microenterprise Tax Credit Act and the  
7 Nebraska Advantage Research and Development Act shall be allowed as a  
8 reduction in the income tax due. A refundable income tax credit shall be  
9 allowed for all nonresident estates and trusts under the Angel Investment  
10 Tax Credit Act, the Cast and Crew Nebraska Act, the Nebraska Advantage  
11 Microenterprise Tax Credit Act, the Nebraska Advantage Research and  
12 Development Act, the Nebraska Biodiesel Tax Credit Act, the Nebraska  
13 Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, the  
14 Relocation Incentive Act, and the Renewable Chemical Production Tax  
15 Credit Act. A nonrefundable income tax credit shall be allowed for all  
16 nonresident estates and trusts as provided in the Nebraska Job Creation  
17 and Mainstreet Revitalization Act, the New Markets Job Growth Investment  
18 Act, the School Readiness Tax Credit Act, the Child Care Tax Credit Act,  
19 the Affordable Housing Tax Credit Act, ~~the Sustainable Aviation Fuel Tax~~  
20 ~~Credit Act,~~ the Nebraska Shortline Rail Modernization Act, the Nebraska  
21 Pregnancy Help Act, the Individuals with Intellectual and Developmental  
22 Disabilities Support Act, and sections 77-27,238, 77-27,240, and  
23 77-27,241.

24 (2) In all instances wherein a fiduciary income tax return is  
25 required under the provisions of the Internal Revenue Code, a Nebraska  
26 fiduciary return shall be filed, except that a fiduciary return shall not  
27 be required to be filed regarding a simple trust if all of the trust's  
28 beneficiaries are residents of the State of Nebraska, all of the trust's  
29 income is derived from sources in this state, and the trust has no  
30 federal tax liability. The fiduciary shall be responsible for making the  
31 return for the estate or trust for which he or she acts, whether the



1 income be taxable to the estate or trust or to the beneficiaries thereof.  
2 The fiduciary shall include in the return a statement of each  
3 beneficiary's distributive share of net income when such income is  
4 taxable to such beneficiaries.

5 (3) The beneficiaries of such estate or trust who are residents of  
6 this state shall include in their income their proportionate share of  
7 such estate's or trust's federal income and shall reduce their Nebraska  
8 tax liability by their proportionate share of the credits as provided in  
9 the Angel Investment Tax Credit Act, the Nebraska Advantage  
10 Microenterprise Tax Credit Act, the Nebraska Advantage Research and  
11 Development Act, the Nebraska Job Creation and Mainstreet Revitalization  
12 Act, the New Markets Job Growth Investment Act, the School Readiness Tax  
13 Credit Act, the Child Care Tax Credit Act, the Affordable Housing Tax  
14 Credit Act, the Nebraska Biodiesel Tax Credit Act, the Nebraska Higher  
15 Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, the  
16 Relocation Incentive Act, the Renewable Chemical Production Tax Credit  
17 Act, ~~the Sustainable Aviation Fuel Tax Credit Act,~~ the Nebraska Shortline  
18 Rail Modernization Act, the Cast and Crew Nebraska Act, the Nebraska  
19 Pregnancy Help Act, the Individuals with Intellectual and Developmental  
20 Disabilities Support Act, and sections 77-27,238, 77-27,240, and  
21 77-27,241. There shall be allowed to a beneficiary a refundable income  
22 tax credit under the Beginning Farmer Tax Credit Act for all taxable  
23 years beginning or deemed to begin on or after January 1, 2001, under the  
24 Internal Revenue Code of 1986, as amended.

25 (4) If any beneficiary of such estate or trust is a nonresident  
26 during any part of the estate's or trust's taxable year, he or she shall  
27 file a Nebraska income tax return which shall include (a) in Nebraska  
28 adjusted gross income that portion of the estate's or trust's Nebraska  
29 income, as determined under sections 77-2724 and 77-2725, allocable to  
30 his or her interest in the estate or trust and (b) a reduction of the  
31 Nebraska tax liability by his or her proportionate share of the credits

1 as provided in the Angel Investment Tax Credit Act, the Nebraska  
2 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research  
3 and Development Act, the Nebraska Job Creation and Mainstreet  
4 Revitalization Act, the New Markets Job Growth Investment Act, the School  
5 Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable  
6 Housing Tax Credit Act, the Nebraska Biodiesel Tax Credit Act, the  
7 Nebraska Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive  
8 Act, the Relocation Incentive Act, the Renewable Chemical Production Tax  
9 Credit Act, ~~the Sustainable Aviation Fuel Tax Credit Act,~~ the Nebraska  
10 Shortline Rail Modernization Act, the Cast and Crew Nebraska Act, the  
11 Nebraska Pregnancy Help Act, the Individuals with Intellectual and  
12 Developmental Disabilities Support Act, and sections 77-27,238,  
13 77-27,240, and 77-27,241 and shall execute and forward to the fiduciary,  
14 on or before the original due date of the Nebraska fiduciary return, an  
15 agreement which states that he or she will file a Nebraska income tax  
16 return and pay income tax on all income derived from or connected with  
17 sources in this state, and such agreement shall be attached to the  
18 Nebraska fiduciary return for such taxable year.

19 (5) In the absence of the nonresident beneficiary's executed  
20 agreement being attached to the Nebraska fiduciary return, the estate or  
21 trust shall remit a portion of such beneficiary's income which was  
22 derived from or attributable to Nebraska sources with its Nebraska return  
23 for the taxable year. For taxable years beginning or deemed to begin  
24 before January 1, 2013, the amount of remittance, in such instance, shall  
25 be the highest individual income tax rate determined under section  
26 77-2715.02 multiplied by the nonresident beneficiary's share of the  
27 estate or trust income which was derived from or attributable to sources  
28 within this state. For taxable years beginning or deemed to begin on or  
29 after January 1, 2013, the amount of remittance, in such instance, shall  
30 be the highest individual income tax rate determined under section  
31 77-2715.03 multiplied by the nonresident beneficiary's share of the

1 estate or trust income which was derived from or attributable to sources  
2 within this state. The amount remitted shall be allowed as a credit  
3 against the Nebraska income tax liability of the beneficiary.

4 (6) The Tax Commissioner may allow a nonresident beneficiary to not  
5 file a Nebraska income tax return if the nonresident beneficiary's only  
6 source of Nebraska income was his or her share of the estate's or trust's  
7 income which was derived from or attributable to sources within this  
8 state, the nonresident did not file an agreement to file a Nebraska  
9 income tax return, and the estate or trust has remitted the amount  
10 required by subsection (5) of this section on behalf of such nonresident  
11 beneficiary. The amount remitted shall be retained in satisfaction of the  
12 Nebraska income tax liability of the nonresident beneficiary.

13 (7) For purposes of this section, unless the context otherwise  
14 requires, simple trust shall mean any trust instrument which (a) requires  
15 that all income shall be distributed currently to the beneficiaries, (b)  
16 does not allow amounts to be paid, permanently set aside, or used in the  
17 tax year for charitable purposes, and (c) does not distribute amounts  
18 allocated in the corpus of the trust. Any trust which does not qualify as  
19 a simple trust shall be deemed a complex trust.

20 (8) For purposes of this section, any beneficiary of an estate or  
21 trust that is a grantor trust of a nonresident shall be disregarded and  
22 this section shall apply as though the nonresident grantor was the  
23 beneficiary.

24 **Sec. 11.** Section 77-2733, Revised Statutes Cumulative Supplement,  
25 2024, is amended to read:

26 77-2733 (1) The income of a nonresident individual derived from  
27 sources within this state shall be the sum of the following:

28 (a) The net amount of items of income, gain, loss, and deduction  
29 entering into his or her federal taxable income which are derived from or  
30 connected with sources in this state including (i) his or her  
31 distributive share of partnership income and deductions determined under

1 section 77-2729, (ii) his or her share of small business corporation or  
2 limited liability company income determined under section 77-2734.01, and  
3 (iii) his or her share of estate or trust income and deductions  
4 determined under section 77-2725; and

5 (b) The portion of the modifications described in section 77-2716  
6 which relates to income derived from sources in this state, including any  
7 modifications attributable to him or her as a partner.

8 (2) Items of income, gain, loss, and deduction derived from or  
9 connected with sources within this state are those items attributable to:

10 (a) The ownership or disposition of any interest in real or tangible  
11 personal property in this state;

12 (b) A business, trade, profession, or occupation carried on in this  
13 state; and

14 (c) Any lottery prize awarded in a lottery game conducted pursuant  
15 to the State Lottery Act.

16 (3) Income from intangible personal property including annuities,  
17 dividends, interest, and gains from the disposition of intangible  
18 personal property shall constitute income derived from sources within  
19 this state only to the extent that such income is from property employed  
20 in a business, trade, profession, or occupation carried on in this state.

21 (4) Deductions with respect to capital losses, net long-term capital  
22 gains, and net operating losses shall be based solely on income, gains,  
23 losses, and deductions derived from or connected with sources in this  
24 state, under rules and regulations to be prescribed by the Tax  
25 Commissioner, but otherwise shall be determined in the same manner as the  
26 corresponding federal deductions.

27 (5) If a business, trade, profession, or occupation is carried on  
28 partly within and partly without this state, the items of income and  
29 deduction derived from or connected with sources within this state shall  
30 be determined by apportionment under rules and regulations to be  
31 prescribed by the Tax Commissioner.

1           (6) Compensation paid by the United States for service in the armed  
2 forces of the United States performed by a nonresident individual shall  
3 not constitute income derived from sources within this state.

4           (7) Compensation paid by a resident estate or trust for services by  
5 a nonresident fiduciary shall constitute income derived from sources  
6 within this state.

7           (8) Except as provided in subsection (9) of this section,  
8 compensation paid by a business, trade, or profession shall constitute  
9 income derived from sources within this state if:

10          (a) The individual's service is performed entirely within this  
11 state;

12          (b) The individual's service is performed both within and without  
13 this state, but the service performed without this state is incidental to  
14 the individual's service within this state;

15          (c) ~~The individual is a nonresident and the individual's service is~~  
16 ~~performed without this state for his or her convenience, but the service~~  
17 ~~performed without this state is directly~~ related to a business, trade, or  
18 profession carried on within this state and, except for the individual's  
19 convenience, the service could have been performed within this state  ~~,~~  
20 ~~provided that such individual must be present, in connection with such~~  
21 ~~business, trade, or profession, within this state for more than seven~~  
22 ~~days during the taxable year in which the compensation is earned. Only~~  
23 ~~compensation paid to the individual for services performed within this~~  
24 ~~state shall constitute income derived from sources within this state~~  
25 ~~under this subdivision; or~~

26          (d) Some of the service is performed in this state and (i) the base  
27 of operations or, if there is no base of operations, the place from which  
28 the service is directed or controlled is in this state or (ii) the base  
29 of operations or the place from which the service is directed or  
30 controlled is not in any state in which some part of the service is  
31 performed, but the individual's residence is in this state.

1 (9)(a) For purposes of this subsection:

2 (i) An individual shall be considered present and performing  
3 employment duties within this state for a day if the individual performs  
4 employment duties in this state. Any portion of the day during which the  
5 individual is in transit shall not be considered in determining the  
6 location of an individual's performance of employment duties;

7 (ii) Conference means an event bringing individuals together to  
8 focus and discuss specific topics that are related to the employment of  
9 such individuals;

10 (iii) Employment duty days means days where an individual is earning  
11 wages for work being performed for an employer;

12 (iv) Time and attendance system means a system through which an  
13 individual is required to record the individual's work location for every  
14 day worked outside the state where the individual's employment duties are  
15 primarily performed and which is designed to allow the employer to  
16 allocate the individual's compensation for income tax purposes among all  
17 states in which the individual performs employment duties for the  
18 employer; and

19 (v) Training means the process of increasing the knowledge and  
20 skills of an employee to assist in the effective performance of the  
21 employee's job.

22 (b) Compensation paid to a nonresident individual who does not have  
23 Nebraska source income outside of attending a conference or training in  
24 this state shall not constitute income derived from sources within this  
25 state if all of the following conditions apply:

26 (i) The compensation is paid for employment duties performed by the  
27 individual while present in this state to attend a conference or  
28 training;

29 (ii) The individual is present in the state for seven or fewer  
30 employment duty days in the taxable year;

31 (iii) The individual performed employment duties in more than one

1 state during the taxable year; and

2 (iv) Total compensation while in the state does not exceed five  
3 thousand dollars in the taxable year.

4 (c) Compensation paid to a nonresident individual who serves on the  
5 board of directors or similar governing body of a business and that  
6 relates to board or governing body activities taking place in this state  
7 shall not constitute income derived from sources within this state.

8 (d) The Department of Revenue shall not require the payment of any  
9 penalties or interest otherwise applicable for failing to deduct and  
10 withhold income taxes if, when determining whether withholding was  
11 required, the employer met either of the following conditions:

12 (i) The employer, in its sole discretion, maintains a time and  
13 attendance system specifically designed to allocate employee wages for  
14 income tax purposes among all taxing jurisdictions in which an individual  
15 performs employment duties for such employer, and the employer relied on  
16 data from that system not to withhold; or

17 (ii) The employer does not maintain a time and attendance system and  
18 the employer relied on:

19 (A) Its own records, maintained in the regular course of business,  
20 of the individual's location;

21 (B) The individual's reasonable determination of the time the  
22 individual expected to spend performing employment duties in this state,  
23 provided that the employer did not have actual knowledge of fraud on the  
24 part of the individual in making the determination and that the employer  
25 and the individual did not conspire to evade taxation in making the  
26 determination of location;

27 (C) Travel records;

28 (D) Travel expense reimbursement records; or

29 (E) A written statement from the individual of the number of days  
30 spent performing services in this state during the taxable year.

31 (10) The changes made in this section by this legislative bill shall

1 apply to taxable years beginning or deemed to begin on or after January  
2 1, 2026, under the Internal Revenue Code of 1986, as amended.

3 **Sec. 12.** Section 77-2734.03, Revised Statutes Cumulative Supplement,  
4 2024, is amended to read:

5 77-2734.03 (1)(a) For taxable years commencing prior to January 1,  
6 1997, any (i) insurer paying a tax on premiums and assessments pursuant  
7 to section 77-908 or 81-523, (ii) electric cooperative organized under  
8 the Joint Public Power Authority Act, or (iii) credit union shall be  
9 credited, in the computation of the tax due under the Nebraska Revenue  
10 Act of 1967, with the amount paid during the taxable year as taxes on  
11 such premiums and assessments and taxes in lieu of intangible tax.

12 (b) For taxable years commencing on or after January 1, 1997, any  
13 insurer paying a tax on premiums and assessments pursuant to section  
14 77-908 or 81-523, any electric cooperative organized under the Joint  
15 Public Power Authority Act, or any credit union shall be credited, in the  
16 computation of the tax due under the Nebraska Revenue Act of 1967, with  
17 the amount paid during the taxable year as (i) taxes on such premiums and  
18 assessments included as Nebraska premiums and assessments under section  
19 77-2734.05 and (ii) taxes in lieu of intangible tax.

20 (c) For taxable years commencing or deemed to commence prior to, on,  
21 or after January 1, 1998, any insurer paying a tax on premiums and  
22 assessments pursuant to section 77-908 or 81-523 shall be credited, in  
23 the computation of the tax due under the Nebraska Revenue Act of 1967,  
24 with the amount paid during the taxable year as assessments allowed as an  
25 offset against premium and related retaliatory tax liability pursuant to  
26 section 44-4233.

27 (2) There shall be allowed to corporate taxpayers a tax credit for  
28 contributions to programs or projects certified for tax credit status as  
29 provided in the Creating High Impact Economic Futures Act.

30 (3) There shall be allowed to corporate taxpayers a refundable  
31 income tax credit under the Beginning Farmer Tax Credit Act for all



1 taxable years beginning or deemed to begin on or after January 1, 2001,  
2 under the Internal Revenue Code of 1986, as amended.

3 (4) The changes made to this section by Laws 2004, LB 983, apply to  
4 motor fuels purchased during any tax year ending or deemed to end on or  
5 after January 1, 2005, under the Internal Revenue Code of 1986, as  
6 amended.

7 (5) There shall be allowed to corporate taxpayers refundable income  
8 tax credits under the Nebraska Advantage Microenterprise Tax Credit Act,  
9 the Cast and Crew Nebraska Act, the Nebraska Advantage Research and  
10 Development Act, the Nebraska Biodiesel Tax Credit Act, the Nebraska  
11 Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, the  
12 Relocation Incentive Act, and the Renewable Chemical Production Tax  
13 Credit Act.

14 (6) There shall be allowed to corporate taxpayers a nonrefundable  
15 income tax credit for investment in a biodiesel facility as provided in  
16 section 77-27,236.

17 (7) There shall be allowed to corporate taxpayers a nonrefundable  
18 income tax credit as provided in the Nebraska Job Creation and Mainstreet  
19 Revitalization Act, the New Markets Job Growth Investment Act, the School  
20 Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable  
21 Housing Tax Credit Act, ~~the Sustainable Aviation Fuel Tax Credit Act,~~ the  
22 Nebraska Shortline Rail Modernization Act, the Nebraska Pregnancy Help  
23 Act, the Individuals with Intellectual and Developmental Disabilities  
24 Support Act, and sections 77-27,238, 77-27,240, and 77-27,241.

25 **Sec. 13.** Section 77-27,187.02, Revised Statutes Cumulative  
26 Supplement, 2024, is amended to read:

27 77-27,187.02 (1) To earn the incentives set forth in the Nebraska  
28 Advantage Rural Development Act, the taxpayer shall file an application  
29 for an agreement with the Tax Commissioner. There shall be no new  
30 applications for incentives filed under this section after December 31,  
31 2027.

1 (2) The application shall contain:

2 (a) A written statement describing the full expected employment or  
3 type of livestock production and the investment amount for a qualified  
4 business, as described in section 77-27,189, in this state;

5 (b) Sufficient documents, plans, and specifications as required by  
6 the Tax Commissioner to support the plan and to define a project; and

7 (c) An application fee of (i) one hundred dollars for an investment  
8 amount of less than twenty-five thousand dollars, (ii) two hundred fifty  
9 dollars for an investment amount of at least twenty-five thousand dollars  
10 but less than fifty thousand dollars, and (iii) five hundred dollars for  
11 an investment amount of fifty thousand dollars or more. The fee shall be  
12 remitted to the State Treasurer for credit to the Nebraska Incentives  
13 Fund. The application and all supporting information shall be  
14 confidential except for the name of the taxpayer, the location of the  
15 project, and the amounts of increased employment or investment.

16 (3)(a) The Tax Commissioner shall approve the application and  
17 authorize the total amount of credits expected to be earned as a result  
18 of the project if he or she is satisfied that the plan in the application  
19 defines a project that (i) meets the requirements established in section  
20 77-27,188 and such requirements will be reached within the required time  
21 period and (ii) for projects other than livestock modernization or  
22 expansion projects, is located in an eligible county, city, or village.

23 (b) For applications filed in calendar year 2016 and each year  
24 thereafter, the Tax Commissioner shall not approve further applications  
25 from applicants described in subsection (1) of section 77-27,188 once the  
26 expected credits from approved projects in this category total: For  
27 calendar years 2016 through 2022, one million dollars; ~~and for calendar~~  
28 years year 2023 through 2025 and each calendar year thereafter, two  
29 million dollars; and for calendar year 2026 and each calendar year  
30 thereafter, one million dollars. For applications filed in calendar year  
31 2016 and each year thereafter, the Tax Commissioner shall not approve

1 further applications from applicants described in subsection (2) of  
2 section 77-27,188 once the expected credits from approved projects in  
3 this category total: For calendar year 2016, five hundred thousand  
4 dollars; for calendar years 2017 and 2018, seven hundred fifty thousand  
5 dollars; for calendar years 2019, 2020, and 2021, one million dollars;  
6 ~~and for calendar years year 2022 through 2025 and each calendar year~~  
7 ~~thereafter, ten million dollars; and for calendar year 2026 and each~~  
8 ~~calendar year thereafter, one million dollars.~~ Four hundred dollars of  
9 the application fee shall be refunded to the applicant if the application  
10 is not approved because the expected credits from approved projects  
11 exceed such amounts.

12 (c) Applications for benefits shall be considered separately and in  
13 the order in which they are received for the categories represented by  
14 subsections (1) and (2) of section 77-27,188.

15 (d) Applications shall be filed by November 1 and shall be complete  
16 by December 1 of each calendar year. Any application that is filed after  
17 November 1 or that is not complete on December 1 shall be considered to  
18 be filed during the following calendar year.

19 (4) After approval, the taxpayer and the Tax Commissioner shall  
20 enter into a written agreement. The taxpayer shall agree to complete the  
21 project, and the Tax Commissioner, on behalf of the State of Nebraska,  
22 shall designate the approved plans of the taxpayer as a project and, in  
23 consideration of the taxpayer's agreement, agree to allow the taxpayer to  
24 use the incentives contained in the Nebraska Advantage Rural Development  
25 Act up to the total amount that were authorized by the Tax Commissioner  
26 at the time of approval. The application, and all supporting  
27 documentation, to the extent approved, shall be considered a part of the  
28 agreement. The agreement shall state:

29 (a) The levels of employment and investment required by the act for  
30 the project;

31 (b) The time period under the act in which the required level must

1 be met;

2 (c) The documentation the taxpayer will need to supply when claiming  
3 an incentive under the act;

4 (d) The date the application was filed; and

5 (e) The maximum amount of credits authorized.

6 **Sec. 14.** Section 77-27,188, Revised Statutes Cumulative Supplement,  
7 2024, is amended to read:

8 77-27,188 (1) A refundable credit against the taxes imposed by the  
9 Nebraska Revenue Act of 1967 shall be allowed to any taxpayer who has an  
10 approved application pursuant to the Nebraska Advantage Rural Development  
11 Act, who is engaged in a qualified business as described in section  
12 77-27,189, and who after January 1, 2006:

13 (a)(i) Increases employment by two new equivalent employees and  
14 makes an increased investment of at least one hundred twenty-five  
15 thousand dollars prior to the end of the first taxable year after the  
16 year in which the application was submitted in (A) any county in this  
17 state with a population of fewer than fifteen thousand inhabitants,  
18 according to the most recent federal decennial census, (B) any village in  
19 this state, or (C) any area within the corporate limits of a city of the  
20 metropolitan class consisting of one or more contiguous census tracts, as  
21 determined by the most recent federal decennial census, which contain a  
22 percentage of persons below the poverty line of greater than thirty  
23 percent, and all census tracts contiguous to such tract or tracts; or

24 (ii) Increases employment by five new equivalent employees and makes  
25 an increased investment of at least two hundred fifty thousand dollars  
26 prior to the end of the first taxable year after the year in which the  
27 application was submitted in any county in this state with a population  
28 of less than twenty-five thousand inhabitants, according to the most  
29 recent federal decennial census, or any city of the second class; and

30 (b) Pays a minimum qualifying wage of eight dollars and twenty-five  
31 cents per hour to the new equivalent employees for which tax credits are

1 sought under the Nebraska Advantage Rural Development Act. The Department  
2 of Revenue shall adjust the minimum qualifying wages required for  
3 applications filed after January 1, 2004, and each January 1 thereafter,  
4 as follows: The current rural Nebraska average weekly wage shall be  
5 divided by the rural Nebraska average weekly wage for 2003; and the  
6 result shall be multiplied by the eight dollars and twenty-five cents  
7 minimum qualifying wage for 2003 and rounded to the nearest one cent. The  
8 amount of increase or decrease in the minimum qualifying wages for any  
9 year shall be the cumulative change in the rural Nebraska average weekly  
10 wage since 2003. For purposes of this subsection, rural Nebraska average  
11 weekly wage means the most recent average weekly wage paid by all  
12 employers in all counties with a population of less than twenty-five  
13 thousand inhabitants as reported by October 1 by the Department of Labor.

14 For purposes of this section, a teleworker working in Nebraska from  
15 his or her residence for a taxpayer shall be considered an employee of  
16 the taxpayer, and property of the taxpayer provided to the teleworker  
17 working in Nebraska from his or her residence shall be considered an  
18 investment. Teleworker includes an individual working on a per-item basis  
19 and an independent contractor working for the taxpayer so long as the  
20 taxpayer withholds Nebraska income tax from wages or other payments made  
21 to such teleworker. For purposes of calculating the number of new  
22 equivalent employees when the teleworkers are paid on a per-item basis or  
23 are independent contractors, the total wages or payments made to all such  
24 new employees during the year shall be divided by the qualifying wage as  
25 determined in subdivision (b) of this subsection, with the result divided  
26 by two thousand eighty hours.

27 (2) A refundable credit against the taxes imposed by the Nebraska  
28 Revenue Act of 1967 shall be allowed to any taxpayer who (a) has an  
29 approved application pursuant to the Nebraska Advantage Rural Development  
30 Act, (b) is engaged in livestock production, and (c) invests at least (i)  
31 fifty thousand dollars for livestock modernization or expansion for

1 applications filed before January 1, 2024, ~~(ii) or at least~~ ten thousand  
2 dollars for livestock modernization or expansion for applications filed  
3 on or after January 1, 2024, and before January 1, 2026, or (iii) fifty  
4 thousand dollars for livestock modernization or expansion for  
5 applications filed on or after January 1, 2026.

6 (3) The amount of the credit allowed under subsection (1) of this  
7 section shall be three thousand dollars for each new equivalent employee  
8 and two thousand seven hundred fifty dollars for each fifty thousand  
9 dollars of increased investment. For applications filed before January 1,  
10 2016, the amount of the credit allowed under subsection (2) of this  
11 section shall be ten percent of the investment, not to exceed a credit of  
12 thirty thousand dollars. For applications filed on or after January 1,  
13 2016, and before April 20, 2022, the amount of the credit allowed under  
14 subsection (2) of this section shall be ten percent of the investment,  
15 not to exceed a credit of one hundred fifty thousand dollars per  
16 application. For applications filed on or after April 20, 2022, and  
17 before January 1, 2026, the amount of the credit allowed under subsection  
18 (2) of this section shall be ten percent of the investment, not to exceed  
19 a credit of five hundred thousand dollars per application. For  
20 applications filed on or after January 1, 2026, the amount of the credit  
21 allowed under subsection (2) of this section shall be ten percent of the  
22 investment, not to exceed a credit of one hundred fifty thousand dollars  
23 per application. For each application, a taxpayer engaged in livestock  
24 production may qualify for a credit under either subsection (1) or (2) of  
25 this section, but cannot qualify for more than one credit per  
26 application.

27 (4) An employee of a qualified employee leasing company shall be  
28 considered to be an employee of the client-lessee for purposes of this  
29 section if the employee performs services for the client-lessee. A  
30 qualified employee leasing company shall provide the Department of  
31 Revenue access to the records of employees leased to the client-lessee.

1 (5) The credit shall not exceed the amounts set out in the  
2 application and approved by the Tax Commissioner.

3 (6)(a) If a taxpayer who receives tax credits creates fewer jobs or  
4 less investment than required in the project agreement, the taxpayer  
5 shall repay the tax credits as provided in this subsection.

6 (b) If less than seventy-five percent of the required jobs in the  
7 project agreement are created, one hundred percent of the job creation  
8 tax credits shall be repaid. If seventy-five percent or more of the  
9 required jobs in the project agreement are created, no repayment of the  
10 job creation tax credits is necessary.

11 (c) If less than seventy-five percent of the required investment in  
12 the project agreement is created, one hundred percent of the investment  
13 tax credits shall be repaid. If seventy-five percent or more of the  
14 required investment in the project agreement is created, no repayment of  
15 the investment tax credits is necessary.

16 (7) For taxpayers who submitted applications for benefits under the  
17 Nebraska Advantage Rural Development Act before January 1, 2006,  
18 subsection (1) of this section, as such subsection existed immediately  
19 prior to such date, shall continue to apply to such taxpayers. The  
20 changes made by Laws 2005, LB 312, shall not preclude a taxpayer from  
21 receiving the tax incentives earned prior to January 1, 2006.

22 **Sec. 15.** Section 77-27,241, Revised Statutes Cumulative Supplement,  
23 2024, is amended to read:

24 77-27,241 (1) For purposes of this section:

25 (a) Agricultural producer means an individual or entity whose income  
26 is primarily attributable to crop or livestock production in the State of  
27 Nebraska;

28 (b) Department means the Department of Revenue;

29 (c) Food bank means an organization in this state that:

30 (i) Is exempt from federal income taxation under section 501(c)(3)  
31 of the Internal Revenue Code of 1986, as amended; and

1 (ii) Distributes food in ten or more counties in Nebraska and  
2 qualifies for the Emergency Food Assistance Program administered by the  
3 United States Department of Agriculture;

4 (d) Food pantry means an organization in this state that:

5 (i) Is exempt from federal income taxation under section 501(c)(3)  
6 of the Internal Revenue Code of 1986, as amended; and

7 (ii) Distributes emergency food supplies to low-income individuals  
8 in this state who would otherwise not have access to such food supplies;

9 (e) Food rescue means an organization in this state that:

10 (i) Is exempt from federal income taxation under section 501(c)(3)  
11 of the Internal Revenue Code of 1986, as amended; and

12 (ii) Accepts donations of food and delivers such food to food banks  
13 or food pantries so that such food may be distributed to low-income  
14 individuals in this state;

15 (f) Grocery store retailer means a retailer located in this state  
16 that is primarily engaged in business activities classified as code  
17 445110 under the North American Industry Classification System;

18 (g) Qualifying agricultural food donation means a donation made by  
19 an agricultural producer to a food bank, food pantry, or food rescue of  
20 fresh or frozen fruits, vegetables, eggs, dairy products, or meat  
21 products grown or produced in the State of Nebraska which meets all  
22 applicable quality and labeling standards, along with any other  
23 applicable requirements of the food bank, food pantry, or food rescue to  
24 which the qualifying agricultural food donation is made; and

25 (h) Restaurant means a business located in this state that is  
26 primarily engaged in business activities classified as code 722511,  
27 722513, 722514, or 722515 under the North American Industry  
28 Classification System.

29 (2) For taxable years beginning or deemed to begin on or after  
30 January 1, 2025, and before January 1, 2026, under the Internal Revenue  
31 Code of 1986, as amended, a credit against the income tax imposed by the



1 Nebraska Revenue Act of 1967 shall be allowed to:

2 (a) Any grocery store retailer or restaurant that donates food to a  
3 food bank, food pantry, or food rescue during the taxable year; and

4 (b) Any agricultural producer that makes a qualifying agricultural  
5 food donation to a food bank, food pantry, or food rescue during the  
6 taxable year.

7 (3) Subject to subsection (7) of this section, the credit provided  
8 in this section shall be a nonrefundable credit in an amount equal to  
9 fifty percent of the value of the food donations or qualifying  
10 agricultural food donations made during the taxable year, not to exceed  
11 two thousand five hundred dollars. Any amount of the credit that the  
12 taxpayer is prohibited from claiming in a taxable year may be carried  
13 forward to any of the three subsequent taxable years.

14 (4) For purposes of this section, food donated by a grocery store  
15 retailer or restaurant shall be valued at its wholesale value. A  
16 qualifying agricultural food donation shall be valued at the prevailing  
17 market value of the product at the time of donation, plus the direct cost  
18 incurred by the agricultural producer for processing the product.

19 (5) To receive a credit under this section, a taxpayer shall submit  
20 an application to the department in a form and manner prescribed by the  
21 department. The application shall include the amount of food donated  
22 during the taxable year and any other information required by the  
23 department.

24 (6) If the department determines that an application is complete and  
25 that the taxpayer qualifies for credits, the department shall approve the  
26 application within the limits set forth in this section and shall certify  
27 the amount of credits approved to the taxpayer.

28 (7) The department may approve up to five hundred thousand dollars  
29 of credits in fiscal year 2025-26 ~~and each fiscal year thereafter~~. If the  
30 amount of credits requested by qualified taxpayers ~~in any year~~ exceeds  
31 such limit, the department shall allocate credits proportionally based on

1 the amounts requested so that the limit is not exceeded.

2 (8) A taxpayer shall claim the credit by attaching the tax credit  
3 certification received from the department under subsection (6) of this  
4 section to the taxpayer's tax return.

5 (9) Any amount relating to such food donations or qualifying  
6 agricultural food donations that was deducted as a charitable  
7 contribution on the taxpayer's federal income tax return must be added  
8 back in the determination of Nebraska taxable income before the credit  
9 provided in this section may be claimed.

10 (10) No credit granted under this section shall be transferred,  
11 sold, or assigned. No taxpayer shall be eligible to receive a credit  
12 under this section if such taxpayer employs persons who are not  
13 authorized to work in the United States under federal law. No taxpayer  
14 shall be able to claim more than one credit under this section for a  
15 single donation.

16 (11) A food bank, food pantry, or food rescue may accept or reject  
17 any food donated under this section for any reason. Any food that is  
18 rejected shall not qualify for a credit under this section.

19 (12) The department may adopt and promulgate rules and regulations  
20 to carry out this section.

21 **Sec. 16.** Section 77-3109, Revised Statutes Cumulative Supplement,  
22 2024, is amended to read:

23 77-3109 (1) For taxable years beginning or deemed to begin on or  
24 after January 1, 2025, and before January 1, 2026, under the Internal  
25 Revenue Code of 1986, as amended, an employer that pays relocation  
26 expenses for a qualifying employee shall be eligible to receive a credit  
27 that may be used to offset any income taxes due under the Nebraska  
28 Revenue Act of 1967, any premium and related retaliatory taxes due under  
29 section 44-150, 77-908, or 81-523, or any franchise taxes due under  
30 sections 77-3801 to 77-3807.

31 (2) The credit provided in this section shall be a refundable credit

1 in an amount equal to fifty percent of the relocation expenses that were  
2 paid by the employer for a qualifying employee during the taxable year,  
3 not to exceed a maximum credit of five thousand dollars per qualifying  
4 employee.

5 (3) No credit shall be granted under this section unless the  
6 qualifying employee will receive an annual salary of at least seventy  
7 thousand dollars per year and not more than two hundred fifty thousand  
8 dollars per year.

9 (4) Any credit claimed by an employer under this section shall be  
10 recaptured by the department if the qualifying employee moves out of the  
11 state within two years after the credit is claimed. Any amount required  
12 to be recaptured shall be deemed an underpayment of tax and shall be due  
13 and payable on the tax return that is due immediately following the loss  
14 of residency.

15 (5) Notwithstanding any other limitation contained in the laws of  
16 this state, collection of any taxes deemed to be an underpayment by this  
17 section shall be allowed for a period of three years following the due  
18 date of the recaptured taxes.

19 ~~(6) For taxable years beginning or deemed to begin on or after~~  
20 ~~January 1, 2026, under the Internal Revenue Code of 1986, as amended, the~~  
21 ~~department shall adjust the dollar amounts provided in subsection (3) of~~  
22 ~~this section by the same percentage used to adjust individual income tax~~  
23 ~~brackets under subsection (3) of section 77-2715.03.~~

24 (6) ~~(7)~~ An employer shall apply for the credit provided in this  
25 section by submitting an application to the department on a form  
26 prescribed by the department. Subject to subsection (7) ~~(8)~~ of this  
27 section, if the department determines that the employer qualifies for tax  
28 credits under this section, the department shall approve the application  
29 and certify the amount of credits approved to the employer.

30 (7) ~~(8)~~ The department shall consider applications in the order in  
31 which they are received and may approve tax credits under this section in

1 ~~any year~~ until the aggregate limit allowed under section 77-3110 has been  
2 reached.

3 ~~(8) (9)~~ An employer shall claim any tax credits granted under this  
4 section by attaching the tax credit certification received from the  
5 department under subsection ~~(6) (7)~~ of this section to the employer's tax  
6 return.

7 ~~(9) (10)~~ An employer claiming a tax credit under the Relocation  
8 Incentive Act against any premium and related retaliatory taxes due under  
9 section 44-150, 77-908, or 81-523 shall not be required to pay any  
10 additional retaliatory tax as a result of claiming the tax credit. The  
11 tax credit may fully offset any retaliatory tax imposed under Nebraska  
12 law. Any tax credit claimed shall be considered a payment of tax for  
13 purposes of subsection (1) of section 77-2734.03.

14 **Sec. 17.** Section 77-3110, Revised Statutes Cumulative Supplement,  
15 2024, is amended to read:

16 77-3110 The department may approve tax credits under the Relocation  
17 Incentive Act ~~each year~~ until the total amount of credits approved ~~for~~  
18 ~~the year~~ reaches five million dollars.

19 **Sec. 18.** Section 77-3111, Revised Statutes Cumulative Supplement,  
20 2024, is amended to read:

21 77-3111 (1) For taxable years beginning or deemed to begin on or  
22 after January 1, 2025, and before January 1, 2026, under the Internal  
23 Revenue Code of 1986, as amended, a qualifying employee shall be eligible  
24 to make a one-time election within two calendar years of becoming a  
25 Nebraska resident to exclude all Nebraska-sourced wage income earned and  
26 received from an employer, to the extent included in federal adjusted  
27 gross income, if (a) the annual Nebraska-sourced wage income of the  
28 position accepted by the qualifying employee is at least seventy thousand  
29 dollars per year but not more than two hundred fifty thousand dollars per  
30 year and (b) the qualifying employee was not a resident of the state in  
31 the year prior to the year in which residency is being claimed for

1 purposes of qualifying for such exclusion.

2 (2) For any qualifying employee who fails to maintain residency for  
3 two full calendar years following the calendar year in which the  
4 exclusion was taken, any reduction in tax as a result of such exclusion  
5 shall be fully recaptured from the qualifying employee by the department.  
6 The amount required to be recaptured shall be deemed an underpayment of  
7 tax and shall be due and payable on the tax return that is due  
8 immediately following the loss of residency.

9 (3) Notwithstanding any other limitation contained in the laws of  
10 this state, collection of any taxes deemed to be an underpayment by this  
11 section shall be allowed for a period of three years following the due  
12 date of the recaptured taxes.

13 ~~(4) For taxable years beginning or deemed to begin on or after~~  
14 ~~January 1, 2026, under the Internal Revenue Code of 1986, as amended, the~~  
15 ~~department shall adjust the dollar amounts provided in subsection (1) of~~  
16 ~~this section by the same percentage used to adjust individual income tax~~  
17 ~~brackets under subsection (3) of section 77-2715.03.~~

18 **Sec. 19.** Section 77-3120, Revised Statutes Cumulative Supplement,  
19 2024, is amended to read:

20 77-3120 The annual limit on the total amount of tax credits allowed  
21 ~~(1) for calendar year years 2025 and 2026 shall be nine hundred thousand~~  
22 ~~dollars per year with a total of three hundred thousand dollars per year~~  
23 ~~for each congressional district and (2) for calendar year 2027 and each~~  
24 ~~calendar year thereafter shall be three million dollars per year with a~~  
25 ~~total of one million dollars per year for each congressional district.~~  
26 Once credits have reached the annual limit for any calendar year, no  
27 additional credits shall be allowed for such calendar year. The maximum  
28 amount of credits per program or project shall not exceed one hundred  
29 fifty thousand dollars per year for the first congressional district and  
30 one hundred fifty thousand dollars per year for the third congressional  
31 district. Tax credits shall not be allowed for calendar year 2026 or any

1 calendar year thereafter, except that any tax credits allowed in calendar  
2 year 2025 that are unused may be carried forward as provided in  
3 subsection (6) of section 77-3119.

4       **Sec. 20.** Section 77-3125, Revised Statutes Cumulative Supplement,  
5 2024, is amended to read:

6       77-3125 (1) For taxable years beginning or deemed to begin on or  
7 after January 1, 2025, and before January 1, 2026, a production company  
8 shall be eligible to receive tax credits under the Cast and Crew Nebraska  
9 Act for qualifying expenditures incurred by the production company in  
10 Nebraska directly attributable to a qualified production activity.

11       (2) The tax credit under the Cast and Crew Nebraska Act shall be a  
12 refundable tax credit allowed against the income tax imposed by the  
13 Nebraska Revenue Act of 1967 in an amount equal to twenty percent of the  
14 qualifying expenditures incurred by the production company directly  
15 attributable to a qualified production activity.

16       (3) The amount of the tax credit may be increased by any or all of  
17 the following amounts:

18       (a) An additional five percent of the qualifying expenditures  
19 incurred by the production company directly attributable to a qualified  
20 production activity if the qualified production activity films Nebraska  
21 as Nebraska in Nebraska, contains a minimum of seventy percent of the  
22 principal photography from the original submitted screenplay based in  
23 Nebraska, and uses a screen credit;

24       (b) An additional five percent of the qualifying expenditures  
25 incurred by the production company directly attributable to a full-length  
26 qualified production activity if the qualified production activity films  
27 entirely in areas at least thirty miles from the corporate limits of a  
28 city of the metropolitan class or city of the primary class; and

29       (c)(i) An additional five percent of qualified expenditures incurred  
30 by the production company directly attributable to a full-length  
31 qualified production activity that are wages paid, at a rate of at least

1 the Nebraska minimum wage, to Nebraska residents who are employed as  
2 first-time actors or first-time below-the-line employees.

3 (ii) For purposes of subdivision (3)(c)(i) of this section, first-  
4 time means the individual's first-time receiving compensation and wages  
5 as either an actor or as a below-the-line employee on a full-length film  
6 in the State of Nebraska.

7 (iii) The wages of a maximum of ten first-time actors and below-the-  
8 line employees per full-length film can be used in calculating the tax  
9 credit in subdivision (3)(c)(i) of this section.

10 **Sec. 21.** Section 77-3126, Revised Statutes Cumulative Supplement,  
11 2024, is amended to read:

12 77-3126 (1) The total amount of tax credits allowed in any fiscal  
13 year 2025-26 under the Cast and Crew Nebraska Act shall not exceed five  
14 hundred thousand dollars ~~in fiscal year 2025-26 and one million dollars~~  
15 ~~in any fiscal year thereafter.~~

16 (2) The maximum allowable tax credit claimed under the act in any  
17 single taxable year for any qualified production activity that is a full-  
18 length film, made-for-television movie, television series of at least  
19 five episodes, or streaming television series shall not exceed five  
20 hundred thousand dollars ~~in fiscal year 2025-26 and one million dollars~~  
21 ~~in any fiscal year thereafter.~~

22 **Sec. 22.** Section 77-3136, Revised Statutes Cumulative Supplement,  
23 2024, is amended to read:

24 77-3136 (1) For taxable years beginning or deemed to begin on or  
25 after January 1, 2025, and before January 1, 2026, under the Internal  
26 Revenue Code of 1986, as amended, an eligible taxpayer shall be allowed a  
27 credit against the income tax imposed by the Nebraska Revenue Act of 1967  
28 or any tax imposed by sections 77-907 to 77-918 or 77-3801 to 77-3807 for  
29 qualified shortline railroad maintenance expenditures.

30 (2) The credit provided in this section shall be a nonrefundable tax  
31 credit equal to fifty percent of the qualified shortline railroad

1 maintenance expenditures incurred during the taxable year by the eligible  
2 taxpayer. The amount of the credit may not exceed an amount equal to one  
3 thousand five hundred dollars multiplied by the number of miles of  
4 railroad track owned or leased in the state by the eligible taxpayer at  
5 the end of the taxable year.

6 (3) The total amount of tax credits allowed in a fiscal year 2025-26  
7 under the Nebraska Shortline Rail Modernization Act shall not exceed five  
8 hundred thousand dollars ~~for fiscal year 2025-26 and one million dollars~~  
9 ~~for any fiscal year thereafter.~~

10 **Sec. 23.** Section 77-3143, Revised Statutes Cumulative Supplement,  
11 2024, is amended to read:

12 77-3143 There shall be no new applications for tax credits filed  
13 under the Nebraska Shortline Rail Modernization Act after December 31,  
14 2025 ~~2033~~. All applications and all credits pending or approved before  
15 such date shall continue in full force and effect.

16 **Sec. 24.** Section 77-3152, Revised Statutes Cumulative Supplement,  
17 2024, is amended to read:

18 77-3152 (1) Prior to making a contribution to an eligible charitable  
19 organization, any taxpayer desiring to claim a tax credit under the  
20 Nebraska Pregnancy Help Act shall notify the eligible charitable  
21 organization of the taxpayer's intent to make a contribution and the  
22 amount to be claimed as a tax credit. Upon receiving each such  
23 notification, the eligible charitable organization shall notify the  
24 department of the intended tax credit amount. If the department  
25 determines that the intended tax credit amount in the notification would  
26 exceed the limit specified in subsection (3) of this section, the  
27 department shall notify the eligible charitable organization of its  
28 determination within thirty days after receipt of the notification. The  
29 eligible charitable organization shall then promptly notify the taxpayer  
30 of the department's determination that the intended tax credit amount in  
31 the notification is not available. If an amount less than the amount



1 indicated in the notification is available for a tax credit, the  
2 department shall notify the eligible charitable organization of the  
3 available amount and the eligible charitable organization shall notify  
4 the taxpayer of the available amount within three business days.

5 (2) In order to be allowed a tax credit as provided by the act, the  
6 taxpayer shall make its contribution between thirty-one and sixty days  
7 after notifying the eligible charitable organization of the taxpayer's  
8 intent to make a contribution. If the eligible charitable organization  
9 does not receive the contribution within the required time period, it  
10 shall notify the department of such fact and the department shall no  
11 longer include such amount when calculating whether the limit prescribed  
12 in subsection (3) of this section has been exceeded. If the eligible  
13 charitable organization receives the contribution within the required  
14 time period, it shall provide the taxpayer with a receipt for the  
15 contribution. The receipt shall show the name and address of the eligible  
16 charitable organization, the name, address, and, if available, tax  
17 identification number of the taxpayer making the contribution, the amount  
18 of the contribution, and the date the contribution was received.

19 (3) The department shall consider notifications regarding intended  
20 tax credit amounts in the order in which they are received to ascertain  
21 whether the intended tax credit amounts are within the annual limit  
22 provided in this subsection. The annual limit on the total amount of tax  
23 credits for fiscal year 2025-26 shall be five hundred thousand dollars.  
24 The annual limit on the total amount of tax credits for fiscal year  
25 2026-27 and each fiscal year thereafter shall be zero ~~one~~ million  
26 dollars. Once credits have reached the annual limit for any fiscal year,  
27 no additional credits shall be allowed for such fiscal year. Credits  
28 shall be prorated among the notifications received on the day the annual  
29 limit is exceeded. No more than fifty percent of the credits allowed for  
30 any fiscal year shall be for contributions to a single eligible  
31 charitable organization.

1           **Sec. 25.** Section 77-3169, Revised Statutes Cumulative Supplement,  
2 2024, is amended to read:

3           77-3169 (1) For taxable years beginning or deemed to begin on or  
4 after January 1, 2024, and before January 1, 2026, under the Internal  
5 Revenue Code of 1986, as amended, a taxpayer shall be eligible to receive  
6 a one-time credit against the income tax imposed by the Nebraska Revenue  
7 Act of 1967 for the cost of installation of a reverse osmosis system at  
8 the primary residence of the taxpayer if test results for the following  
9 in the drinking water for such residence are above:

10           (a) Ten parts per million for nitrate nitrogen;

11           (b) Four parts per trillion for perfluorooctanoic acid or  
12 perfluorooctanesulfonic acid;

13           (c) Thirty micrograms per liter or thirty parts per billion for  
14 uranium; or

15           (d) One on the Hazard Index for perfluorononanoic acid,  
16 perfluorohexanesulfonic acid, hexafluoropropylene oxide dimer acid and  
17 its ammonium salt, or perfluorobutanesulfonic acid.

18           (2) Only one taxpayer per residence may be a recipient of the  
19 credit.

20           (3) The credit provided in this section shall be a refundable tax  
21 credit equal to fifty percent of the cost incurred by the taxpayer during  
22 the taxable year for installation of the reverse osmosis system, up to a  
23 maximum of one thousand dollars.

24           (4) A taxpayer shall apply for the credit provided in this section  
25 by submitting an application to the department with the following  
26 information:

27           (a) Documentation of the test results of the drinking water for the  
28 taxpayer's primary residence;

29           (b) Documentation of the cost of the reverse osmosis system  
30 installed at such residence; and

31           (c) Any other documentation required by the department.

1 (5) If the department determines that the taxpayer qualifies for the  
2 tax credit under this section, the department shall approve the  
3 application and certify the amount of the approved credit to the  
4 taxpayer.

5 (6) The department shall consider applications in the order in which  
6 they are received and may approve tax credits under this section each  
7 fiscal year until the aggregate limit allowed under subsection (7) of  
8 this section has been reached.

9 (7) The department may approve tax credits for ~~each~~ fiscal years  
10 2024-25 and 2025-26 year until the total amount of credits approved for  
11 the applicable fiscal year reaches five hundred thousand dollars ~~for~~  
12 ~~fiscal years 2024-25, 2025-26, and 2026-27 and one million dollars for~~  
13 ~~any fiscal year thereafter.~~

14 (8) A taxpayer shall claim any tax credits granted under this  
15 section by attaching the tax credit certification received from the  
16 department under subsection (5) of this section to the taxpayer's tax  
17 return.

18 **Sec. 26.** Section 77-3806, Revised Statutes Cumulative Supplement,  
19 2024, is amended to read:

20 77-3806 (1) The tax return shall be filed and the total amount of  
21 the franchise tax shall be due on the fifteenth day of the third month  
22 after the end of the taxable year. No extension of time to pay the tax  
23 shall be granted. If the Tax Commissioner determines that the amount of  
24 tax can be computed from available information filed by the financial  
25 institutions with either state or federal regulatory agencies, the Tax  
26 Commissioner may, by regulation, waive the requirement for the financial  
27 institutions to file returns.

28 (2) Sections 77-2714 to 77-27,135 relating to deficiencies,  
29 penalties, interest, the collection of delinquent amounts, and appeal  
30 procedures for the tax imposed by section 77-2734.02 shall also apply to  
31 the tax imposed by section 77-3802. If the filing of a return is waived

1 by the Tax Commissioner, the payment of the tax shall be considered the  
2 filing of a return for purposes of sections 77-2714 to 77-27,135.

3 (3) No refund of the tax imposed by section 77-3802 shall be allowed  
4 unless a claim for such refund is filed within ninety days of the date on  
5 which (a) the tax is due or was paid, whichever is later, (b) a change is  
6 made to the amount of deposits or the net financial income of the  
7 financial institution by a state or federal regulatory agency, or (c) the  
8 Nebraska Investment Finance Authority issues an eligibility statement to  
9 the financial institution pursuant to the Affordable Housing Tax Credit  
10 Act.

11 (4) Any such financial institution shall receive a credit on the  
12 franchise tax as provided under the Affordable Housing Tax Credit Act,  
13 the Creating High Impact Economic Futures Act, the Nebraska Higher Blend  
14 Tax Credit Act, the Nebraska Job Creation and Mainstreet Revitalization  
15 Act, the Nebraska Property Tax Incentive Act, the Relocation Incentive  
16 Act, the New Markets Job Growth Investment Act, ~~the Sustainable Aviation~~  
17 ~~Fuel Tax Credit Act,~~ and the Nebraska Shortline Rail Modernization Act.

18 **Sec. 27.** Section 77-4405, Revised Statutes Cumulative Supplement,  
19 2024, is amended to read:

20 77-4405 (1) If the department finds that creation of the good life  
21 district would not exceed the limits prescribed in subsection (4) of  
22 section 77-4404 and the project described in the application meets the  
23 eligibility requirements of this section, the application shall be  
24 approved, except that no applications shall be approved on or after the  
25 operative date of this section.

26 (2) A project is eligible if:

27 (a) The applicant demonstrates that the total new development costs  
28 of the project will exceed:

29 (i) One billion dollars if the project will be located in a city of  
30 the metropolitan class;

31 (ii) Seven hundred fifty million dollars if the project will be

1 located in a city of the primary class;

2 (iii) Five hundred million dollars if the project will be located in  
3 a city of the first class, city of the second class, or village within a  
4 county with a population of one hundred thousand inhabitants or more; or

5 (iv) One hundred million dollars if the project will be located in a  
6 city of the first class, city of the second class, village, or sanitary  
7 and improvement district within a county with a population of less than  
8 one hundred thousand inhabitants;

9 (b) The applicant demonstrates that the project will directly or  
10 indirectly result in the creation of:

11 (i) One thousand new jobs if the project will be located in a city  
12 of the metropolitan class;

13 (ii) Five hundred new jobs if the project will be located in a city  
14 of the primary class;

15 (iii) Two hundred fifty new jobs if the project will be located in a  
16 city of the first class, city of the second class, or village within a  
17 county with a population of one hundred thousand inhabitants or more; or

18 (iv) Fifty new jobs if the project will be located in a city of the  
19 first class, city of the second class, village, or sanitary and  
20 improvement district within a county with a population of less than one  
21 hundred thousand inhabitants; and

22 (c)(i) For a project that will be located in a county with a  
23 population of one hundred thousand inhabitants or more, the applicant  
24 demonstrates that, upon completion of the project, at least twenty  
25 percent of sales at the project will be made to persons residing outside  
26 the State of Nebraska or the project will generate a minimum of six  
27 hundred thousand visitors per year who reside outside the State of  
28 Nebraska and the project will attract new-to-market retail to the state  
29 and will generate a minimum of three million visitors per year. Students  
30 from another state who attend a Nebraska public or private university  
31 shall not be counted as out-of-state residents for purposes of this

1 subdivision; or

2 (ii) For a project that will be located in a county with a  
3 population of less than one hundred thousand inhabitants, the applicant  
4 demonstrates that, upon completion of the project, at least twenty  
5 percent of sales at the project will be made to persons residing outside  
6 the State of Nebraska. Students from another state who attend a Nebraska  
7 public or private university shall not be counted as out-of-state  
8 residents for purposes of this subdivision.

9 (3) The applicant must certify that any anticipated diversion of  
10 state sales tax revenue will be offset or exceeded by sales tax paid on  
11 anticipated development costs, including construction to real property,  
12 during the same period.

13 (4) A project is not eligible if:

14 (a) The project includes a licensed racetrack enclosure or an  
15 authorized gaming operator as such terms are defined in section 9-1103,  
16 except that this subdivision shall not apply to infrastructure or  
17 facilities that are (i) publicly owned or (ii) used by or at the  
18 direction of the Nebraska State Fair Board, so long as no gaming devices  
19 or games of chance are expected to be operated by an authorized gaming  
20 operator within any such facilities;

21 (b) The project received funds pursuant to the Shovel-Ready Capital  
22 Recovery and Investment Act or the Economic Recovery Act, except that  
23 this subdivision shall not apply to any project located in a qualified  
24 inland port district; or

25 (c) The project includes any portion of a public or private  
26 university.

27 (5) Approval of an application under this section shall establish  
28 the good life district as that area depicted in the map accompanying the  
29 application as submitted pursuant to subdivision (1)(b) of section  
30 77-4404. Such district shall last for thirty years and shall not exceed  
31 two thousand acres in size if in a city of the metropolitan class, three

1 thousand acres in size if in any other class of city or village, or, for  
2 any good life district created within a qualified inland port district,  
3 the size of the qualified inland port district.

4 (6)(a) Prior to July 1, 2024, any transactions occurring within a  
5 good life district shall be subject to a reduced state sales tax rate as  
6 provided in subdivision (5) of section 77-2701.02.

7 (b) On and after July 1, 2024, any transactions occurring within a  
8 good life district shall be subject to a reduced state sales tax rate as  
9 provided in subdivision (6) of section 77-2701.02.

10 (7) After establishment of a good life district pursuant to this  
11 section, a good life district applicant may adjust the boundaries of the  
12 district by filing an amended map with the department and updates or  
13 supplements to the application materials originally submitted by the good  
14 life district applicant to demonstrate the eligibility criteria in  
15 subsection (2) of this section will be met after the boundaries are  
16 adjusted. The department shall approve the new boundaries on the  
17 following conditions:

18 (a) The department determines that the eligibility criteria in  
19 subsection (2) of this section will continue to be met after the proposed  
20 boundary adjustment based on the materials submitted by the good life  
21 district applicant; and

22 (b) For any area being removed from the district:

23 (i) The department shall solicit and receive from the city or  
24 village in which all or a portion of the good life district is located  
25 confirmation that no area being removed is attributable to local sources  
26 of revenue which have been pledged for payment of bonds issued pursuant  
27 to the Good Life District Economic Development Act. Confirmation may  
28 include resolutions, meeting minutes, or other official measures adopted  
29 or taken by the city council or village board of trustees; and

30 (ii) Either the department has received written consent from the  
31 owners of real estate proposed to be removed from the good life district,

1 or a hearing is held by the department in the manner described in this  
2 subdivision and the department finds that the removal of the affected  
3 property is in the best interests of the state and that the removal is  
4 consistent with the goals and purposes of the approved application for  
5 the good life district. In determining whether removal of the affected  
6 property is consistent with the goals and purposes of the approved  
7 application for the good life district, the department may consider any  
8 formal action taken by the city council or village board of trustees.  
9 Proof of such formal action may include resolutions, meeting minutes, or  
10 other official measures adopted or taken. Such hearing must be held at  
11 least ninety days after delivering written notice via certified mail to  
12 the owners of record for the affected real estate proposed to be removed  
13 from the good life district. The hearing must be open to the public and  
14 for the stated purpose of hearing testimony regarding the proposed  
15 removal of property from the good life district. Attendees must be given  
16 the opportunity to speak and submit documentary evidence at, prior to, or  
17 contemporaneously with such hearing for the department to consider in  
18 making its findings.

19 (8) After establishment of a good life district pursuant to this  
20 section, but within twelve months after the approval of the original  
21 application or after any modification is made to the boundaries of a good  
22 life district pursuant to this section, a city or village in which any  
23 part of the applicable good life district is located may file a  
24 supplemental request to the department to increase the size of the good  
25 life district by up to one thousand acres. Such supplemental request  
26 shall be accompanied by such materials and certifications necessary to  
27 demonstrate that such increase would not negatively impact the criteria  
28 that were necessary for the original establishment of such good life  
29 district.

30 (9) After establishment of a good life district pursuant to this  
31 section and after any modification is made to the boundaries of a good



1 life district pursuant to this section, the department shall transmit to  
2 any city or village which includes such good life district within its  
3 boundaries or within its extraterritorial zoning jurisdiction (a) all  
4 information held by the department related to the application and  
5 approval of the application, (b) all documentation which describes the  
6 property included within the good life district, and (c) all  
7 documentation transmitted to the applicant for such good life district  
8 with approval of the application and establishment of the good life  
9 district. Such city or village shall be subject to the same  
10 confidentiality restrictions as provided in subsection (3) of section  
11 77-4404, except that all such documents, plans, and specifications  
12 included in the application which the city or village determine define or  
13 describe the project may be provided upon written request of any person  
14 who owns property in the applicable good life district.

15 (10) After establishment of a good life district that exceeds one  
16 thousand acres in size, the good life district applicant may apply to the  
17 department to establish development and design standards for the good  
18 life district. Such standards may include, but are not limited to,  
19 standards for architectural design, landscape design, construction  
20 materials, and sustainability, but may not require property owners to  
21 utilize specific contractors, professionals, suppliers, or service  
22 providers. The department may approve the standards after holding a  
23 hearing after one hundred eighty days' notice to all property owners in  
24 the district if the department finds that the standards will ensure a  
25 comprehensive and cohesive character and aesthetic for development in the  
26 good life district, and that the standards will further the purposes of  
27 the Good Life Transformational Projects Act. The development and design  
28 standards must be commercially reasonable and consistent with terminology  
29 and accepted practices in the architecture industry, must not conflict  
30 with any building code or other similar law or regulation, and must not  
31 impose an undue burden on property owners in the district. If approved,

1 the standards shall apply to all new construction inside of the good life  
2 district. Notwithstanding the foregoing, any such standards established  
3 by the department shall be in addition and supplemental to any local  
4 zoning, building code, comprehensive plan, or similar requirements of the  
5 city or village, which requirements of the city or village shall control  
6 to the extent of any conflict with any design standards established by  
7 the department.

8 (11) Demonstration of meeting the required new development costs for  
9 purposes of subdivision (2)(a) of this section may be established by  
10 evidence submitted by the good life district applicant, the city or  
11 village where the good life district is located, or any other person  
12 which submits satisfactory evidence to the department.

13 **Sec. 28.** Section 77-6605, Revised Statutes Cumulative Supplement,  
14 2024, is amended to read:

15 77-6605 The director shall consider program certification  
16 applications under section 77-6604 in the order in which they are  
17 received. The director may accept program certification applications on a  
18 continuous basis or may establish, by rule and regulation, an annual  
19 program certification application deadline. The director may approve  
20 program certification applications for eligible businesses for a total of  
21 up to three million dollars in tax credits for calendar years 2022 and  
22 2023 and up to six million dollars in tax credits ~~per calendar year~~ for  
23 calendar years 2024 and 2025 ~~beyond. Program certification applications~~  
24 ~~approved after such annual limit has been reached shall be placed on a~~  
25 ~~wait list in the order in which they are received.~~

26 **Sec. 29.** Section 77-6607, Revised Statutes Cumulative Supplement,  
27 2024, is amended to read:

28 77-6607 (1) The tax credit under the Renewable Chemical Production  
29 Tax Credit Act shall be in an amount equal to the product of seven and  
30 one-half cents multiplied by the number of pounds of renewable chemicals  
31 produced in this state by the eligible business during each calendar year

1 in excess of the eligible business's pre-eligibility production  
2 threshold. The maximum amount of tax credits that may be issued to an  
3 eligible business under a single tax credit application shall not exceed  
4 one million five hundred thousand dollars per year.

5 (2) The tax credit shall be a refundable credit that may be used  
6 against any income tax imposed by the Nebraska Revenue Act of 1967. Any  
7 credit in excess of the eligible business's tax liability shall be  
8 refunded to the taxpayer.

9 (3) An eligible business shall not receive a tax credit for  
10 renewable chemicals produced before the date the business first qualified  
11 as an eligible business.

12 (4) The tax credit shall not be available for any renewable  
13 chemicals produced before the 2022 calendar year.

14 (5) Any tax credit allowable to a partnership, a limited liability  
15 company, a subchapter S corporation, or an estate or trust may be  
16 distributed to the partners, limited liability company members,  
17 shareholders, or beneficiaries in the same manner as income is  
18 distributed.

19 (6) An eligible business shall claim the tax credit by attaching the  
20 tax credit certification received from the department under section  
21 77-6606 to its tax return for the tax year in which the credit was  
22 approved.

23 (7) Tax credits shall not be available for taxable years beginning  
24 or deemed to begin on or after January 1, 2026.

25 **Sec. 30.** Section 77-6610, Revised Statutes Cumulative Supplement,  
26 2024, is amended to read:

27 77-6610 (1) On or before January 31, 2024, and on or before each  
28 January 31, 2025 thereafter, the director and the Department of Revenue  
29 shall electronically submit a report on the Renewable Chemical Production  
30 Tax Credit Act to the Revenue Committee of the Legislature. At a minimum,  
31 the report shall include the following information regarding tax credits

1 and the recipients of such credits:

2 (a) The aggregate number of pounds, and a list of each type, of  
3 renewable chemicals produced in Nebraska by all recipients (i) during the  
4 calendar year prior to the calendar year for which each recipient first  
5 received tax credits and (ii) for each calendar year thereafter;

6 (b) The aggregate sales of all renewable chemicals produced by all  
7 recipients in each calendar year for which there are at least five  
8 recipients;

9 (c) The aggregate number of pounds, and a list of each type, of  
10 biomass feedstock used in the production of renewable chemicals in  
11 Nebraska by all recipients (i) during the calendar year prior to the  
12 calendar year for which each recipient first received tax credits and  
13 (ii) for each calendar year thereafter;

14 (d) The number of employees located in Nebraska of all recipients  
15 (i) during the calendar year prior to the calendar year for which each  
16 recipient first received tax credits and (ii) for each calendar year  
17 thereafter;

18 (e) The number and aggregate amount of tax credits issued for each  
19 calendar year;

20 (f) The number of eligible businesses placed on the wait list for  
21 each calendar year and the total number of eligible businesses remaining  
22 on the wait list at the end of that calendar year;

23 (g) The dollar amount of tax credit claims placed on the wait list  
24 for each calendar year and the total dollar amount of tax credit claims  
25 remaining on the wait list at the end of that calendar year;

26 (h) For each eligible business which received tax credits during  
27 each calendar year: (i) The identity of the eligible business; (ii) the  
28 amount of the tax credits; and (iii) the manner in which the eligible  
29 business first qualified as an eligible business, whether by organizing,  
30 expanding, or locating in the state; and

31 (i) The total amount of all tax credits claimed during each calendar

1 year, and the portion issued as refunds.

2 (2) In order to protect the presumption of confidentiality provided  
3 for in section 77-6609, the director and Department of Revenue shall  
4 report all information in an aggregate form to prevent, to the extent  
5 reasonably possible, information being attributable to any particular  
6 eligible business, except as provided in subdivision (1)(h) of this  
7 section.

8 **Sec. 31.** Section 77-6919, Revised Statutes Cumulative Supplement,  
9 2024, is amended to read:

10 77-6919 (1) To earn the incentives set forth in the Urban  
11 Redevelopment Act, the taxpayer shall file an application for an  
12 agreement with the Director of Economic Development.

13 (2) The application shall:

14 (a) Identify the taxpayer applying for incentives;

15 (b) Identify the location or locations where the new investment and  
16 employment will occur, including documentation to show that each such  
17 location is a qualified location;

18 (c) State the estimated, projected amount of new investment and the  
19 estimated, projected number of new equivalent employees; and

20 (d) Include an application fee of five hundred dollars. The fee  
21 shall be remitted to the State Treasurer for credit to the Nebraska  
22 Incentives Fund.

23 (3) Subject to the limit in subsection (4) of this section, the  
24 director shall approve the application and authorize the total amount of  
25 incentives expected to be earned if he or she is satisfied that the  
26 qualified location or locations meet the requirements established in  
27 section 77-6920 and such requirements will be reached within the required  
28 time period.

29 (4) The director shall not approve further applications once the  
30 expected incentives from the approved projects total eight million  
31 dollars. All but one hundred dollars of the application fee shall be

1 refunded to the applicant if the application is not approved for any  
2 reason.

3 (5) Applications for incentives shall be considered in the order in  
4 which they are received.

5 (6) The director has ninety days to approve a complete application.

6 (7) After approval, the taxpayer and the director shall enter into a  
7 written agreement. As part of such agreement, the taxpayer shall agree to  
8 increase the levels of employment and investment required by the act and  
9 the director, on behalf of the State of Nebraska, shall, in consideration  
10 of the taxpayer's agreement, agree to allow the taxpayer to use the  
11 incentives contained in the Urban Redevelopment Act up to the total  
12 amount that were authorized by the director at the time of approval. The  
13 application and all supporting documentation, to the extent approved,  
14 shall be considered a part of the agreement. The agreement shall state:

15 (a) The levels of employment and investment required by the act for  
16 the project;

17 (b) The time period under the act in which the required levels must  
18 be met;

19 (c) The documentation the taxpayer will need to supply when claiming  
20 an incentive under the act;

21 (d) The date the application was filed; and

22 (e) The maximum amount of incentives authorized.

23 (8) The application, the agreement, all supporting information, and  
24 all other information reported to the Director of Economic Development  
25 shall be kept confidential by the director, except for the name of the  
26 taxpayer, the location of the project, the estimated amounts of increased  
27 employment and investment stated in the application, the date of the  
28 complete application, the date the agreement was signed, and the  
29 information required to be reported by section 77-6928. The application,  
30 the agreement, and all supporting information shall be provided by the  
31 director to the Department of Revenue. The director shall disclose, to

1 any municipalities in which project locations exist, the approval of an  
2 application and the execution of an agreement under this section. The Tax  
3 Commissioner shall also notify each municipality of the amount and  
4 taxpayer identity for each refund of local option sales and use taxes of  
5 the municipality within thirty days after the refund is allowed or  
6 approved. Disclosures shall be kept confidential by the municipality  
7 unless publicly disclosed previously by the taxpayer or by the State of  
8 Nebraska.

9 (9) There shall be no new applications for incentives filed under  
10 this section after the operative date of this section ~~December 31, 2031~~.

11 **Sec. 32.** Section 77-7012, Revised Statutes Cumulative Supplement,  
12 2024, is amended to read:

13 77-7012 (1) If the department determines that an application is  
14 complete and that the taxpayer qualifies for tax credits, the department  
15 shall approve the application within the limits set forth in this section  
16 and shall certify the amount of tax credits approved to the taxpayer.

17 (2) The department may approve up to one million dollars in tax  
18 credits in fiscal year 2024-25 and each ~~up to one million five hundred~~  
19 ~~thousand dollars in tax credits in any~~ fiscal year thereafter. If the  
20 total amount of tax credits requested in any fiscal year exceeds such  
21 limit, the department shall allocate the tax credits proportionally based  
22 upon amounts requested.

23 **Sec. 33.** Sections 4, 5, 6, 7, and 35 of this act become operative  
24 on January 1, 2026. The other sections of this act become operative on  
25 their effective date.

26 **Sec. 34.** Original section 13-3106, Reissue Revised Statutes of  
27 Nebraska, and sections 77-908, 77-2701.04, 77-2715.07, 77-2716, 77-2717,  
28 77-2733, 77-2734.03, 77-27,187.02, 77-27,188, 77-27,241, 77-3109,  
29 77-3110, 77-3111, 77-3120, 77-3125, 77-3126, 77-3136, 77-3143, 77-3152,  
30 77-3169, 77-3806, 77-4405, 77-6605, 77-6607, 77-6610, 77-6919, and  
31 77-7012, Revised Statutes Cumulative Supplement, 2024, are repealed.

1           **Sec. 35.** Original sections 77-2701.16, 77-2703, 77-2704.36, and  
2 77-2708, Revised Statutes Cumulative Supplement, 2024, are repealed.

3           **Sec. 36.** The following sections are outright repealed: Sections  
4 77-2701.56, 77-2706.02, 77-7017, 77-7018, 77-7019, 77-7020, 77-7021, and  
5 77-7022, Revised Statutes Cumulative Supplement, 2024.

6           **Sec. 37.** Since an emergency exists, this act takes effect when  
7 passed and approved according to law.