

LEGISLATURE OF NEBRASKA  
ONE HUNDRED EIGHTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 937**

FINAL READING

Introduced by Bostar, 29; Sanders, 45; Day, 49.

Read first time January 04, 2024

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend section  
2 66-489, Reissue Revised Statutes of Nebraska, sections 66-482,  
3 77-908, 77-3806, and 81-1220, Revised Statutes Cumulative  
4 Supplement, 2022, and sections 77-2701, 77-2701.04, 77-2701.41,  
5 77-2704.12, 77-2711, 77-2713, 77-2715.07, 77-2716, 77-2717,  
6 77-2734.03, 77-27,223, 77-27,241, 77-7012, and 77-7015, Revised  
7 Statutes Supplement, 2023; to adopt the Cast and Crew Nebraska Act,  
8 the Nebraska Shortline Rail Modernization Act, the Nebraska  
9 Pregnancy Help Act, the Individuals with Intellectual and  
10 Developmental Disabilities Support Act, the Medical Debt Relief Act,  
11 the Sustainable Aviation Fuel Tax Credit Act, the Caregiver Tax  
12 Credit Act, and the Reverse Osmosis System Tax Credit Act; to change  
13 provisions relating to fuel tax; to provide for sales and use tax  
14 exemptions; to change provisions relating to tax credits; to provide  
15 for grant programs for the film industry; to define and redefine  
16 terms; to eliminate obsolete provisions; to harmonize provisions; to  
17 provide operative dates; to repeal the original sections; and to  
18 outright repeal section 66-4,146.01, Reissue Revised Statutes of  
19 Nebraska.  
20 Be it enacted by the people of the State of Nebraska,

1           Section 1. Sections 1 to 13 of this act shall be known and may be  
2 cited as the Cast and Crew Nebraska Act.

3           Sec. 2. (1) The Legislature finds that:

4           (a) Film and television production in Nebraska not only provides  
5 jobs for residents of Nebraska and dollars for Nebraska businesses but  
6 also enhances the state's image nationwide;

7           (b) The high cost of film and television production is driving such  
8 production to other states, and the industry is always seeking attractive  
9 locations that can help cut the costs of production;

10           (c) The retention of Nebraska's youth is one of the top priorities  
11 in growing the state's economy. Film studies and creative arts students  
12 from the universities and colleges in Nebraska are taking their talents  
13 to other states due to the lack of strongly developed media production  
14 facilities within the state;

15           (d) The State of Nebraska, with a competitive incentive, can build  
16 on past success as an attractive site for film and television production;

17           (e) Nebraska is presently among several states with minimal  
18 incentives to attract the film and television industry; and

19           (f) A new and attractive film incentive should be used in  
20 conjunction with the Local Option Municipal Economic Development Act,  
21 passed by the Ninety-Second Legislature, First Session, 1991, as  
22 Legislative Bill 840, for municipalities that have included production of  
23 films or television programs as a qualifying business expense.

24           (2) It is the intent of the Legislature to provide an incentive that  
25 will allow the state to compete with other states and increase film and  
26 television production in this state.

27           Sec. 3. For purposes of the Cast and Crew Nebraska Act:

28           (1) Above-the-line employee means production company employees  
29 involved in the creative development, direct production, and direction of  
30 a production activity including screenwriters, producers, directors,  
31 casting directors, and cast;

1       (2) Below-the-line employee means production company employees that  
2 are responsible for keeping production operations on schedule and  
3 preparing all lights, sets, props, and other aspects for production;

4       (3) Department means the Department of Economic Development;

5       (4)(a) Expatriate means a person that previously resided in Nebraska  
6 for at least one year but does not currently reside in Nebraska.

7       (b) The Nebraska Film Office shall partner with other instate film  
8 offices, production companies, chambers of commerce, and convention and  
9 visitors bureaus in the state to maintain a roster of cast and crew who  
10 are expatriates and shall make such roster available to any production  
11 company upon request;

12       (5) Film office means a specialized office under the authority of a  
13 government entity or an administrative office with the purpose of  
14 promoting the local region through the development of film, video, and  
15 multimedia productions;

16       (6) Full-length means a production at least sixty minutes in length  
17 including credits;

18       (7) Loan out means payments to a loan out company by a production  
19 company if the production company withheld and remitted Nebraska  
20 applicable income tax on all payments to the loan out company for  
21 services performed in this state. The amount withheld is considered to  
22 have been withheld by the loan out company on wages paid to its employees  
23 for services performed in this state. Loan out company nonresident  
24 employees performing services in this state must be considered taxable  
25 nonresidents, and the loan out company is subject to income taxation in  
26 the taxable year in which the loan out company's employees perform  
27 services in this state;

28       (8) Loan out company means a United States business entity in which  
29 the creator is an employee whose services are loaned out by the corporate  
30 body;

31       (9) Nebraska Film Office means the Nebraska Film Office within the

1 Department of Economic Development or its successor;

2 (10) Nebraska supplier means a brick and mortar Nebraska-based  
3 corporation or limited liability company registered, licensed, and in  
4 good standing with the Secretary of State;

5 (11) Post-production means the time period after the production is  
6 completed and the editing of the visual and audio materials begins. Post-  
7 production includes, but is not limited to, all of the tasks associated  
8 with cutting raw footage, assembling that footage, and adding and dubbing  
9 music, sound effects, and visual effects;

10 (12) Pre-production means the planning process and execution of  
11 every task that must take place before production begins;

12 (13) Principal photography means the creative execution phase of  
13 film production between pre-production and post-production;

14 (14)(a) Production activity means production of a new film, video,  
15 or digital project in this state. This includes the scouting, pre-  
16 production, principal photography, and post-production of projects filmed  
17 or recorded in this state, in whole or in part and in short or long form  
18 and animation, fixed on a delivery system, including film, videotape,  
19 computer disc, laser disc, and any element of the digital domain, from  
20 which the program is viewed or reproduced and which is intended for  
21 multimarket commercial distribution via a theater, video on demand,  
22 digital or fiber optic distribution platforms, digital video recording, a  
23 digital platform designed for distribution of interactive games,  
24 licensing for exhibition by individual television stations, groups of  
25 stations, networks, advertiser-supported sites, cable television  
26 stations, streaming services, or public broadcasting stations.

27 (b) Production activity includes full-length films, animation  
28 projects, documentaries, short-length films, and over-the-air and  
29 streaming television programming, except those television programs that  
30 are exclusively for news, weather, sports, financial market reports, or  
31 instructional videos, and also includes commercial advertisements, except

1 commercials containing political promotions, infomercials, or commercials  
2 distributed only on the Internet.

3 (c) Production activity does not include any project with sexually  
4 explicit or obscene material;

5 (15) Production company means a corporation, partnership, limited  
6 liability company, or other business entity engaged in the business of  
7 creating productions and registered with the Secretary of State to engage  
8 in business in Nebraska;

9 (16)(a) Production expenditure report means a report issued and  
10 submitted by a certified public accountant that verifies all expenses of  
11 a production activity and ensures all expenses have been paid in full.

12 (b) The production company shall pay the certified public accountant  
13 for preparation of the report and such payment is a qualifying  
14 expenditure under section 4 of this act;

15 (17) Qualified production activity means any production activity  
16 approved by the department after application for qualification;

17 (18) Resident means any individual domiciled in the State of  
18 Nebraska and any other individual who maintains a permanent place of  
19 residence within the state even though temporarily absent from the state  
20 and who has not established a residence elsewhere;

21 (19) Scouting means finding places to shoot commercials, television  
22 shows, or movies and searching for interior and exterior venues to serve  
23 as the setting for scenes depicted in a script during pre-production;

24 (20) Screen credit means a logo developed by the Nebraska Film  
25 Office and mentioned in the production credits and end titles declaring  
26 the production activity was filmed in Nebraska;

27 (21) Screenplay means a film, movie, television show, or other  
28 motion picture in written form; and

29 (22) Short-length means a production more than thirty seconds and  
30 less than forty minutes including credits.

31 Sec. 4. (1) For purposes of the Cast and Crew Nebraska Act,

1 qualifying expenditure includes:

2 (a) Pre-production, production, and post-production expenditures  
3 made in Nebraska that are subject to taxation by the state;

4 (b) Scouting and spending related to the production activity in the  
5 state prior to application for qualification;

6 (c)(i) Above-the-line employee wages for residents of Nebraska or  
7 paid through a Nebraska loan out company.

8 (ii) Loan out companies will be required to pay applicable Nebraska  
9 income taxes.

10 (iii) The total above-the-line employee wages and related expenses  
11 shall be not more than twenty-five percent of the total instate  
12 expenditures of a production activity;

13 (d) Below-the-line employee wages;

14 (e) Per diems of up to thirty dollars per day per employee; and

15 (f) Expenditures not otherwise available for rental or purchase  
16 within Nebraska and paid for via a Nebraska supplier.

17 (2) Qualifying expenditures do not include:

18 (a) Wages paid to independent contractors, or self-employed  
19 individuals, except that wages shown to be paid by a Nebraska-based  
20 production company for a commercial production activity and wages the  
21 taxes of which are shown to be withheld by the employer may be approved  
22 by the department on the application for the tax credit;

23 (b) Above-the-line employee per diems or living allowance expenses;

24 (c) Taxes imposed pursuant to the Federal Insurance Contributions  
25 Act and other payroll taxes;

26 (d) Contributions under the Federal Unemployment Tax Act and the  
27 Employment Security Law; and

28 (e) Union dues and benefits.

29 Sec. 5. (1) For taxable years beginning or deemed to begin on or  
30 after January 1, 2025, a production company shall be eligible to receive  
31 tax credits under the Cast and Crew Nebraska Act for qualifying

1 expenditures incurred by the production company in Nebraska directly  
2 attributable to a qualified production activity.

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

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

10 (a) An additional five percent of the qualifying expenditures  
11 incurred by the production company directly attributable to a qualified  
12 production activity if the qualified production activity films Nebraska  
13 as Nebraska in Nebraska, contains a minimum of seventy percent of the  
14 principal photography from the original submitted screenplay based in  
15 Nebraska, and uses a screen credit;

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

21 (c)(i) An additional five percent of qualified expenditures incurred  
22 by the production company directly attributable to a full-length  
23 qualified production activity that are wages paid, at a rate of at least  
24 the Nebraska minimum wage, to Nebraska residents who are employed as  
25 first-time actors or first-time below-the-line employees.

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

30 (iii) The wages of a maximum of ten first-time actors and below-the-  
31 line employees per full-length film can be used in calculating the tax

1 credit in subdivision (3)(c)(i) of this section.

2 Sec. 6. (1) The total amount of tax credits allowed in any fiscal  
3 year under the Cast and Crew Nebraska Act shall not exceed five hundred  
4 thousand dollars in fiscal year 2025-26 and one million dollars in any  
5 fiscal year thereafter.

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

12 Sec. 7. (1) For a production activity to qualify as a qualified  
13 production activity under the Cast and Crew Nebraska Act, a production  
14 company must file an application for qualification of a production  
15 activity to the department at least:

16 (a) Thirty days prior to the start of principal photography for a  
17 full-length film, documentary, or television programming; and

18 (b) Ten days prior to the start of filming for a short-length film,  
19 animation project, or commercial.

20 (2) The application shall be submitted on a form prescribed by the  
21 department and shall include the following:

22 (a) A nonrefundable fee of five hundred dollars;

23 (b) A detailed description of the production activity;

24 (c) An estimate of expected qualifying expenditures for the  
25 production activity;

26 (d) A certificate of general liability insurance with a minimum  
27 coverage of one million dollars;

28 (e) A worker's compensation policy;

29 (f)(i) Except as provided in subdivision (2)(f)(ii) of this section,  
30 documentation that shows the production activity is fully funded other  
31 than post-production expenditures.



1       (ii) If a production activity is a commercial production activity,  
2 documentation showing full funding for post-production expenditures shall  
3 be included; and

4       (g) Any other information or documentation required by the  
5 department.

6       Sec. 8. (1) If the department determines that an application for  
7 qualification is complete and that the production activity qualifies  
8 under the Cast and Crew Nebraska Act, the department shall approve the  
9 application, notify the production company of the approval, and issue a  
10 screen credit to the production company that can be used to meet the  
11 requirements for the tax credit increase under subdivision (3)(a) of  
12 section 5 of this act.

13       (2) The department shall consider and approve applications for  
14 qualification under the act in the order in which the applications are  
15 received.

16       Sec. 9. To receive tax credits under the Cast and Crew Nebraska  
17 Act, the production company shall submit an application to the department  
18 on a form prescribed by the department after the completion of the  
19 qualified production activity. Such application shall contain the  
20 following information:

21       (1) The total amount of qualifying expenditures for the qualified  
22 production activity;

23       (2) The production expenditure report for the qualified production  
24 activity;

25       (3) Documentation showing the total expenditures for the qualified  
26 production activity are greater than or equal to:

27       (a) Five hundred thousand dollars for a full-length film or made-  
28 for-television movie;

29       (b) Five hundred thousand dollars per over-the-air and streaming  
30 television programing episode; or

31       (c) Twenty-five thousand dollars per short-length film, documentary,

1 animation project, or commercial;

2 (4) Documentation showing the total amount of individual or loan out  
3 company wages or earnings paid during the qualified production activity  
4 is five hundred thousand dollars or less;

5 (5) Documentation showing at least forty percent of the production  
6 days for the qualified production activity were in Nebraska and, for  
7 full-length films only, at least ten days of production were in Nebraska;

8 (6) Documentation showing at least forty percent of the below-the-  
9 line employees of the qualified production activity were Nebraska  
10 residents with expatriates included in the percentage but not exceeding  
11 fifteen percent of the total below-the-line employees;

12 (7) Documentation showing at least fifteen percent of the cast of  
13 the qualified production activity were Nebraska residents with  
14 expatriates included in the percentage;

15 (8) If applying for the tax credit under subdivision (3)(c)(i) of  
16 section 5 of this act, proof of Nebraska residency for all employees  
17 whose wages will be part of the calculation of such credit for the  
18 qualified production activity; and

19 (9) Any other information or documentation required by the  
20 department.

21 Sec. 10. (1) If the department determines that an application is  
22 complete and that the production company qualifies for tax credits under  
23 the Cast and Crew Nebraska Act, the department shall approve the  
24 application, notify the production company of the approval, and conduct  
25 an audit of each qualified production activity.

26 (2) Each audit shall:

27 (a) Be completed in accordance with this section and the procedures  
28 developed by the department;

29 (b) Use sampling methods that the department may adopt;

30 (c) Follow rules and regulations adopted and promulgated by the  
31 department;

1       (d) Verify each reported qualifying expenditure and identify and  
2 exclude each such expenditure that does not fully meet the conditions of  
3 the act; and

4       (e) Exclude any expenditure not submitted with or that was incurred  
5 after the application required by section 9 of this act was submitted.

6       (3) Upon completion of the audit, the department shall adjust the  
7 value of the tax credit as necessary and issue a tax credit certification  
8 to the production company. The certificate shall include the following  
9 information:

10       (a) An identification number for the certificate;

11       (b) The date of issuance for the certificate; and

12       (c) The amount of the tax credit allowed under the act for the  
13 production company.

14       (4) The department shall consider and approve applications for tax  
15 credits under the act in the order in which the applications are  
16 received.

17       Sec. 11. (1) A taxpayer shall claim the tax credit under the Cast  
18 and Crew Nebraska Act by attaching the tax credit certification received  
19 from the department under section 10 of this act to its tax return for  
20 the taxable year in which the tax credit certification was issued or in  
21 the three taxable years immediately following the taxable year in which  
22 the tax credit certification was issued.

23       (2) The tax credits allowed under the Cast and Crew Nebraska Act may  
24 be transferred by the production company to any Nebraska taxpayer at any  
25 time during the taxable year in which the tax credit certification was  
26 issued to the transferor or in the three taxable years immediately  
27 following the taxable year in which the tax credit certification was  
28 issued to the transferor. The transferee shall pay the transferor at  
29 least eighty-five percent of the value of the transferred tax credits in  
30 order to acquire such credits.

31       Sec. 12. A production company that receives tax credits under the

1 Cast and Crew Nebraska Act shall not be eligible for a grant under  
2 subsection (3) of section 81-1220.

3 Sec. 13. The department shall adopt and promulgate rules and  
4 regulations to carry out the Cast and Crew Nebraska Act.

5 Sec. 14. Sections 14 to 23 of this act shall be known and may be  
6 cited as the Nebraska Shortline Rail Modernization Act.

7 Sec. 15. For purposes of the Nebraska Shortline Rail Modernization  
8 Act:

9 (1) Department means the Department of Revenue;

10 (2) Eligible taxpayer means any shortline railroad company located  
11 wholly or partly in Nebraska that is classified by the federal Surface  
12 Transportation Board as a Class III railroad;

13 (3)(a) Qualified shortline railroad maintenance expenditures means  
14 gross expenditures for railroad infrastructure maintenance and capital  
15 improvements, including, but not limited to, rail, tie plates, joint  
16 bars, fasteners, switches, ballast, subgrade, roadbed, bridges,  
17 industrial leads, sidings, signs, safety barriers, crossing signals and  
18 gates, and related track structures owned or leased by a Class III  
19 railroad.

20 (b) Qualified shortline railroad maintenance expenditures does not  
21 include expenditures used to generate a federal tax credit or  
22 expenditures funded by a federal grant; and

23 (4) Taxpayer means any individual, corporation, partnership, limited  
24 liability company, trust, estate, or other entity subject to the income  
25 tax imposed by the Nebraska Revenue Act of 1967 or any tax imposed by  
26 sections 77-907 to 77-918 or 77-3801 to 77-3807.

27 Sec. 16. (1) For taxable years beginning or deemed to begin on or  
28 after January 1, 2025, under the Internal Revenue Code of 1986, as  
29 amended, an eligible taxpayer shall be allowed a credit against the  
30 income tax imposed by the Nebraska Revenue Act of 1967 or any tax imposed  
31 by sections 77-907 to 77-918 or 77-3801 to 77-3807 for qualified

1 shortline railroad maintenance expenditures.

2 (2) The credit provided in this section shall be a nonrefundable tax  
3 credit equal to fifty percent of the qualified shortline railroad  
4 maintenance expenditures incurred during the taxable year by the eligible  
5 taxpayer. The amount of the credit may not exceed an amount equal to one  
6 thousand five hundred dollars multiplied by the number of miles of  
7 railroad track owned or leased in the state by the eligible taxpayer at  
8 the end of the taxable year.

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

13 Sec. 17. To receive tax credits under the Nebraska Shortline Rail  
14 Modernization Act, an eligible taxpayer shall submit an application to  
15 the department on a form prescribed by the department after incurring the  
16 relevant qualified shortline railroad maintenance expenditures. The  
17 application shall be submitted no later than May 1 of the calendar year  
18 immediately following the calendar year in which the expenditures were  
19 incurred. The application shall include the following information:

20 (1) The number of miles of railroad track owned or leased in this  
21 state by the eligible taxpayer; and

22 (2) A description of the amount of qualified shortline railroad  
23 maintenance expenditures incurred by the eligible taxpayer.

24 Sec. 18. (1) If the department determines that an application is  
25 complete and that the eligible taxpayer qualifies for tax credits under  
26 the Nebraska Shortline Rail Modernization Act, the department shall  
27 approve the application and issue a tax credit certificate to the  
28 eligible taxpayer. The certificate shall include the following  
29 information:

30 (a) An identification number for the certificate;

31 (b) The date of issuance for the certificate; and

1        (c) The amount of the tax credit allowed under the act for the  
2 eligible taxpayer.

3        (2) The department shall consider and approve applications for tax  
4 credits under the act in the order in which the applications are  
5 received.

6        Sec. 19. (1) A taxpayer shall claim the tax credit under the  
7 Nebraska Shortline Rail Modernization Act by attaching the tax credit  
8 certification received from the department under section 18 of this act  
9 to its tax return.

10       (2) Any amount of the credit that is unused may be carried forward  
11 and applied against the taxpayer's tax liability for the next five  
12 taxable years immediately following the taxable year in which the credit  
13 was first allowed.

14       Sec. 20. The tax credits allowed under the Nebraska Shortline Rail  
15 Modernization Act may be assigned by the eligible taxpayer to another  
16 taxpayer by written agreement at any time during the taxable year in  
17 which the credit was first allowed for the eligible taxpayer or in the  
18 five taxable years immediately following the taxable year in which the  
19 credit was first allowed for the eligible taxpayer. The assignor and  
20 assignee shall jointly file a copy of the written assignment agreement  
21 with the department within thirty days of the assignment. The written  
22 agreement shall contain the name, address, and taxpayer identification  
23 number of the parties to the assignment, the taxable year the eligible  
24 taxpayer incurred the expenditures, the amount of credit being assigned,  
25 and all taxable years for which the credit may be claimed.

26       Sec. 21. Any tax credit allowable to a partnership, a limited  
27 liability company, a subchapter S corporation, or an estate or trust may  
28 be distributed to the partners, limited liability company members,  
29 shareholders, or beneficiaries in the same manner as income is  
30 distributed.

31       Sec. 22. The department may adopt and promulgate rules and

1 regulations to carry out the Nebraska Shortline Rail Modernization Act.

2       Sec. 23. There shall be no new applications for tax credits filed  
3 under the Nebraska Shortline Rail Modernization Act after December 31,  
4 2033. All applications and all credits pending or approved before such  
5 date shall continue in full force and effect.

6       Sec. 24. Sections 24 to 33 of this act shall be known and may be  
7 cited as the Nebraska Pregnancy Help Act.

8       Sec. 25. The Legislature finds and declares that:

9       (1) Pregnancy help organizations in the State of Nebraska and  
10 nationwide provide under-supported pregnant women with services, free of  
11 charge, that are crucial for their physical, emotional, and familial  
12 wellbeing, including pregnancy testing, pregnancy and prenatal care  
13 education, counseling, food, clothing, housing, transportation, parenting  
14 and life skills classes, child care, licensed medical care, and referrals  
15 to additional community services and material help;

16       (2) Pregnancy help organizations also provide personal relationships  
17 and a strong local support network for such women and their families that  
18 cannot be replicated by even the best and most effective government  
19 programs; and

20       (3) It shall be the policy of the State of Nebraska, through the  
21 creation of the Nebraska Pregnancy Help Act, to encourage and celebrate  
22 pregnancy help organizations in this state and to incentivize private  
23 donations for the furtherance of their good work through the creation of  
24 a tax credit.

25       Sec. 26. For purposes of the Nebraska Pregnancy Help Act:

26       (1) Department means the Department of Revenue; and

27       (2) Eligible charitable organization means an organization that:

28       (a) Is exempt from federal income taxation under section 501(c)(3)  
29 of the Internal Revenue Code of 1986, as amended;

30       (b) Does not receive more than seventy-five percent of its total  
31 annual revenue from federal, state, or local governmental grants or

1 sources, either directly or as a contractor;

2 (c) Is a pregnancy help organization that:

3 (i) Regularly answers a dedicated telephone number for clients;

4 (ii) Maintains its physical office, clinic, or maternity home in the  
5 State of Nebraska;

6 (iii) Offers services at no cost to the client for the express  
7 purposes of providing assistance to women in order to carry their  
8 pregnancies to term, encourage and enable parenting or adoption, prevent  
9 abortion, and promote healthy childbirths; and

10 (iv) Utilizes licensed medical professionals for any medical  
11 services offered;

12 (d) Does not provide, pay for, provide coverage of, refer for,  
13 recommend, or promote abortions and does not financially support any  
14 entity that provides, pays for, provides coverage of, refers for,  
15 recommends, or promotes abortions, including nonsurgical abortions; and

16 (e) Is approved by the department pursuant to section 27 of this  
17 act.

18 Sec. 27. (1) An organization seeking to become an eligible  
19 charitable organization shall provide the department with a written  
20 certification that it meets all criteria to be considered an eligible  
21 charitable organization. The certification must be signed by an officer  
22 of the organization under penalty of perjury. The certification shall  
23 include the following:

24 (a) Verification of the organization's status under section 501(c)  
25 (3) of the Internal Revenue Code of 1986, as amended;

26 (b) A statement that the organization does not receive more than  
27 seventy-five percent of its total annual revenue from federal, state, or  
28 local governmental grants or sources, either directly or as a contractor;

29 (c) A statement that the organization maintains its physical office,  
30 clinic, or maternity home in the State of Nebraska; and

31 (d) A statement that the organization does not provide, pay for,



1 provide coverage of, refer for, recommend, or promote abortions and does  
2 not financially support any entity that provides, pays for, provides  
3 coverage of, refers for, recommends, or promotes abortions, including  
4 nonsurgical abortions.

5 (2) The department shall review each written certification and  
6 determine whether the organization meets all of the criteria to be  
7 considered an eligible charitable organization and shall notify the  
8 organization of its determination. Any organization whose certification  
9 is approved under this section shall be considered an eligible charitable  
10 organization.

11 (3) An organization shall notify the department within sixty days of  
12 any changes that may affect its status as an eligible charitable  
13 organization.

14 (4) The department may periodically request recertification from an  
15 organization that was previously approved as an eligible charitable  
16 organization under this section.

17 (5) The department shall compile and make available to the public a  
18 list of eligible charitable organizations that have been approved under  
19 this section.

20 Sec. 28. (1) An individual taxpayer who makes one or more cash  
21 contributions to one or more eligible charitable organizations during a  
22 tax year shall be eligible for a credit against the income tax due under  
23 the Nebraska Revenue Act of 1967. Except as otherwise provided in the  
24 Nebraska Pregnancy Help Act, the amount of the credit shall be equal to  
25 the lesser of (a) the total amount of such contributions made during the  
26 tax year or (b) fifty percent of the income tax liability of such  
27 taxpayer for the tax year. A taxpayer may only claim a credit pursuant to  
28 this section for the portion of the contribution that was not claimed as  
29 a charitable contribution under the Internal Revenue Code of 1986, as  
30 amended.

31 (2) Taxpayers who are married but file separate returns for a tax

1 year in which they could have filed a joint return may each claim only  
2 one-half of the tax credit that would otherwise have been allowed for a  
3 joint return.

4 (3) The tax credit allowed under this section shall be a  
5 nonrefundable credit. Any amount of the credit that is unused may be  
6 carried forward and applied against the taxpayer's income tax liability  
7 for the next five years immediately following the tax year in which the  
8 credit is first allowed. The tax credit cannot be carried back.

9 (4) The tax credit allowed under this section is subject to section  
10 32 of this act.

11 Sec. 29. (1) Any partnership, limited liability company, or  
12 corporation having an election in effect under subchapter S of the  
13 Internal Revenue Code of 1986, as amended, that is carrying on any trade  
14 or business for which deductions would be allowed under section 162 of  
15 the Internal Revenue Code of 1986, as amended, or is carrying on any  
16 rental activity, and that makes one or more cash contributions to one or  
17 more eligible charitable organizations during a tax year shall be  
18 eligible for a credit against the income tax due under the Nebraska  
19 Revenue Act of 1967. Except as otherwise provided in the Nebraska  
20 Pregnancy Help Act, the amount of the credit shall be equal to the lesser  
21 of (a) the total amount of such contributions made during the tax year or  
22 (b) fifty percent of the income tax liability of such taxpayer for the  
23 tax year. A taxpayer may only claim a credit pursuant to this section for  
24 the portion of the contribution that was not claimed as a charitable  
25 contribution under the Internal Revenue Code of 1986, as amended. The  
26 credit shall be attributed to each partner, member, or shareholder in the  
27 same proportion used to report the partnership's, limited liability  
28 company's, or subchapter S corporation's income or loss for income tax  
29 purposes.

30 (2) The tax credit allowed under this section shall be a  
31 nonrefundable credit. Any amount of the tax credit that is unused may be

1 carried forward and applied against the taxpayer's income tax liability  
2 for the next five years immediately following the tax year in which the  
3 credit is first allowed. The tax credit cannot be carried back.

4 (3) The tax credit allowed under this section is subject to section  
5 32 of this act.

6 Sec. 30. (1) An estate or trust that makes one or more cash  
7 contributions to one or more eligible charitable organizations during a  
8 tax year shall be eligible for a credit against the income tax due under  
9 the Nebraska Revenue Act of 1967. Except as otherwise provided in the  
10 Nebraska Pregnancy Help Act, the amount of the credit shall be equal to  
11 the lesser of (a) the total amount of such contributions made during the  
12 tax year or (b) fifty percent of the income tax liability of such  
13 taxpayer for the tax year. A taxpayer may only claim a credit pursuant to  
14 this section for the portion of the contribution that was not claimed as  
15 a charitable contribution under the Internal Revenue Code of 1986, as  
16 amended. Any credit not used by the estate or trust may be attributed to  
17 each beneficiary of the estate or trust in the same proportion used to  
18 report the beneficiary's income from the estate or trust for income tax  
19 purposes.

20 (2) The tax credit allowed under this section shall be a  
21 nonrefundable credit. Any amount of the tax credit that is unused may be  
22 carried forward and applied against the taxpayer's income tax liability  
23 for the next five years immediately following the tax year in which the  
24 credit is first allowed. The tax credit cannot be carried back.

25 (3) The tax credit allowed under this section is subject to section  
26 32 of this act.

27 Sec. 31. (1) A corporate taxpayer as defined in section 77-2734.04  
28 that makes one or more cash contributions to one or more eligible  
29 charitable organizations during a tax year shall be eligible for a credit  
30 against the income tax due under the Nebraska Revenue Act of 1967. Except  
31 as otherwise provided in the Nebraska Pregnancy Help Act, the amount of

1 the credit shall be equal to the lesser of (a) the total amount of such  
2 contributions made during the tax year or (b) fifty percent of the income  
3 tax liability of such taxpayer for the tax year. A taxpayer may only  
4 claim a credit pursuant to this section for the portion of the  
5 contribution that was not claimed as a charitable contribution under the  
6 Internal Revenue Code of 1986, as amended.

7 (2) The tax credit allowed under this section shall be a  
8 nonrefundable credit. Any amount of the tax credit that is unused may be  
9 carried forward and applied against the taxpayer's income tax liability  
10 for the next five years immediately following the tax year in which the  
11 credit is first allowed. The tax credit cannot be carried back.

12 (3) The tax credit allowed under this section is subject to section  
13 32 of this act.

14 Sec. 32. (1) Prior to making a contribution to an eligible  
15 charitable organization, any taxpayer desiring to claim a tax credit  
16 under the Nebraska Pregnancy Help Act shall notify the eligible  
17 charitable organization of the taxpayer's intent to make a contribution  
18 and the amount to be claimed as a tax credit. Upon receiving each such  
19 notification, the eligible charitable organization shall notify the  
20 department of the intended tax credit amount. If the department  
21 determines that the intended tax credit amount in the notification would  
22 exceed the limit specified in subsection (3) of this section, the  
23 department shall notify the eligible charitable organization of its  
24 determination within thirty days after receipt of the notification. The  
25 eligible charitable organization shall then promptly notify the taxpayer  
26 of the department's determination that the intended tax credit amount in  
27 the notification is not available. If an amount less than the amount  
28 indicated in the notification is available for a tax credit, the  
29 department shall notify the eligible charitable organization of the  
30 available amount and the eligible charitable organization shall notify  
31 the taxpayer of the available amount within three business days.

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

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

28           Sec. 33. The department may adopt and promulgate rules and  
29 regulations to carry out the Nebraska Pregnancy Help Act.

30           Sec. 34. Sections 34 to 42 of this act shall be known and may be  
31 cited as the Individuals with Intellectual and Developmental Disabilities

1 Support Act.

2 Sec. 35. For purposes of the Individuals with Intellectual and  
3 Developmental Disabilities Support Act:

4 (1) Department means the Department of Revenue;

5 (2) Direct support professional means any individual who is employed  
6 in this state and provides direct care support or any other form of  
7 treatment, services, or care for individuals with intellectual and  
8 developmental disabilities; and

9 (3) Medicaid home and community-based services waiver means a  
10 medicaid waiver approved by the federal Centers for Medicare and Medicaid  
11 Services under the authority of section 1915(c) of the federal Social  
12 Security Act. The term includes a comprehensive developmental  
13 disabilities waiver and a developmental disabilities adult day waiver.

14 Sec. 36. (1) For taxable years beginning or deemed to begin on or  
15 after January 1, 2025, under the Internal Revenue Code of 1986, as  
16 amended, any employer that employs one or more direct support  
17 professionals during the taxable year shall be eligible to receive a  
18 credit against the income tax imposed by the Nebraska Revenue Act of  
19 1967.

20 (2) The tax credit shall be in an amount equal to five hundred  
21 dollars multiplied by the number of direct support professionals who:

22 (a) Are employed by such employer for at least six months during the  
23 taxable year; and

24 (b) Work at least five hundred hours for such employer during the  
25 taxable year.

26 (3) The tax credit provided in this section shall be a nonrefundable  
27 tax credit.

28 (4) An employer shall apply for the credit provided in this section  
29 by submitting an application to the department on a form prescribed by  
30 the department. Subject to subsection (5) of this section, if the  
31 department determines that the employer qualifies for tax credits under

1 this section, the department shall approve the application and certify  
2 the amount of credits approved to the employer.

3 (5) The department shall consider applications in the order in which  
4 they are received and may approve tax credits under this section in any  
5 year until the aggregate limit allowed under section 40 of this act has  
6 been reached.

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

11 Sec. 37. (1) For taxable years beginning or deemed to begin on or  
12 after January 1, 2025, under the Internal Revenue Code of 1986, as  
13 amended, a direct support professional shall be eligible to receive a  
14 credit against the income tax imposed by the Nebraska Revenue Act of 1967  
15 if he or she:

16 (a) Is employed as a direct support professional for at least six  
17 months during the taxable year; and

18 (b) Works at least five hundred hours as a direct support  
19 professional during the taxable year.

20 (2) The tax credit shall be in an amount equal to five hundred  
21 dollars.

22 (3) The tax credit provided in this section shall be a refundable  
23 tax credit.

24 (4) A direct support professional shall apply for the credit  
25 provided in this section by submitting an application to the department  
26 on a form prescribed by the department. Subject to subsection (5) of this  
27 section, if the department determines that the direct support  
28 professional qualifies for tax credits under this section, the department  
29 shall approve the application and certify the amount of credits approved  
30 to the direct support professional.

31 (5) The department shall consider applications in the order in which

1 they are received and may approve tax credits under this section in any  
2 year until the aggregate limit allowed under section 40 of this act has  
3 been reached.

4 (6) A direct support professional shall claim any tax credits  
5 granted under this section by attaching the tax credit certification  
6 received from the department under subsection (4) of this section to the  
7 direct support professional's tax return.

8 Sec. 38. (1) For taxable years beginning or deemed to begin on or  
9 after January 1, 2025, under the Internal Revenue Code of 1986, as  
10 amended, any employer that employs an individual receiving services  
11 pursuant to a medicaid home and community-based services waiver shall be  
12 eligible to receive a credit against the income tax imposed by the  
13 Nebraska Revenue Act of 1967.

14 (2) The tax credit shall be in an amount equal to one thousand  
15 dollars multiplied by the number of employees who:

16 (a) Are receiving services pursuant to a medicaid home and  
17 community-based services waiver;

18 (b) Are employed by such employer for at least six months during the  
19 taxable year; and

20 (c) Work at least two hundred hours for such employer during the  
21 taxable year.

22 (3) The tax credit provided in this section shall be a nonrefundable  
23 tax credit.

24 (4) An employer shall apply for the credit provided in this section  
25 by submitting an application to the department on a form prescribed by  
26 the department. Subject to subsection (5) of this section, if the  
27 department determines that the employer qualifies for tax credits under  
28 this section, the department shall approve the application and certify  
29 the amount of credits approved to the employer.

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



1 year until the aggregate limit allowed under section 40 of this act has  
2 been reached.

3 (6) 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 (4) of this section to the employer's tax  
6 return.

7 Sec. 39. (1) For taxable years beginning or deemed to begin on or  
8 after January 1, 2025, under the Internal Revenue Code of 1986, as  
9 amended, an employer shall be eligible to receive a credit against the  
10 income tax imposed by the Nebraska Revenue Act of 1967 if such employer  
11 provides any of the following types of services to an individual pursuant  
12 to a medicaid home and community-based services waiver:

13 (a) Prevocational;

14 (b) Supported employment - individual;

15 (c) Small group vocational support; or

16 (d) Supported employment - follow along.

17 (2) The tax credit shall be in an amount equal to one thousand  
18 dollars multiplied by the number of individuals described in subsection  
19 (1) of this section who received the applicable services from the  
20 employer during the taxable year.

21 (3) The tax credit provided in this section shall be a nonrefundable  
22 tax credit.

23 (4) An employer shall apply for the credit provided in this section  
24 by submitting an application to the department on a form prescribed by  
25 the department. Subject to subsection (5) of this section, if the  
26 department determines that the employer qualifies for tax credits under  
27 this section, the department shall approve the application and certify  
28 the amount of credits approved to the employer.

29 (5) The department shall consider applications in the order in which  
30 they are received and may approve tax credits under this section in any  
31 year until the aggregate limit allowed under section 40 of this act has

1 been reached.

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

6 Sec. 40. The department may approve tax credits under the  
7 Individuals with Intellectual and Developmental Disabilities Support Act  
8 each fiscal year until the total amount of credits approved for the  
9 fiscal year reaches one million dollars for fiscal year 2025-26, one  
10 million five hundred thousand dollars for fiscal year 2026-27, and two  
11 million dollars for any fiscal year thereafter.

12 Sec. 41. If any employer receiving a tax credit under the  
13 Individuals with Intellectual and Developmental Disabilities Support Act  
14 is (1) a partnership, (2) a limited liability company, (3) a corporation  
15 having an election in effect under subchapter S of the Internal Revenue  
16 Code of 1986, as amended, or (4) an estate or trust, the tax credit may  
17 be distributed in the same manner and proportion as the partner, member,  
18 shareholder, or beneficiary reports the partnership, limited liability  
19 company, subchapter S corporation, estate, or trust income.

20 Sec. 42. The department may adopt and promulgate rules and  
21 regulations to carry out the Individuals with Intellectual and  
22 Developmental Disabilities Support Act.

23 Sec. 43. Sections 43 to 49 of this act shall be known and may be  
24 cited as the Medical Debt Relief Act.

25 Sec. 44. For purposes of the Medical Debt Relief Act:

26 (1) Bad debt expense means the cost of care for which a health care  
27 provider expected payment from the patient or a third-party payor, but  
28 which the health care provider subsequently determines to be  
29 uncollectible;

30 (2) Eligible resident means an individual eligible for relief who:

31 (a) Is a resident of the State of Nebraska; and

1       (b) Has a household income at or below four hundred percent of the  
2 federal poverty guidelines or has medical debt equal to five percent or  
3 more of the individual's household income;

4       (3) Health care provider means:

5       (a) A facility licensed under the Health Care Facility Licensure  
6 Act; and

7       (b) A health care professional licensed under the Uniform  
8 Credentialing Act;

9       (4) Medical debt means an obligation to pay money arising from the  
10 receipt of health care services;

11       (5) Medical debt relief means the discharge of a patient's medical  
12 debt;

13       (6) Medical debt relief coordinator means a person, company,  
14 partnership, or other entity that is able to discharge medical debt of an  
15 eligible resident in a manner that does not result in taxable income for  
16 the eligible resident; and

17       (7) Program means the Medical Debt Relief Program established in  
18 section 45 of this act.

19       Sec. 45. (1) The Medical Debt Relief Program is established for the  
20 purpose of discharging medical debt of eligible residents by contracting  
21 with a medical debt relief coordinator as described in subsection (3) of  
22 this section. The State Treasurer shall administer the program.

23       (2) Money appropriated to the State Treasurer or otherwise  
24 contributed for the program shall be used exclusively for the program,  
25 including contracting with a medical debt relief coordinator and  
26 providing money to be used by the medical debt relief coordinator to  
27 discharge medical debt of eligible residents. Money used in contracting  
28 with a medical debt relief coordinator may also be used for the payment  
29 of services provided by the medical debt relief coordinator to discharge  
30 medical debt of eligible residents based on a budget approved by the  
31 State Treasurer.

1       (3)(a) The State Treasurer shall enter into a contract with a  
2 medical debt relief coordinator to purchase and discharge medical debt  
3 owed by eligible residents with money allocated for the program.

4       (b) The State Treasurer shall implement a competitive bidding  
5 process to determine which medical debt relief coordinator to use, unless  
6 the State Treasurer determines that only a single medical debt relief  
7 coordinator has the capacity and willingness to carry out the duties  
8 specified in the Medical Debt Relief Act.

9       (c) In contracting with the State Treasurer, a medical debt relief  
10 coordinator shall adhere to the following:

11       (i) The medical debt relief coordinator shall review the medical  
12 debt accounts of each health care provider willing to donate or sell  
13 medical debt accounts in this state;

14       (ii) The medical debt relief coordinator may negotiate for and elect  
15 to buy the dischargeable medical debt from a health care provider that  
16 identifies the accounts described in subdivision (3)(c)(i) of this  
17 section as a bad debt expense and agrees to sell the debt for less than  
18 the original value;

19       (iii) After the purchase and discharge of medical debt from a health  
20 care provider, the medical debt relief coordinator shall notify all  
21 eligible residents whose medical debt has been discharged under the  
22 program, in a manner approved by the State Treasurer, that they no longer  
23 have specified medical debt owed to the relevant health care provider;

24       (iv) A medical debt relief coordinator shall make its best efforts  
25 to ensure parity and equity in the purchasing and discharging of medical  
26 debt to ensure that all eligible residents have an equal opportunity of  
27 receiving medical debt relief regardless of their geographical location  
28 or their race, color, religion, sex, disability, age, or national origin;

29       (v) A medical debt relief coordinator shall report to the State  
30 Treasurer summary statistics regarding eligible residents whose medical  
31 debt has been discharged; and

1       (vi) A medical debt relief coordinator may not attempt to seek  
2 payment from an eligible resident for medical debt purchased by the  
3 medical debt relief coordinator.

4       (d) A medical debt relief coordinator shall continue to fulfill its  
5 contractual obligations to the State Treasurer until all money contracted  
6 to the medical debt relief coordinator is exhausted, regardless of  
7 whether money allocated to the program has been exhausted.

8       (e) If a medical debt relief coordinator attempts to seek payment  
9 from an eligible resident for medical debt purchased by the medical debt  
10 relief coordinator or fails to carry out the responsibilities described  
11 in its contract with the State Treasurer, the medical debt relief  
12 coordinator shall be considered in breach of contract and the contract  
13 provisions that apply in the case of a breach of contract shall apply.

14       (f) Health care providers that are willing to sell medical debt to  
15 the medical debt relief coordinator shall provide necessary information  
16 to, and otherwise coordinate with, the medical debt relief coordinator as  
17 needed to carry out the purposes of the Medical Debt Relief Act.

18       Sec. 46. (1) On or before October 1, 2025, and on or before October  
19 1 of each year thereafter for as long as medical debt relief coordinators  
20 are fulfilling their contractual obligations under the Medical Debt  
21 Relief Act, the State Treasurer shall submit an annual report regarding  
22 the program in accordance with this section.

23       (2) Each report under this section shall contain the following  
24 information for the most recently completed fiscal year:

25       (a) The amount of medical debt purchased and discharged under the  
26 program;

27       (b) The number of eligible residents who received medical debt  
28 relief under the program;

29       (c) The characteristics of such eligible residents as described in  
30 subdivision (3)(c)(iv) of section 45 of this act;

31       (d) The number of such eligible residents whose income was

1 calculated at one hundred percent, one hundred fifty percent, and two  
2 hundred percent of the federal poverty guidelines;

3 (e) The number and characteristics of the health care providers from  
4 whom medical debt was purchased and discharged;

5 (f) The number and characteristics of the medical debt relief  
6 coordinators contracted with for the purposes of purchasing and  
7 discharging medical debt; and

8 (g) The number of private individuals and private entities that made  
9 a contribution to the Medical Debt Relief Fund and the total amount of  
10 such contributions.

11 (3) Each report under this section shall be submitted electronically  
12 to the Governor and the Clerk of the Legislature.

13 Sec. 47. (1) The amount of interest and principal balance of  
14 medical debt discharged under the program shall not be considered income  
15 for income tax purposes as provided in section 77-2716.

16 (2) Contributions to the Medical Debt Relief Fund made by any  
17 private individual or private entity shall be tax deductible for income  
18 tax purposes as provided in section 77-2716.

19 Sec. 48. The Medical Debt Relief Fund is created. The fund shall be  
20 administered by the State Treasurer and shall be used to carry out the  
21 Medical Debt Relief Act. The fund shall consist of money transferred to  
22 the fund by the Legislature and money donated as gifts, bequests, or  
23 other contributions from public or private entities. Any money in the  
24 fund available for investment shall be invested by the state investment  
25 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska  
26 State Funds Investment Act.

27 Sec. 49. The State Treasurer may adopt and promulgate rules and  
28 regulations to carry out the Medical Debt Relief Act.

29 Sec. 50. Sections 50 to 55 of this act shall be known and may be  
30 cited as the Sustainable Aviation Fuel Tax Credit Act.

31 Sec. 51. For purposes of the Sustainable Aviation Fuel Tax Credit

1 Act:

2 (1) Applicable material means:

3 (a) Monoglycerides, diglycerides, and triglycerides;

4 (b) Free fatty acids; and

5 (c) Fatty acid esters;

6 (2) Applicable supplementary amount means an amount equal to one  
7 cent for each percentage point by which the lifecycle greenhouse gas  
8 emissions reduction percentage of the sustainable aviation fuel exceeds  
9 fifty percent. In no event shall the applicable supplementary amount  
10 determined under this subdivision exceed fifty cents;

11 (3) Biomass has the same meaning as in 26 U.S.C. 45K(c)(3), as such  
12 section existed on January 1, 2024;

13 (4) Department means the Department of Revenue;

14 (5) Lifecycle greenhouse gas emissions reduction percentage means  
15 the percentage reduction in lifecycle greenhouse gas emissions achieved  
16 by sustainable aviation fuel as compared with petroleum-based jet fuel,  
17 as defined in accordance with:

18 (a) The most recent Carbon Offsetting and Reduction Scheme for  
19 International Aviation which has been adopted by the International Civil  
20 Aviation Organization with the agreement of the United States; or

21 (b) Any similar methodology which satisfies the criteria under 42  
22 U.S.C. 7545(o)(1)(H), as such section existed on January 1, 2024;

23 (6) Qualified mixture means a mixture of sustainable aviation fuel  
24 and kerosene if:

25 (a) Such mixture is produced by the taxpayer in the United States;

26 (b) Such mixture is used by the taxpayer or sold by the taxpayer for  
27 use in an aircraft;

28 (c) Such sale or use is in the ordinary course of a trade or  
29 business of the taxpayer; and

30 (d) The transfer of such mixture to the fuel tank of such aircraft  
31 occurs in the United States; and

1       (7) Sustainable aviation fuel means liquid fuel, the portion of  
2 which is not kerosene, which:

3       (a) Meets the requirements of:

4       (i) The American Society for Testing and Materials International  
5 Standard D7566; or

6       (ii) The Fischer-Tropsch provisions of the American Society for  
7 Testing and Materials International Standard D1655, Annex A1;

8       (b) Is not derived from coprocessing an applicable material or  
9 materials derived from an applicable material with a feedstock which is  
10 not biomass;

11       (c) Is not derived from palm or palm derivatives; and

12       (d) Has been certified as having a lifecycle greenhouse gas  
13 emissions reduction percentage of at least fifty percent, as determined  
14 by a test that shows that:

15       (i) The fuel production pathway achieves at least a fifty percent  
16 reduction of the aggregate attributional core lifecycle emissions and the  
17 positive induced land use change values under the lifecycle methodology  
18 for sustainable aviation fuels adopted by the International Civil  
19 Aviation Organization with the agreement of the United States; or

20       (ii) The fuel production pathway achieves at least a fifty percent  
21 reduction of the aggregate attributional core lifecycle greenhouse gas  
22 emissions values utilizing the most recent version of Argonne National  
23 Laboratory's GREET model, inclusive of agricultural practices and carbon  
24 capture and sequestration.

25       Sec. 52. (1) For taxable years beginning or deemed to begin on or  
26 after January 1, 2027, under the Internal Revenue Code of 1986, as  
27 amended, there shall be allowed a credit against the income tax imposed  
28 by the Nebraska Revenue Act of 1967 or any tax imposed pursuant to  
29 sections 77-907 to 77-918 or 77-3801 to 77-3807 to any producer of  
30 sustainable aviation fuel for any sale or use of a qualified mixture.

31       (2) The credit shall be a nonrefundable credit and the amount of the



1 credit shall be equal to the number of gallons of sustainable aviation  
2 fuel in all sold or used qualified mixtures multiplied by the sum of  
3 seventy-five cents plus the applicable supplementary amount.

4 (3) In order to qualify for the credit under this section, a  
5 producer of sustainable aviation fuel shall:

6 (a) Register with the department as a producer of sustainable  
7 aviation fuel; and

8 (b) Provide:

9 (i) Certification in such form and manner as prescribed by the  
10 department from an unrelated party demonstrating compliance with:

11 (A) Any general requirements, supply chain traceability  
12 requirements, and information transmission requirements established under  
13 the Carbon Offsetting and Reduction Scheme for International Aviation  
14 described in subdivision (5)(a) of section 51 of this act; or

15 (B) In the case of any methodology described in subdivision (5)(b)  
16 of section 51 of this act, requirements similar to the requirements  
17 described in subdivision (3)(b)(i)(A) of this section; and

18 (ii) Any other information the department may require.

19 (4) A producer of sustainable aviation fuel shall only claim the  
20 credit under this section in a total of five taxable years.

21 (5) A producer of sustainable aviation fuel shall apply for the  
22 credit provided in this section by submitting an application to the  
23 department on a form prescribed by the department. Subject to subsection  
24 (6) of this section, if the department determines that the producer of  
25 sustainable aviation fuel qualifies for tax credits under this section,  
26 the department shall approve the application and certify the amount of  
27 credits approved to the producer of sustainable aviation fuel.

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

1       (7) The department may approve tax credits under this section each  
2 fiscal year until the total amount of credits approved for the fiscal  
3 year reaches five hundred thousand dollars.

4       (8) A producer of sustainable aviation fuel shall claim any tax  
5 credits granted under this section by attaching the tax credit  
6 certification received from the department under subsection (5) of this  
7 section to the producer's tax return.

8       Sec. 53. Any tax credit allowable to a partnership, a limited  
9 liability company, a subchapter S corporation, or an estate or trust may  
10 be distributed to the partners, limited liability company members,  
11 shareholders, or beneficiaries in the same manner as income is  
12 distributed.

13       Sec. 54. The department may adopt and promulgate rules and  
14 regulations to carry out the Sustainable Aviation Fuel Tax Credit Act.

15       Sec. 55. The Sustainable Aviation Fuel Tax Credit Act terminates on  
16 January 1, 2035.

17       Sec. 56. Sections 56 to 59 of this act shall be known and may be  
18 cited as the Caregiver Tax Credit Act.

19       Sec. 57. For purposes of the Caregiver Tax Credit Act:

20       (1) Activities of daily living includes:

21       (a) Ambulating, which is the extent of the ability of an individual  
22 to move from one position to another and walk independently;

23       (b) Feeding, which is the ability of an individual to feed oneself;

24       (c) Dressing, which is the ability of an individual to select  
25 appropriate clothes and to put the clothes on without aid;

26       (d) Personal hygiene, which is the ability of an individual to bathe  
27 and groom oneself and maintain dental hygiene and nail and hair care;

28       (e) Continence, which is the ability to control bladder and bowel  
29 function; and

30       (f) Toileting, which is the ability of an individual to get to and  
31 from the toilet without aid, using it appropriately, and cleaning

1 oneself;

2 (2)(a) Eligible expenditure includes:

3 (i) The improvement or alteration to the primary residence of the  
4 family caregiver or eligible family member to permit the eligible family  
5 member to live in the residence and to remain mobile, safe, and  
6 independent;

7 (ii) The purchase or lease of equipment by the family caregiver,  
8 including, but not limited to, durable medical equipment, that is  
9 necessary to assist an eligible family member in carrying out one or more  
10 activities of daily living; and

11 (iii) Other paid or incurred expenses by the family caregiver that  
12 assist the family caregiver in providing care to an eligible family  
13 member such as expenditures related to:

14 (A) Hiring a home care aide;

15 (B) Respite care;

16 (C) Adult day care;

17 (D) Personal care attendants;

18 (E) Health care equipment; and

19 (F) Technology.

20 (b) The eligible expenditure shall be directly related to assisting  
21 the family caregiver in providing care to an eligible family member.  
22 Eligible expenditure shall not include the carrying out of general  
23 household maintenance activities such as painting, plumbing, electrical  
24 repairs, or exterior maintenance;

25 (3) Eligible family member means an individual who:

26 (a) Requires assistance with at least two activities of daily living  
27 as certified by a licensed health care provider;

28 (b) Qualifies as a dependent, spouse, parent, or other relation by  
29 blood or marriage to the family caregiver; and

30 (c) Lives in a private residence and not in an assisted-living  
31 center, nursing facility, or residential care home; and

- 1       (4) Family caregiver means an individual:  
2       (a) Providing care and support for an eligible family member;  
3       (b) Who has a federal adjusted gross income of less than fifty  
4 thousand dollars or, if filing as a married couple jointly, less than one  
5 hundred thousand dollars; and  
6       (c) Who has personally incurred uncompensated expenses directly  
7 related to the care of an eligible family member.

8       Sec. 58. (1) For all taxable years beginning on or after January 1,  
9 2025, there shall be allowed a credit against the income tax imposed by  
10 the Nebraska Revenue Act of 1967 to any family caregiver who incurs  
11 eligible expenditures for the care and support of an eligible family  
12 member.

13       (2) The amount of the credit shall be equal to fifty percent of the  
14 eligible expenditures incurred during the taxable year by a family  
15 caregiver for the care and support of an eligible family member.

16       (3) The tax credit allowed under this section shall be a  
17 nonrefundable credit. Any amount of the credit that is unused may not be  
18 carried forward.

19       (4) The maximum allowable credit in any single taxable year for a  
20 family caregiver shall be two thousand dollars unless the eligible family  
21 member is a veteran or has a diagnosis of dementia in which case the  
22 maximum allowable credit shall be three thousand dollars. If two or more  
23 family caregivers claim the tax credit allowed by this section for the  
24 same eligible family member, the maximum allowable credit shall be  
25 allocated in equal amounts between each of the family caregivers.

26       (5) A family caregiver shall apply for the tax credit allowed under  
27 this section by submitting an application to the Department of Revenue,  
28 on a form prescribed by the department, with the following information:

- 29       (a) Documentation of the eligible expenditures incurred for the care  
30 and support of an eligible family member; and  
31       (b) Any other documentation required by the department.

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

5       (7) The Department of Revenue shall consider applications in the  
6 order in which they are received and may approve tax credits under this  
7 section each fiscal year until the total amount of credits approved for  
8 the fiscal year equals one million five hundred thousand dollars for  
9 fiscal years 2025-26 and 2026-27 and two million five hundred thousand  
10 dollars for any fiscal year thereafter.

11       Sec. 59. The Department of Revenue may adopt and promulgate rules  
12 and regulations necessary to carry out the Caregiver Tax Credit Act.

13       Sec. 60. Sections 60 to 63 of this act shall be known and may be  
14 cited as the Reverse Osmosis System Tax Credit Act.

15       Sec. 61. For purposes of the Reverse Osmosis System Tax Credit Act:

16       (1) Department means the Department of Revenue;

17       (2) Hazard Index means a calculation used to evaluate potential  
18 health risks from exposure to one or more of the four listed chemicals  
19 using their individual health safety limits as established by the United  
20 States Environmental Protection Agency. The Hazard Index is the sum of  
21 the ratios of actual chemical concentrations to the respective health  
22 safety limit;

23       (3) Reverse osmosis system means a water filtration system that uses  
24 a semi-permeable membrane to remove impurities from water; and

25       (4) Taxpayer means any individual subject to the income tax imposed  
26 by the Nebraska Revenue Act of 1967.

27       Sec. 62. (1) For taxable years beginning or deemed to begin on or  
28 after January 1, 2024, under the Internal Revenue Code of 1986, as  
29 amended, a taxpayer shall be eligible to receive a one-time credit  
30 against the income tax imposed by the Nebraska Revenue Act of 1967 for  
31 the cost of installation of a reverse osmosis system at the primary

1 residence of the taxpayer if test results for the following in the  
2 drinking water for such residence are above:

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

4 (b) Four parts per trillion for perfluorooctanoic acid or  
5 perfluorooctanesulfonic acid;

6 (c) Thirty micrograms per liter or thirty parts per billion for  
7 uranium; or

8 (d) One on the Hazard Index for perfluorononanoic acid,  
9 perfluorohexanesulfonic acid, hexafluoropropylene oxide dimer acid and  
10 its ammonium salt, or perfluorobutanesulfonic acid.

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

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

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

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

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

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

25 (5) If the department determines that the taxpayer qualifies for the  
26 tax credit under this section, the department shall approve the  
27 application and certify the amount of the approved credit to the  
28 taxpayer.

29 (6) The department shall consider applications in the order in which  
30 they are received and may approve tax credits under this section each  
31 fiscal year until the aggregate limit allowed under subsection (7) of

1 this section has been reached.

2 (7) The department may approve tax credits for each fiscal year  
3 until the total amount of credits approved reaches five hundred thousand  
4 dollars for fiscal years 2024-25, 2025-26, and 2026-27 and one million  
5 dollars for any fiscal year thereafter.

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

10 Sec. 63. The department may adopt and promulgate rules and  
11 regulations to carry out the Reverse Osmosis System Tax Credit Act.

12 Sec. 64. Section 66-482, Revised Statutes Cumulative Supplement,  
13 2022, is amended to read:

14 66-482 For purposes of sections 66-482 to 66-4,149:

15 (1) Agricultural ethyl alcohol means ethyl alcohol produced from  
16 cereal grains or agricultural commodities grown within the continental  
17 United States and which is a finished product that is a nominally  
18 anhydrous ethyl alcohol meeting American Society for Testing and  
19 Materials D4806 standards. For the purpose of sections 66-482 to  
20 66-4,149, the purity of the ethyl alcohol shall be determined excluding  
21 denaturant and the volume of alcohol blended with gasoline for motor  
22 vehicle fuel shall include the volume of any denaturant required pursuant  
23 to law;

24 (2) Alcohol blend means a blend of agricultural ethyl alcohol in  
25 gasoline or other motor vehicle fuel, such blend to contain not less than  
26 five percent by volume of alcohol;

27 (3) Biodiesel means mono-alkyl esters of long-chain fatty acids  
28 derived from vegetable oils or animal fats which conform to American  
29 Society for Testing and Materials D6751 specifications for use in diesel  
30 engines. Biodiesel refers to the pure fuel before blending with diesel  
31 fuel;

1           (4) Biodiesel facility means a plant which produces biodiesel;

2           (5) Biomass feedstock means sugar, starch, polysaccharide, glycerin,  
3 lignin, fat, grease, or oil derived from plants, animals, or algae or a  
4 protein capable of being converted to a building block chemical by means  
5 of a biological or chemical conversion process;

6           (6) Compressed fuel means any fuel defined as compressed fuel in  
7 section 66-6,100;

8           (7) Department means the Department of Revenue;

9           (8) Diesel fuel means all combustible liquids and biodiesel which  
10 are suitable for the generation of power for diesel-powered vehicles,  
11 except that diesel fuel does not include kerosene;

12           (9) Distributor means any person who acquires ownership of motor  
13 fuels directly from a producer or supplier at or from a barge, barge  
14 line, pipeline terminal, or ethanol or biodiesel facility in this state;

15           (10) Ethanol facility means a plant which produces agricultural  
16 ethyl alcohol;

17           (11) Exporter means any person who acquires ownership of motor fuels  
18 from any licensed producer, supplier, distributor, wholesaler, or  
19 importer exclusively for use or resale in another state;

20           (12) Gross gallons means measured gallons without adjustment or  
21 correction for temperature or barometric pressure;

22           (13) Highway means every way or place generally open to the use of  
23 the public for the purpose of vehicular travel, even though such way or  
24 place may be temporarily closed or travel thereon restricted for the  
25 purpose of construction, maintenance, repair, or reconstruction;

26           (14) Importer means any person who owns motor fuels at the time such  
27 fuels enter the State of Nebraska by any means other than barge, barge  
28 line, or pipeline. Importer does not include a person who imports motor  
29 fuels in a tank directly connected to the engine of a motor vehicle,  
30 train, watercraft, or airplane for purposes of providing fuel to the  
31 engine to which the tank is connected;



1           (15) Kerosene means kerosene meeting the specifications as found in  
2 the American Society for Testing and Materials publication D3699 entitled  
3 Standard Specifications for Kerosene;

4           (16) Motor fuels means motor vehicle fuel, diesel fuel, aircraft  
5 fuel, or compressed fuel;

6           (17) (1) Motor vehicle ~~has~~ shall have the same meaning definition as  
7 in section 60-339;

8           (18) (2) Motor vehicle fuel ~~includes~~ shall include all products and  
9 fuel commonly or commercially known as gasoline, including casing head or  
10 natural gasoline, and ~~includes~~ shall include any other liquid and such  
11 other volatile and inflammable liquids as may be produced, compounded, or  
12 used for the purpose of operating or propelling motor vehicles,  
13 motorboats, or aircraft or as an ingredient in the manufacture of such  
14 fuel. ~~Motor vehicle fuel includes agricultural~~ Agricultural ethyl alcohol  
15 produced for use as a motor vehicle fuel ~~shall be considered a motor~~  
16 vehicle fuel. Motor vehicle fuel ~~does~~ shall not include the products  
17 commonly known as methanol, kerosene oil, kerosene distillate, crude  
18 petroleum, naphtha, and benzine with a boiling point over two hundred  
19 degrees Fahrenheit, residuum gas oil, smudge oil, leaded automotive  
20 racing fuel with an American Society of Testing Materials research method  
21 octane number in excess of one hundred five, and any petroleum product  
22 with an initial boiling point under two hundred degrees Fahrenheit, a  
23 ninety-five percent distillation (recovery) temperature in excess of four  
24 hundred sixty-four degrees Fahrenheit, an American Society of Testing  
25 Materials research method octane number less than seventy, and an end or  
26 dry point of distillation of five hundred seventy degrees Fahrenheit  
27 maximum;

28           (19) Person means any individual, firm, partnership, limited  
29 liability company, company, agency, association, corporation, state,  
30 county, municipality, or other political subdivision. Whenever a fine or  
31 imprisonment is prescribed or imposed in sections 66-482 to 66-4,149, the

1 word person as applied to a partnership, a limited liability company, or  
2 an association means the partners or members thereof;

3 (20) Producer means any person who manufactures agricultural ethyl  
4 alcohol or biodiesel at an ethanol or biodiesel facility in this state;

5 (21) Retailer means any person who acquires motor fuels from a  
6 producer, supplier, distributor, wholesaler, or importer for resale to  
7 consumers of such fuel;

8 (22) Semiannual period means either the period which begins on  
9 January 1 and ends on June 30 of each year or the period which begins on  
10 July 1 and ends on December 31 of each year;

11 ~~(3) Agricultural ethyl alcohol shall mean ethyl alcohol produced~~  
12 ~~from cereal grains or agricultural commodities grown within the~~  
13 ~~continental United States and which is a finished product that is a~~  
14 ~~nominally anhydrous ethyl alcohol meeting American Society for Testing~~  
15 ~~and Materials D4806 standards. For the purpose of sections 66-482 to~~  
16 ~~66-4,149, the purity of the ethyl alcohol shall be determined excluding~~  
17 ~~denaturant and the volume of alcohol blended with gasoline for motor~~  
18 ~~vehicle fuel shall include the volume of any denaturant required pursuant~~  
19 ~~to law;~~

20 ~~(4) Alcohol blend shall mean a blend of agricultural ethyl alcohol~~  
21 ~~in gasoline or other motor vehicle fuel, such blend to contain not less~~  
22 ~~than five percent by volume of alcohol;~~

23 (23) (5) Supplier means shall mean any person who owns motor fuels  
24 imported by barge, barge line, or pipeline and stored at a barge, barge  
25 line, or pipeline terminal in this state; and

26 ~~(6) Distributor shall mean any person who acquires ownership of~~  
27 ~~motor fuels directly from a producer or supplier at or from a barge,~~  
28 ~~barge line, pipeline terminal, or ethanol or biodiesel facility in this~~  
29 ~~state;~~

30 (24) (7) Wholesaler means shall mean any person, other than a  
31 producer, supplier, distributor, or importer, who acquires motor fuels

1 for resale. ;

2 ~~(8) Retailer shall mean any person who acquires motor fuels from a~~  
3 ~~producer, supplier, distributor, wholesaler, or importer for resale to~~  
4 ~~consumers of such fuel;~~

5 ~~(9) Importer shall mean any person who owns motor fuels at the time~~  
6 ~~such fuels enter the State of Nebraska by any means other than barge,~~  
7 ~~barge line, or pipeline. Importer shall not include a person who imports~~  
8 ~~motor fuels in a tank directly connected to the engine of a motor~~  
9 ~~vehicle, train, watercraft, or airplane for purposes of providing fuel to~~  
10 ~~the engine to which the tank is connected;~~

11 ~~(10) Exporter shall mean any person who acquires ownership of motor~~  
12 ~~fuels from any licensed producer, supplier, distributor, wholesaler, or~~  
13 ~~importer exclusively for use or resale in another state;~~

14 ~~(11) Gross gallons shall mean measured gallons without adjustment or~~  
15 ~~correction for temperature or barometric pressure;~~

16 ~~(12) Diesel fuel shall mean all combustible liquids and biodiesel~~  
17 ~~which are suitable for the generation of power for diesel-powered~~  
18 ~~vehicles, except that diesel fuel shall not include kerosene;~~

19 ~~(13) Compressed fuel shall mean any fuel defined as compressed fuel~~  
20 ~~in section 66-6,100;~~

21 ~~(14) Person shall mean any individual, firm, partnership, limited~~  
22 ~~liability company, company, agency, association, corporation, state,~~  
23 ~~county, municipality, or other political subdivision. Whenever a fine or~~  
24 ~~imprisonment is prescribed or imposed in sections 66-482 to 66-4,149, the~~  
25 ~~word person as applied to a partnership, a limited liability company, or~~  
26 ~~an association shall mean the partners or members thereof;~~

27 ~~(15) Department shall mean the Department of Revenue;~~

28 ~~(16) Semiannual period shall mean either the period which begins on~~  
29 ~~January 1 and ends on June 30 of each year or the period which begins on~~  
30 ~~July 1 and ends on December 31 of each year;~~

31 ~~(17) Producer shall mean any person who manufactures agricultural~~

1 ~~ethyl alcohol or biodiesel at an ethanol or biodiesel facility in this~~  
2 ~~state;~~

3 ~~(18) Highway shall mean every way or place generally open to the use~~  
4 ~~of the public for the purpose of vehicular travel, even though such way~~  
5 ~~or place may be temporarily closed or travel thereon restricted for the~~  
6 ~~purpose of construction, maintenance, repair, or reconstruction;~~

7 ~~(19) Kerosene shall mean kerosene meeting the specifications as~~  
8 ~~found in the American Society for Testing and Materials publication D3699~~  
9 ~~entitled Standard Specifications for Kerosene;~~

10 ~~(20) Biodiesel shall mean mono-alkyl esters of long chain fatty~~  
11 ~~acids derived from vegetable oils or animal fats which conform to~~  
12 ~~American Society for Testing and Materials D6751 specifications for use~~  
13 ~~in diesel engines. Biodiesel refers to the pure fuel before blending with~~  
14 ~~diesel fuel;~~

15 ~~(21) Motor fuels shall mean motor vehicle fuel, diesel fuel,~~  
16 ~~aircraft fuel, or compressed fuel;~~

17 ~~(22) Ethanol facility shall mean a plant which produces agricultural~~  
18 ~~ethyl alcohol; and~~

19 ~~(23) Biodiesel facility shall mean a plant which produces biodiesel.~~

20 Sec. 65. Section 66-489, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22 66-489 (1)(a) At the time of filing the return required by section  
23 66-488, such producer, supplier, distributor, wholesaler, or importer  
24 shall, in addition to the tax imposed pursuant to sections 66-489.02,  
25 66-4,140, 66-4,145, and 66-4,146 and in addition to the other taxes  
26 provided for by law, pay a tax in an amount set in subdivision (b) of  
27 this subsection upon all motor fuels as shown by such return, except that  
28 there shall be no tax on the motor fuels reported if (i) the required  
29 taxes on the motor fuels have been paid, (ii) the motor fuels have been  
30 sold to a licensed exporter exclusively for resale or use in another  
31 state, (iii) the motor fuels have been sold from a Nebraska barge line

1 terminal, pipeline terminal, refinery, or ethanol or biodiesel facility,  
2 including motor fuels stored offsite in bulk, by a licensed producer or  
3 supplier to a licensed distributor, (iv) the motor fuels have been sold  
4 by a licensed distributor or licensed importer to a licensed distributor  
5 or to a licensed wholesaler and the seller acquired ownership of the  
6 motor fuels directly from a licensed producer or supplier at or from a  
7 refinery, barge, barge line, pipeline terminal, or ethanol or biodiesel  
8 facility, including motor fuels stored offsite in bulk, in this state or  
9 was the first importer of such fuel into this state, or (v) as otherwise  
10 provided in this section. Such producer, supplier, distributor,  
11 wholesaler, or importer shall remit such tax to the department.

12 (b) The tax shall be:

13 (i) Seven and one-half cents per gallon through December 31, 2015;

14 (ii) Eight cents per gallon beginning on January 1, 2016, through  
15 December 31, 2016;

16 (iii) Eight and one-half cents per gallon beginning on January 1,  
17 2017, through December 31, 2017;

18 (iv) Nine cents per gallon beginning on January 1, 2018, through  
19 December 31, 2018; and

20 (v) Nine and one-half cents per gallon beginning on January 1, 2019.

21 ~~(2)(a) (2) As part of filing the return required by section 66-488,~~  
22 ~~each producer of ethanol shall, in addition to other taxes imposed by the~~  
23 ~~motor fuel laws, pay an excise tax of one and one-quarter cents per~~  
24 ~~gallon through December 31, 2004, and commencing January 1, 2010, and two~~  
25 ~~and one-half cents per gallon commencing January 1, 2005, through~~  
26 ~~December 31, 2009, on:~~

27 (i) Gasoline, natural gasoline, or any other gasoline component,  
28 including, but not limited to, any gasoline component produced from  
29 biomass feedstock, purchased for use as a denaturant by the producer at  
30 an ethanol facility; and -

31 (ii) Two percent of agricultural ethyl alcohol sold that is unfit

1 for beverage purposes and does not meet the American Society for Testing  
2 and Materials D4806 standards.

3 (b) All taxes, interest, and penalties collected under this  
4 subsection shall be remitted to the State Treasurer for credit to the  
5 Agricultural Alcohol Fuel Tax Fund, ~~except that commencing January 1,~~  
6 ~~2005, through December 31, 2009, one and one-quarter cents per gallon of~~  
7 ~~such excise tax shall be credited to the Ethanol Production Incentive~~  
8 ~~Cash Fund. For fiscal years 2007-08 through 2011-12, if the total~~  
9 ~~receipts from the excise tax authorized in this subsection and designated~~  
10 ~~for deposit in the Agricultural Alcohol Fuel Tax Fund exceed five hundred~~  
11 ~~fifty thousand dollars, the State Treasurer shall deposit amounts in~~  
12 ~~excess of five hundred fifty thousand dollars in the Ethanol Production~~  
13 ~~Incentive Cash Fund.~~

14 (3)(a) Motor fuels, methanol, and all blending agents or fuel  
15 expanders shall be exempt from the taxes imposed by this section and  
16 sections 66-489.02, 66-4,105, 66-4,140, 66-4,145, and 66-4,146, when the  
17 fuels are used for buses equipped to carry more than seven persons for  
18 hire and engaged entirely in the transportation of passengers for hire  
19 within municipalities or within a radius of six miles thereof.

20 (b) The owner or agent of any bus equipped to carry more than seven  
21 persons for hire and engaged entirely in the transportation of passengers  
22 for hire within municipalities, or within a radius of six miles thereof,  
23 in lieu of the excise tax provided for in this section, shall pay an  
24 equalization fee of a sum equal to twice the amount of the registration  
25 fee applicable to such vehicle under the laws of this state. Such  
26 equalization fee shall be paid in the same manner as the registration fee  
27 and be disbursed and allocated as registration fees.

28 (c) Nothing in this section shall be construed as permitting motor  
29 fuels to be sold tax exempt. The department shall refund tax paid on  
30 motor fuels used in buses deemed exempt by this section.

31 (4) Gasoline, natural ~~Natural~~ gasoline, or any other gasoline

1 component, including, but not limited to, any gasoline component produced  
2 from biomass feedstock, purchased for use as a denaturant by a producer  
3 at an ethanol facility as defined in section 66-1333 shall be exempt from  
4 the motor fuels tax imposed by subsection (1) of this section as well as  
5 the tax imposed pursuant to sections 66-489.02, 66-4,140, 66-4,145, and  
6 66-4,146.

7 (5) Unless otherwise provided by an agreement entered into between  
8 the State of Nebraska and the governing body of any federally recognized  
9 Indian tribe within the State of Nebraska, motor fuels purchased on a  
10 Nebraska Indian reservation where the purchaser is a Native American who  
11 resides on the reservation shall be exempt from the motor fuels tax  
12 imposed by this section as well as the tax imposed pursuant to sections  
13 66-489.02, 66-4,140, 66-4,145, and 66-4,146.

14 (6) Motor fuels purchased for use by the United States Government or  
15 its agencies shall be exempt from the motor fuels tax imposed by this  
16 section as well as the tax imposed pursuant to sections 66-489.02,  
17 66-4,140, 66-4,145, and 66-4,146.

18 (7) In the case of diesel fuel, there shall be no tax on the motor  
19 fuels reported if (a) the diesel fuel has been indelibly dyed and  
20 chemically marked in accordance with regulations issued by the Secretary  
21 of the Treasury of the United States under 26 U.S.C. 4082 or (b) the  
22 diesel fuel contains a concentration of sulphur in excess of five-  
23 hundredths percent by weight or fails to meet a cetane index minimum of  
24 forty and has been indelibly dyed in accordance with regulations  
25 promulgated by the Administrator of the United States Environmental  
26 Protection Agency pursuant to 42 U.S.C. 7545.

27 Sec. 66. Section 77-908, Revised Statutes Cumulative Supplement,  
28 2022, is amended to read:

29 77-908 Every insurance company organized under the stock, mutual,  
30 assessment, or reciprocal plan, except fraternal benefit societies, which  
31 is transacting business in this state shall, on or before March 1 of each

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



1           Sec. 67. Section 77-2701, Revised Statutes Supplement, 2023, is  
2 amended to read:

3           77-2701 Sections 77-2701 to 77-27,135.01, 77-27,222, 77-27,235,  
4 77-27,236, and 77-27,238 to 77-27,241 and section 71 of this act shall be  
5 known and may be cited as the Nebraska Revenue Act of 1967.

6           Sec. 68. Section 77-2701.04, Revised Statutes Supplement, 2023, is  
7 amended to read:

8           77-2701.04 For purposes of sections 77-2701.04 to 77-2713 and  
9 77-27,239 and section 71 of this act, unless the context otherwise  
10 requires, the definitions found in sections 77-2701.05 to 77-2701.56  
11 shall be used.

12           Sec. 69. Section 77-2701.41, Revised Statutes Supplement, 2023, is  
13 amended to read:

14           77-2701.41 Taxpayer means any person subject to a tax imposed by  
15 sections 77-2701 to 77-2713 and section 71 of this act.

16           Sec. 70. Section 77-2704.12, Revised Statutes Supplement, 2023, is  
17 amended to read:

18           77-2704.12 (1) Sales and use taxes shall not be imposed on the gross  
19 receipts from the sale, lease, or rental of and the storage, use, or  
20 other consumption in this state of purchases by (a) any nonprofit  
21 organization created exclusively for religious purposes, (b) any  
22 nonprofit organization providing services exclusively to the blind, (c)  
23 any nonprofit private educational institution established under sections  
24 79-1601 to 79-1607, (d) any accredited, nonprofit, privately controlled  
25 college or university with its primary campus physically located in  
26 Nebraska, (e) any nonprofit (i) hospital, (ii) health clinic when one or  
27 more hospitals or the parent corporations of the hospitals own or control  
28 the health clinic for the purpose of reducing the cost of health services  
29 or when the health clinic receives federal funds through the United  
30 States Public Health Service for the purpose of serving populations that  
31 are medically underserved, (iii) skilled nursing facility, (iv)

1 intermediate care facility, (v) assisted-living facility, (vi)  
2 intermediate care facility for persons with developmental disabilities,  
3 (vii) nursing facility, (viii) home health agency, (ix) hospice or  
4 hospice service, (x) respite care service, (xi) mental health substance  
5 use treatment center licensed under the Health Care Facility Licensure  
6 Act, or (xii) center for independent living as defined in 29 U.S.C. 796a,  
7 (f) any nonprofit licensed residential child-caring agency, (g) any  
8 nonprofit licensed child-placing agency, (h) any nonprofit organization  
9 certified by the Department of Health and Human Services to provide  
10 community-based services for persons with developmental disabilities, ~~or~~  
11 (i) any nonprofit organization certified or contracted by a regional  
12 behavioral health authority or the Division of Behavioral Health of the  
13 Department of Health and Human Services to provide community-based mental  
14 health or substance use services, or (j) any nonprofit organization for  
15 purchases of property that will be transferred to an organization listed  
16 in subdivisions (a) through (i) of this subsection until the property is  
17 transferred or the contract is completed, provided that the nonprofit  
18 organization (i) acquires property that will be transferred to an  
19 organization listed in subdivisions (a) through (i) of this subsection or  
20 (ii) enters into a contract of construction, improvement, or repair upon  
21 property annexed to real estate if the property will be transferred to an  
22 organization listed in subdivisions (a) through (i) of this subsection.

23 (2) Any organization listed in subsection (1) of this section shall  
24 apply for an exemption on forms provided by the Tax Commissioner. The  
25 application shall be approved and a numbered certificate of exemption  
26 received by the applicant organization in order to be exempt from the  
27 sales and use tax.

28 (3) The appointment of purchasing agents shall be recognized for the  
29 purpose of altering the status of the construction contractor as the  
30 ultimate consumer of building materials which are physically annexed to  
31 the structure and which subsequently belong to the owner of the

1 organization or institution. The appointment of purchasing agents shall  
2 be in writing and occur prior to having any building materials annexed to  
3 real estate in the construction, improvement, or repair. The contractor  
4 who has been appointed as a purchasing agent may apply for a refund of or  
5 use as a credit against a future use tax liability the tax paid on  
6 inventory items annexed to real estate in the construction, improvement,  
7 or repair of a project for a licensed not-for-profit institution.

8 (4) Any organization listed in subsection (1) of this section which  
9 enters into a contract of construction, improvement, or repair upon  
10 property annexed to real estate without first issuing a purchasing agent  
11 authorization to a contractor or repairperson prior to the building  
12 materials being annexed to real estate in the project may apply to the  
13 Tax Commissioner for a refund of any sales and use tax paid by the  
14 contractor or repairperson on the building materials physically annexed  
15 to real estate in the construction, improvement, or repair.

16 (5) Any person purchasing, storing, using, or otherwise consuming  
17 building materials in the performance of any construction, improvement,  
18 or repair by or for any institution enumerated in subsection (1) of this  
19 section which is licensed upon completion although not licensed at the  
20 time of construction or improvement, which building materials are annexed  
21 to real estate and which subsequently belong to the owner of the  
22 institution, shall pay any applicable sales or use tax thereon. Upon  
23 becoming licensed and receiving a numbered certificate of exemption, the  
24 institution organized not for profit shall be entitled to a refund of the  
25 amount of taxes so paid in the performance of such construction,  
26 improvement, or repair and shall submit whatever evidence is required by  
27 the Tax Commissioner sufficient to establish the total sales and use tax  
28 paid upon the building materials physically annexed to real estate in the  
29 construction, improvement, or repair.

30 Sec. 71. (1) Beginning July 1, 2027, sales and use taxes shall not  
31 be imposed on the gross receipts from the sale, storage, use, or other

1 consumption in this state of diapers.

2 (2) For purposes of this section, diapers means absorbent garments  
3 worn by humans who are incapable of or have difficulty controlling their  
4 bladder or bowel movements.

5 Sec. 72. Section 77-2711, Revised Statutes Supplement, 2023, is  
6 amended to read:

7 77-2711 (1)(a) The Tax Commissioner shall enforce sections  
8 77-2701.04 to 77-2713 and section 71 of this act and may prescribe,  
9 adopt, and enforce rules and regulations relating to the administration  
10 and enforcement of such sections.

11 (b) The Tax Commissioner may prescribe the extent to which any  
12 ruling or regulation shall be applied without retroactive effect.

13 (2) The Tax Commissioner may employ accountants, auditors,  
14 investigators, assistants, and clerks necessary for the efficient  
15 administration of the Nebraska Revenue Act of 1967 and may delegate  
16 authority to his or her representatives to conduct hearings, prescribe  
17 regulations, or perform any other duties imposed by such act.

18 (3)(a) Every seller, every retailer, and every person storing,  
19 using, or otherwise consuming in this state property purchased from a  
20 retailer shall keep such records, receipts, invoices, and other pertinent  
21 papers in such form as the Tax Commissioner may reasonably require.

22 (b) Every such seller, retailer, or person shall keep such records  
23 for not less than three years from the making of such records unless the  
24 Tax Commissioner in writing sooner authorized their destruction.

25 (4) The Tax Commissioner or any person authorized in writing by him  
26 or her may examine the books, papers, records, and equipment of any  
27 person selling property and any person liable for the use tax and may  
28 investigate the character of the business of the person in order to  
29 verify the accuracy of any return made or, if no return is made by the  
30 person, to ascertain and determine the amount required to be paid. In the  
31 examination of any person selling property or of any person liable for

1 the use tax, an inquiry shall be made as to the accuracy of the reporting  
2 of city and county sales and use taxes for which the person is liable  
3 under the Local Option Revenue Act or sections 13-319, 13-324, 13-2813,  
4 and 77-6403 and the accuracy of the allocation made between the various  
5 counties, cities, villages, and municipal counties of the tax due. The  
6 Tax Commissioner may make or cause to be made copies of resale or  
7 exemption certificates and may pay a reasonable amount to the person  
8 having custody of the records for providing such copies.

9 (5) The taxpayer shall have the right to keep or store his or her  
10 records at a point outside this state and shall make his or her records  
11 available to the Tax Commissioner at all times.

12 (6) In administration of the use tax, the Tax Commissioner may  
13 require the filing of reports by any person or class of persons having in  
14 his, her, or their possession or custody information relating to sales of  
15 property, the storage, use, or other consumption of which is subject to  
16 the tax. The report shall be filed when the Tax Commissioner requires and  
17 shall set forth the names and addresses of purchasers of the property,  
18 the sales price of the property, the date of sale, and such other  
19 information as the Tax Commissioner may require.

20 (7) It shall be a Class I misdemeanor for the Tax Commissioner or  
21 any official or employee of the Tax Commissioner, the State Treasurer, or  
22 the Department of Administrative Services to make known in any manner  
23 whatever the business affairs, operations, or information obtained by an  
24 investigation of records and activities of any retailer or any other  
25 person visited or examined in the discharge of official duty or the  
26 amount or source of income, profits, losses, expenditures, or any  
27 particular thereof, set forth or disclosed in any return, or to permit  
28 any return or copy thereof, or any book containing any abstract or  
29 particulars thereof to be seen or examined by any person not connected  
30 with the Tax Commissioner. Nothing in this section shall be construed to  
31 prohibit (a) the delivery to a taxpayer, his or her duly authorized

1 representative, or his or her successors, receivers, trustees, executors,  
2 administrators, assignees, or guarantors, if directly interested, of a  
3 certified copy of any return or report in connection with his or her tax,  
4 (b) the publication of statistics so classified as to prevent the  
5 identification of particular reports or returns and the items thereof,  
6 (c) the inspection by the Attorney General, other legal representative of  
7 the state, or county attorney of the reports or returns of any taxpayer  
8 when either (i) information on the reports or returns is considered by  
9 the Attorney General to be relevant to any action or proceeding  
10 instituted by the taxpayer or against whom an action or proceeding is  
11 being considered or has been commenced by any state agency or the county  
12 or (ii) the taxpayer has instituted an action to review the tax based  
13 thereon or an action or proceeding against the taxpayer for collection of  
14 tax or failure to comply with the Nebraska Revenue Act of 1967 is being  
15 considered or has been commenced, (d) the furnishing of any information  
16 to the United States Government or to states allowing similar privileges  
17 to the Tax Commissioner, (e) the disclosure of information and records to  
18 a collection agency contracting with the Tax Commissioner pursuant to  
19 sections 77-377.01 to 77-377.04, (f) the disclosure to another party to a  
20 transaction of information and records concerning the transaction between  
21 the taxpayer and the other party, (g) the disclosure of information  
22 pursuant to section 77-27,195, 77-5731, 77-6837, 77-6839, or 77-6928, or  
23 (h) the disclosure of information to the Department of Labor necessary  
24 for the administration of the Employment Security Law, the Contractor  
25 Registration Act, or the Employee Classification Act.

26 (8) Notwithstanding the provisions of subsection (7) of this  
27 section, the Tax Commissioner may permit the Postal Inspector of the  
28 United States Postal Service or his or her delegates to inspect the  
29 reports or returns of any person filed pursuant to the Nebraska Revenue  
30 Act of 1967 when information on the reports or returns is relevant to any  
31 action or proceeding instituted or being considered by the United States

1 Postal Service against such person for the fraudulent use of the mails to  
2 carry and deliver false and fraudulent tax returns to the Tax  
3 Commissioner with the intent to defraud the State of Nebraska or to evade  
4 the payment of Nebraska state taxes.

5 (9) Notwithstanding the provisions of subsection (7) of this  
6 section, the Tax Commissioner may permit other tax officials of this  
7 state to inspect the tax returns, reports, and applications filed under  
8 sections 77-2701.04 to 77-2713 and section 71 of this act, but such  
9 inspection shall be permitted only for purposes of enforcing a tax law  
10 and only to the extent and under the conditions prescribed by the rules  
11 and regulations of the Tax Commissioner.

12 (10) Notwithstanding the provisions of subsection (7) of this  
13 section, the Tax Commissioner may, upon request, provide the county board  
14 of any county which has exercised the authority granted by section  
15 81-3716 with a list of the names and addresses of the hotels located  
16 within the county for which lodging sales tax returns have been filed or  
17 for which lodging sales taxes have been remitted for the county's County  
18 Visitors Promotion Fund under the Nebraska Visitors Development Act.

19 The information provided by the Tax Commissioner shall indicate only  
20 the names and addresses of the hotels located within the requesting  
21 county for which lodging sales tax returns have been filed for a  
22 specified period and the fact that lodging sales taxes remitted by or on  
23 behalf of the hotel have constituted a portion of the total sum remitted  
24 by the state to the county for a specified period under the provisions of  
25 the Nebraska Visitors Development Act. No additional information shall be  
26 revealed.

27 (11)(a) Notwithstanding the provisions of subsection (7) of this  
28 section, the Tax Commissioner shall, upon written request by the Auditor  
29 of Public Accounts or the office of Legislative Audit, make tax returns  
30 and tax return information open to inspection by or disclosure to the  
31 Auditor of Public Accounts or employees of the office of Legislative

1 Audit for the purpose of and to the extent necessary in making an audit  
2 of the Department of Revenue pursuant to section 50-1205 or 84-304.  
3 Confidential tax returns and tax return information shall be audited only  
4 upon the premises of the Department of Revenue. All audit ~~workpapers~~ work  
5 papers pertaining to the audit of the Department of Revenue shall be  
6 stored in a secure place in the Department of Revenue.

7 (b) No employee of the Auditor of Public Accounts or the office of  
8 Legislative Audit shall disclose to any person, other than another  
9 Auditor of Public Accounts or office employee whose official duties  
10 require such disclosure, any return or return information described in  
11 the Nebraska Revenue Act of 1967 in a form which can be associated with  
12 or otherwise identify, directly or indirectly, a particular taxpayer.

13 (c) Any person who violates the provisions of this subsection shall  
14 be guilty of a Class I misdemeanor. For purposes of this subsection,  
15 employee includes a former Auditor of Public Accounts or office of  
16 Legislative Audit employee.

17 (12) For purposes of this subsection and subsections (11) and (14)  
18 of this section:

19 (a) Disclosure means the making known to any person in any manner a  
20 tax return or return information;

21 (b) Return information means:

22 (i) A taxpayer's identification number and (A) the nature, source,  
23 or amount of his or her income, payments, receipts, deductions,  
24 exemptions, credits, assets, liabilities, net worth, tax liability, tax  
25 withheld, deficiencies, ~~overassessments~~ over assessments, or tax  
26 payments, whether the taxpayer's return was, is being, or will be  
27 examined or subject to other investigation or processing or (B) any other  
28 data received by, recorded by, prepared by, furnished to, or collected by  
29 the Tax Commissioner with respect to a return or the determination of the  
30 existence or possible existence of liability or the amount of liability  
31 of any person for any tax, penalty, interest, fine, forfeiture, or other



1 imposition or offense; and

2 (ii) Any part of any written determination or any background file  
3 document relating to such written determination; and

4 (c) Tax return or return means any tax or information return or  
5 claim for refund required by, provided for, or permitted under sections  
6 77-2701 to 77-2713 and section 71 of this act which is filed with the Tax  
7 Commissioner by, on behalf of, or with respect to any person and any  
8 amendment or supplement thereto, including supporting schedules,  
9 attachments, or lists which are supplemental to or part of the filed  
10 return.

11 (13) Notwithstanding the provisions of subsection (7) of this  
12 section, the Tax Commissioner shall, upon request, provide any  
13 municipality which has adopted the local option sales tax under the Local  
14 Option Revenue Act with a list of the names and addresses of the  
15 retailers which have collected the local option sales tax for the  
16 municipality. The request may be made annually and shall be submitted to  
17 the Tax Commissioner on or before June 30 of each year. The information  
18 provided by the Tax Commissioner shall indicate only the names and  
19 addresses of the retailers. The Tax Commissioner may provide additional  
20 information to a municipality so long as the information does not include  
21 any data detailing the specific revenue, expenses, or operations of any  
22 particular business.

23 (14)(a) Notwithstanding the provisions of subsection (7) of this  
24 section, the Tax Commissioner shall, upon written request, provide an  
25 individual certified under subdivision (b) of this subsection  
26 representing a municipality which has adopted the local option sales and  
27 use tax under the Local Option Revenue Act with confidential sales and  
28 use tax returns and sales and use tax return information regarding  
29 taxpayers that possess a sales tax permit and the amounts remitted by  
30 such permitholders at locations within the boundaries of the requesting  
31 municipality or with confidential business use tax returns and business

1 use tax return information regarding taxpayers that file a Nebraska and  
2 Local Business Use Tax Return and the amounts remitted by such taxpayers  
3 at locations within the boundaries of the requesting municipality. Any  
4 written request pursuant to this subsection shall provide the Department  
5 of Revenue with no less than ten business days to prepare the sales and  
6 use tax returns and sales and use tax return information requested. The  
7 individual certified under subdivision (b) of this subsection shall  
8 review such returns and return information only upon the premises of the  
9 department, except that such limitation shall not apply if the certifying  
10 municipality has an agreement in effect under the Nebraska Advantage  
11 Transformational Tourism and Redevelopment Act. In such case, the  
12 individual certified under subdivision (b) of this subsection may request  
13 that copies of such returns and return information be sent to him or her  
14 by electronic transmission, secured in a manner as determined by the Tax  
15 Commissioner.

16 (b) Each municipality that seeks to request information under  
17 subdivision (a) of this subsection shall certify to the Department of  
18 Revenue one individual who is authorized by such municipality to make  
19 such request and review the documents described in subdivision (a) of  
20 this subsection. The individual may be a municipal employee or an  
21 individual who contracts with the requesting municipality to provide  
22 financial, accounting, or other administrative services.

23 (c) No individual certified by a municipality pursuant to  
24 subdivision (b) of this subsection shall disclose to any person any  
25 information obtained pursuant to a review under this subsection. An  
26 individual certified by a municipality pursuant to subdivision (b) of  
27 this subsection shall remain subject to this subsection after he or she  
28 (i) is no longer certified or (ii) is no longer in the employment of or  
29 under contract with the certifying municipality.

30 (d) Any person who violates the provisions of this subsection shall  
31 be guilty of a Class I misdemeanor.

1 (e) The Department of Revenue shall not be held liable by any person  
2 for an impermissible disclosure by a municipality or any agent or  
3 employee thereof of any information obtained pursuant to a review under  
4 this subsection.

5 (15) In all proceedings under the Nebraska Revenue Act of 1967, the  
6 Tax Commissioner may act for and on behalf of the people of the State of  
7 Nebraska. The Tax Commissioner in his or her discretion may waive all or  
8 part of any penalties provided by the provisions of such act or interest  
9 on delinquent taxes specified in section 45-104.02, as such rate may from  
10 time to time be adjusted.

11 (16)(a) The purpose of this subsection is to set forth the state's  
12 policy for the protection of the confidentiality rights of all  
13 participants in the system operated pursuant to the streamlined sales and  
14 use tax agreement and of the privacy interests of consumers who deal with  
15 model 1 sellers.

16 (b) For purposes of this subsection:

17 (i) Anonymous data means information that does not identify a  
18 person;

19 (ii) Confidential taxpayer information means all information that is  
20 protected under a member state's laws, regulations, and privileges; and

21 (iii) Personally identifiable information means information that  
22 identifies a person.

23 (c) The state agrees that a fundamental precept for model 1 sellers  
24 is to preserve the privacy of consumers by protecting their anonymity.  
25 With very limited exceptions, a certified service provider shall perform  
26 its tax calculation, remittance, and reporting functions without  
27 retaining the personally identifiable information of consumers.

28 (d) The governing board of the member states in the streamlined  
29 sales and use tax agreement may certify a certified service provider only  
30 if that certified service provider certifies that:

31 (i) Its system has been designed and tested to ensure that the

1 fundamental precept of anonymity is respected;

2 (ii) Personally identifiable information is only used and retained  
3 to the extent necessary for the administration of model 1 with respect to  
4 exempt purchasers;

5 (iii) It provides consumers clear and conspicuous notice of its  
6 information practices, including what information it collects, how it  
7 collects the information, how it uses the information, how long, if at  
8 all, it retains the information, and whether it discloses the information  
9 to member states. Such notice shall be satisfied by a written privacy  
10 policy statement accessible by the public on the website of the certified  
11 service provider;

12 (iv) Its collection, use, and retention of personally identifiable  
13 information is limited to that required by the member states to ensure  
14 the validity of exemptions from taxation that are claimed by reason of a  
15 consumer's status or the intended use of the goods or services purchased;  
16 and

17 (v) It provides adequate technical, physical, and administrative  
18 safeguards so as to protect personally identifiable information from  
19 unauthorized access and disclosure.

20 (e) The state shall provide public notification to consumers,  
21 including exempt purchasers, of the state's practices relating to the  
22 collection, use, and retention of personally identifiable information.

23 (f) When any personally identifiable information that has been  
24 collected and retained is no longer required for the purposes set forth  
25 in subdivision (16)(d)(iv) of this section, such information shall no  
26 longer be retained by the member states.

27 (g) When personally identifiable information regarding an individual  
28 is retained by or on behalf of the state, it shall provide reasonable  
29 access by such individual to his or her own information in the state's  
30 possession and a right to correct any inaccurately recorded information.

31 (h) If anyone other than a member state, or a person authorized by

1 that state's law or the agreement, seeks to discover personally  
2 identifiable information, the state from whom the information is sought  
3 should make a reasonable and timely effort to notify the individual of  
4 such request.

5 (i) This privacy policy is subject to enforcement by the Attorney  
6 General.

7 (j) All other laws and regulations regarding the collection, use,  
8 and maintenance of confidential taxpayer information remain fully  
9 applicable and binding. Without limitation, this subsection does not  
10 enlarge or limit the state's authority to:

11 (i) Conduct audits or other reviews as provided under the agreement  
12 and state law;

13 (ii) Provide records pursuant to the federal Freedom of Information  
14 Act, disclosure laws with governmental agencies, or other regulations;

15 (iii) Prevent, consistent with state law, disclosure of confidential  
16 taxpayer information;

17 (iv) Prevent, consistent with federal law, disclosure or misuse of  
18 federal return information obtained under a disclosure agreement with the  
19 Internal Revenue Service; and

20 (v) Collect, disclose, disseminate, or otherwise use anonymous data  
21 for governmental purposes.

22 Sec. 73. Section 77-2713, Revised Statutes Supplement, 2023, is  
23 amended to read:

24 77-2713 (1) Any person required under the provisions of sections  
25 77-2701.04 to 77-2713 and section 71 of this act to collect, account for,  
26 or pay over any tax imposed by the Nebraska Revenue Act of 1967 who  
27 willfully fails to collect or truthfully account for or pay over such tax  
28 and any person who willfully attempts in any manner to evade any tax  
29 imposed by such provisions of such act or the payment thereof shall, in  
30 addition to other penalties provided by law, be guilty of a Class IV  
31 felony.

1           (2) Any person who willfully aids or assists in, procures, counsels,  
2 or advises the preparation or presentation of a false or fraudulent  
3 return, affidavit, claim, or document under or in connection with any  
4 matter arising under sections 77-2701.04 to 77-2713 and section 71 of  
5 this act shall, whether or not such falsity or fraud is with the  
6 knowledge or consent of the person authorized or required to present such  
7 return, affidavit, claim, or document, be guilty of a Class IV felony.

8           (3) A person who engages in business as a retailer in this state  
9 without a permit or permits or after a permit has been suspended and each  
10 officer of any corporation which so engages in business shall be guilty  
11 of a Class IV misdemeanor. Each day of such operation shall constitute a  
12 separate offense.

13           (4) Any person who gives a resale certificate to the seller for  
14 property which he or she knows, at the time of purchase, is purchased for  
15 the purpose of use rather than for the purpose of resale, lease, or  
16 rental by him or her in the regular course of business shall be guilty of  
17 a Class IV misdemeanor.

18           (5) Any violation of the provisions of sections 77-2701.04 to  
19 77-2713 and section 71 of this act, except as otherwise provided, shall  
20 be a Class IV misdemeanor.

21           (6) Any prosecution under sections 77-2701.04 to 77-2713 and section  
22 71 of this act shall be instituted within three years after the  
23 commission of the offense. If such offense is the failure to do an act  
24 required by any of such sections to be done before a certain date, a  
25 prosecution for such offense may be commenced not later than three years  
26 after such date. The failure to do any act required by sections  
27 77-2701.04 to 77-2713 and section 71 of this act shall be deemed an act  
28 committed in part at the principal office of the Tax Commissioner. Any  
29 prosecution under the provisions of the Nebraska Revenue Act of 1967 may  
30 be conducted in any county where the person or corporation to whose  
31 liability the proceeding relates resides or has a place of business or in

1 any county in which such criminal act is committed. The Attorney General  
2 shall have concurrent jurisdiction with the county attorney in the  
3 prosecution of any offenses under the provisions of the Nebraska Revenue  
4 Act of 1967.

5 Sec. 74. Section 77-2715.07, Revised Statutes Supplement, 2023, is  
6 amended to read:

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

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

12 (b) A credit for taxes paid to another state as provided in section  
13 77-2730.

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

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

26 (b) For returns filed reporting federal adjusted gross income of  
27 twenty-nine thousand dollars or less, a refundable credit equal to a  
28 percentage of the federal credit allowable under section 21 of the  
29 Internal Revenue Code of 1986, as amended, whether or not the federal  
30 credit was limited by the federal tax liability. The percentage of the  
31 federal credit shall be one hundred percent for incomes not greater than

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

10 (c) A refundable credit as provided in section 77-5209.01 for  
11 individuals who qualify for an income tax credit as a qualified beginning  
12 farmer or livestock producer under the Beginning Farmer Tax Credit Act  
13 for all taxable years beginning or deemed to begin on or after January 1,  
14 2006, under the Internal Revenue Code of 1986, as amended;

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

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

28 (3) There shall be allowed to all individuals as a nonrefundable  
29 credit against the income tax imposed by the Nebraska Revenue Act of  
30 1967:

31 (a) A credit for personal exemptions allowed under section



1 77-2716.01;

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

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

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

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

15 (f) A credit to employers as provided in sections 77-27,238 and  
16 77-27,240;

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

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

20 (i) A credit as provided in the Opportunity Scholarships Act; ~~and~~

21 (j) A credit as provided in the Sustainable Aviation Fuel Tax Credit  
22 Act;

23 (k) A credit as provided in the Nebraska Shortline Rail  
24 Modernization Act;

25 (l) A credit as provided in the Nebraska Pregnancy Help Act; and

26 (m) A credit as provided in the Caregiver Tax Credit Act.

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

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

31 (b) A credit to all estates and trusts for contributions to

1 certified community betterment programs as provided in the Community  
2 Development Assistance Act; and

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

14 (5)(a) For all taxable years beginning on or after January 1, 2007,  
15 and before January 1, 2009, under the Internal Revenue Code of 1986, as  
16 amended, there shall be allowed to each partner, shareholder, member, or  
17 beneficiary of a partnership, subchapter S corporation, limited liability  
18 company, or estate or trust a nonrefundable credit against the income tax  
19 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the  
20 partner's, shareholder's, member's, or beneficiary's portion of the  
21 amount of franchise tax paid to the state under sections 77-3801 to  
22 77-3807 by a financial institution.

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

31 (c) Each partner, shareholder, member, or beneficiary shall report

1 his or her share of the credit in the same manner and proportion as he or  
2 she reports the partnership, subchapter S corporation, limited liability  
3 company, or estate or trust income. If any partner, shareholder, member,  
4 or beneficiary cannot fully utilize the credit for that year, the credit  
5 may not be carried forward or back.

6 (6) There shall be allowed to all individuals nonrefundable credits  
7 against the income tax imposed by the Nebraska Revenue Act of 1967 as  
8 provided in section 77-3604 and refundable credits against the income tax  
9 imposed by the Nebraska Revenue Act of 1967 as provided in section  
10 77-3605.

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

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

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

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

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

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

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

1 of the taxable year in which the credit was claimed.

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

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

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

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

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

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

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

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

24 (10) There shall be allowed to all individuals refundable credits  
25 against the income tax imposed by the Nebraska Revenue Act of 1967 as  
26 provided in section 77-7203 and nonrefundable credits against the income  
27 tax imposed by the Nebraska Revenue Act of 1967 as provided in section  
28 77-7204.

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

1 income tax imposed by the Nebraska Revenue Act of 1967 as provided in  
2 sections 36, 38, and 39 of this act.

3       Sec. 75. Section 77-2716, Revised Statutes Supplement, 2023, is  
4 amended to read:

5       77-2716 (1) The following adjustments to federal adjusted gross  
6 income or, for corporations and fiduciaries, federal taxable income shall  
7 be made for interest or dividends received:

8       (a)(i) There shall be subtracted interest or dividends received by  
9 the owner of obligations of the United States and its territories and  
10 possessions or of any authority, commission, or instrumentality of the  
11 United States to the extent includable in gross income for federal income  
12 tax purposes but exempt from state income taxes under the laws of the  
13 United States; and

14       (ii) There shall be subtracted interest received by the owner of  
15 obligations of the State of Nebraska or its political subdivisions or  
16 authorities which are Build America Bonds to the extent includable in  
17 gross income for federal income tax purposes;

18       (b) There shall be subtracted that portion of the total dividends  
19 and other income received from a regulated investment company which is  
20 attributable to obligations described in subdivision (a) of this  
21 subsection as reported to the recipient by the regulated investment  
22 company;

23       (c) There shall be added interest or dividends received by the owner  
24 of obligations of the District of Columbia, other states of the United  
25 States, or their political subdivisions, authorities, commissions, or  
26 instrumentalities to the extent excluded in the computation of gross  
27 income for federal income tax purposes except that such interest or  
28 dividends shall not be added if received by a corporation which is a  
29 regulated investment company;

30       (d) There shall be added that portion of the total dividends and  
31 other income received from a regulated investment company which is

1 attributable to obligations described in subdivision (c) of this  
2 subsection and excluded for federal income tax purposes as reported to  
3 the recipient by the regulated investment company; and

4 (e)(i) Any amount subtracted under this subsection shall be reduced  
5 by any interest on indebtedness incurred to carry the obligations or  
6 securities described in this subsection or the investment in the  
7 regulated investment company and by any expenses incurred in the  
8 production of interest or dividend income described in this subsection to  
9 the extent that such expenses, including amortizable bond premiums, are  
10 deductible in determining federal taxable income.

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

14 (2) There shall be allowed a net operating loss derived from or  
15 connected with Nebraska sources computed under rules and regulations  
16 adopted and promulgated by the Tax Commissioner consistent, to the extent  
17 possible under the Nebraska Revenue Act of 1967, with the laws of the  
18 United States. For a resident individual, estate, or trust, the net  
19 operating loss computed on the federal income tax return shall be  
20 adjusted by the modifications contained in this section. For a  
21 nonresident individual, estate, or trust or for a partial-year resident  
22 individual, the net operating loss computed on the federal return shall  
23 be adjusted by the modifications contained in this section and any  
24 carryovers or carrybacks shall be limited to the portion of the loss  
25 derived from or connected with Nebraska sources.

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

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

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

12           (6) There shall be subtracted from federal taxable income a portion  
13 of the income earned by a corporation subject to the Internal Revenue  
14 Code of 1986 that is actually taxed by a foreign country or one of its  
15 political subdivisions at a rate in excess of the maximum federal tax  
16 rate for corporations. The taxpayer may make the computation for each  
17 foreign country or for groups of foreign countries. The portion of the  
18 taxes that may be deducted shall be computed in the following manner:

19           (a) The amount of federal taxable income from operations within a  
20 foreign taxing jurisdiction shall be reduced by the amount of taxes  
21 actually paid to the foreign jurisdiction that are not deductible solely  
22 because the foreign tax credit was elected on the federal income tax  
23 return;

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

26           (c) The result of the calculation in subdivision (b) of this  
27 subsection shall be subtracted from the amount of federal taxable income  
28 used in subdivision (a) of this subsection. The result of such  
29 calculation, if greater than zero, shall be subtracted from federal  
30 taxable income.

31           (7) Federal adjusted gross income shall be modified to exclude any

1 amount repaid by the taxpayer for which a reduction in federal tax is  
2 allowed under section 1341(a)(5) of the Internal Revenue Code.

3 (8)(a) Federal adjusted gross income or, for corporations and  
4 fiduciaries, federal taxable income shall be reduced, to the extent  
5 included, by income from interest, earnings, and state contributions  
6 received from the Nebraska educational savings plan trust created in  
7 sections 85-1801 to 85-1817 and any account established under the  
8 achieving a better life experience program as provided in sections  
9 77-1401 to 77-1409.

10 (b) Federal adjusted gross income or, for corporations and  
11 fiduciaries, federal taxable income shall be reduced by any contributions  
12 as a participant in the Nebraska educational savings plan trust or  
13 contributions to an account established under the achieving a better life  
14 experience program made for the benefit of a beneficiary as provided in  
15 sections 77-1401 to 77-1409, to the extent not deducted for federal  
16 income tax purposes, but not to exceed five thousand dollars per married  
17 filing separate return or ten thousand dollars for any other return. With  
18 respect to a qualified rollover within the meaning of section 529 of the  
19 Internal Revenue Code from another state's plan, any interest, earnings,  
20 and state contributions received from the other state's educational  
21 savings plan which is qualified under section 529 of the code shall  
22 qualify for the reduction provided in this subdivision. For contributions  
23 by a custodian of a custodial account including rollovers from another  
24 custodial account, the reduction shall only apply to funds added to the  
25 custodial account after January 1, 2014.

26 (c) 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, to the extent included in  
29 the adjusted gross income of an individual, by the amount of any  
30 contribution made by the individual's employer into an account under the  
31 Nebraska educational savings plan trust owned by the individual, not to



1 exceed five thousand dollars per married filing separate return or ten  
2 thousand dollars for any other return.

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

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

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

13 (9)(a) For income tax returns filed after September 10, 2001, for  
14 taxable years beginning or deemed to begin before January 1, 2006, under  
15 the Internal Revenue Code of 1986, as amended, federal adjusted gross  
16 income or, for corporations and fiduciaries, federal taxable income shall  
17 be increased by eighty-five percent of any amount of any federal bonus  
18 depreciation received under the federal Job Creation and Worker  
19 Assistance Act of 2002 or the federal Jobs and Growth Tax Act of 2003,  
20 under section 168(k) or section 1400L of the Internal Revenue Code of  
21 1986, as amended, for assets placed in service after September 10, 2001,  
22 and before December 31, 2005.

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

30 (c) For a corporation with a unitary business having activity both  
31 inside and outside the state, the increase shall be apportioned to

1 Nebraska in the same manner as income is apportioned to the state by  
2 section 77-2734.05.

3 (d) The amount of bonus depreciation added to federal adjusted gross  
4 income or, for corporations and fiduciaries, federal taxable income by  
5 this subsection shall be subtracted in a later taxable year. Twenty  
6 percent of the total amount of bonus depreciation added back by this  
7 subsection for tax years beginning or deemed to begin before January 1,  
8 2003, under the Internal Revenue Code of 1986, as amended, may be  
9 subtracted in the first taxable year beginning or deemed to begin on or  
10 after January 1, 2005, under the Internal Revenue Code of 1986, as  
11 amended, and twenty percent in each of the next four following taxable  
12 years. Twenty percent of the total amount of bonus depreciation added  
13 back by this subsection for tax years beginning or deemed to begin on or  
14 after January 1, 2003, may be subtracted in the first taxable year  
15 beginning or deemed to begin on or after January 1, 2006, under the  
16 Internal Revenue Code of 1986, as amended, and twenty percent in each of  
17 the next four following taxable years.

18 (10) For taxable years beginning or deemed to begin on or after  
19 January 1, 2003, and before January 1, 2006, under the Internal Revenue  
20 Code of 1986, as amended, federal adjusted gross income or, for  
21 corporations and fiduciaries, federal taxable income shall be increased  
22 by the amount of any capital investment that is expensed under section  
23 179 of the Internal Revenue Code of 1986, as amended, that is in excess  
24 of twenty-five thousand dollars that is allowed under the federal Jobs  
25 and Growth Tax Act of 2003. Twenty percent of the total amount of  
26 expensing added back by this subsection for tax years beginning or deemed  
27 to begin on or after January 1, 2003, may be subtracted in the first  
28 taxable year beginning or deemed to begin on or after January 1, 2006,  
29 under the Internal Revenue Code of 1986, as amended, and twenty percent  
30 in each of the next four following tax years.

31 (11)(a) For taxable years beginning or deemed to begin before

1 January 1, 2018, under the Internal Revenue Code of 1986, as amended,  
2 federal adjusted gross income shall be reduced by contributions, up to  
3 two thousand dollars per married filing jointly return or one thousand  
4 dollars for any other return, and any investment earnings made as a  
5 participant in the Nebraska long-term care savings plan under the Long-  
6 Term Care Savings Plan Act, to the extent not deducted for federal income  
7 tax purposes.

8 (b) For taxable years beginning or deemed to begin before January 1,  
9 2018, under the Internal Revenue Code of 1986, as amended, federal  
10 adjusted gross income shall be increased by the withdrawals made as a  
11 participant in the Nebraska long-term care savings plan under the act by  
12 a person who is not a qualified individual or for any reason other than  
13 transfer of funds to a spouse, long-term care expenses, long-term care  
14 insurance premiums, or death of the participant, including withdrawals  
15 made by reason of cancellation of the participation agreement, to the  
16 extent previously deducted as a contribution or as investment earnings.

17 (12) There shall be added to federal adjusted gross income for  
18 individuals, estates, and trusts any amount taken as a credit for  
19 franchise tax paid by a financial institution under sections 77-3801 to  
20 77-3807 as allowed by subsection (5) of section 77-2715.07.

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

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

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

30 (b) For taxable years beginning or deemed to begin on or after  
31 January 1, 2020, and before January 1, 2024, under the Internal Revenue

1 Code of 1986, as amended, the Tax Commissioner shall adjust the dollar  
2 amounts provided in subdivisions (13)(a)(i) and (ii) of this section by  
3 the same percentage used to adjust individual income tax brackets under  
4 subsection (3) of section 77-2715.03.

5 (c) For taxable years beginning or deemed to begin on or after  
6 January 1, 2021, and before January 1, 2024, under the Internal Revenue  
7 Code of 1986, as amended, a taxpayer may claim the reduction to federal  
8 adjusted gross income allowed under this subsection or the reduction to  
9 federal adjusted gross income allowed under subsection (14) of this  
10 section, whichever provides the greater reduction.

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

16 (i) Five percent for taxable years beginning or deemed to begin on  
17 or after January 1, 2021, and before January 1, 2022, under the Internal  
18 Revenue Code of 1986, as amended;

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

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

25 (iv) One hundred percent for taxable years beginning or deemed to  
26 begin on or after January 1, 2024, under the Internal Revenue Code of  
27 1986, as amended.

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

30 (c) For taxable years beginning or deemed to begin on or after  
31 January 1, 2021, and before January 1, 2024, under the Internal Revenue

1 Code of 1986, as amended, a taxpayer may claim the reduction to federal  
2 adjusted gross income allowed under this subsection or the reduction to  
3 federal adjusted gross income allowed under subsection (13) of this  
4 section, whichever provides the greater reduction.

5 (15)(a) For taxable years beginning or deemed to begin on or after  
6 January 1, 2015, and before January 1, 2022, under the Internal Revenue  
7 Code of 1986, as amended, an individual may make a one-time election  
8 within two calendar years after the date of his or her retirement from  
9 the military to exclude income received as a military retirement benefit  
10 by the individual to the extent included in federal adjusted gross income  
11 and as provided in this subdivision. The individual may elect to exclude  
12 forty percent of his or her military retirement benefit income for seven  
13 consecutive taxable years beginning with the year in which the election  
14 is made or may elect to exclude fifteen percent of his or her military  
15 retirement benefit income for all taxable years beginning with the year  
16 in which he or she turns sixty-seven years of age.

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

22 (c) For purposes of this subsection, military retirement benefit  
23 means retirement benefits that are periodic payments attributable to  
24 service in the uniformed services of the United States for personal  
25 services performed by an individual prior to his or her retirement. The  
26 term includes retirement benefits described in this subdivision that are  
27 reported to the individual on either:

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

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

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

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

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

16           (19) For taxable years beginning or deemed to begin on or after  
17 January 1, 2023, under the Internal Revenue Code of 1986, as amended, a  
18 retired individual who was employed full time as a firefighter or  
19 certified law enforcement officer for at least twenty years and who is at  
20 least sixty years of age as of the end of the taxable year may reduce his  
21 or her federal adjusted gross income by the amount of health insurance  
22 premiums paid by such individual during the taxable year, to the extent  
23 such premiums were not already deducted in determining the individual's  
24 federal adjusted gross income.

25           (20) For taxable years beginning or deemed to begin on or after  
26 January 1, 2024, under the Internal Revenue Code of 1986, as amended, an  
27 individual may reduce his or her federal adjusted gross income by the  
28 amounts received as annuities under the Federal Employees Retirement  
29 System or the Civil Service Retirement System which were earned for being  
30 employed by the federal government, to the extent such amounts are  
31 included in federal adjusted gross income.

1       (21)(a) For taxable years beginning or deemed to begin on or after  
2 January 1, 2024, under the Internal Revenue Code of 1986, as amended, an  
3 individual may reduce his or her federal adjusted gross income by the  
4 amount of interest and principal balance of medical debt discharged under  
5 the Medical Debt Relief Act, to the extent included in such individual's  
6 federal adjusted gross income.

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

13       Sec. 76. Section 77-2717, Revised Statutes Supplement, 2023, is  
14 amended to read:

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

1 Investment Tax Credit Act, the Nebraska Advantage Microenterprise Tax  
2 Credit Act, and the Nebraska Advantage Research and Development Act. A  
3 nonrefundable income tax credit shall be allowed for all resident estates  
4 and trusts as provided in the New Markets Job Growth Investment Act.

5 (ii) For taxable years beginning or deemed to begin on or after  
6 January 1, 2014, the tax imposed on all resident estates and trusts shall  
7 be a percentage of the federal taxable income of such estates and trusts  
8 as modified in section 77-2716, plus a percentage of the federal tax on  
9 premature or lump-sum distributions from qualified retirement plans. The  
10 additional taxes shall be recomputed by substituting Nebraska taxable  
11 income for federal taxable income and applying Nebraska rates to the  
12 result. The credits provided in the Nebraska Advantage Microenterprise  
13 Tax Credit Act and the Nebraska Advantage Research and Development Act  
14 shall be allowed as a reduction in the income tax due. A refundable  
15 income tax credit shall be allowed for all resident estates and trusts  
16 under the Angel Investment Tax Credit Act, the Cast and Crew Nebraska  
17 Act, the Nebraska Advantage Microenterprise Tax Credit Act, the Nebraska  
18 Advantage Research and Development Act, the Nebraska Biodiesel Tax Credit  
19 Act, the Nebraska Higher Blend Tax Credit Act, the Nebraska Property Tax  
20 Incentive Act, and the Renewable Chemical Production Tax Credit Act. A  
21 nonrefundable income tax credit shall be allowed for all resident estates  
22 and trusts as provided in the Nebraska Job Creation and Mainstreet  
23 Revitalization Act, the New Markets Job Growth Investment Act, the School  
24 Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable  
25 Housing Tax Credit Act, the Opportunity Scholarships Act, the Sustainable  
26 Aviation Fuel Tax Credit Act, the Nebraska Shortline Rail Modernization  
27 Act, the Nebraska Pregnancy Help Act, the Individuals with Intellectual  
28 and Developmental Disabilities Support Act, and sections 77-27,238,  
29 77-27,240, and 77-27,241.

30 (b) The tax imposed on all nonresident estates and trusts shall be  
31 the portion of the tax imposed on resident estates and trusts which is



1 attributable to the income derived from sources within this state. The  
2 tax which is attributable to income derived from sources within this  
3 state shall be determined by multiplying the liability to this state for  
4 a resident estate or trust with the same total income by a fraction, the  
5 numerator of which is the nonresident estate's or trust's Nebraska income  
6 as determined by sections 77-2724 and 77-2725 and the denominator of  
7 which is its total federal income after first adjusting each by the  
8 amounts provided in section 77-2716. The federal credit for prior year  
9 minimum tax, after the recomputations required by the Nebraska Revenue  
10 Act of 1967, reduced by the percentage of the total income which is  
11 attributable to income from sources outside this state, and the credits  
12 provided in the Nebraska Advantage Microenterprise Tax Credit Act and the  
13 Nebraska Advantage Research and Development Act shall be allowed as a  
14 reduction in the income tax due. A refundable income tax credit shall be  
15 allowed for all nonresident estates and trusts under the Angel Investment  
16 Tax Credit Act, the Cast and Crew Nebraska Act, the Nebraska Advantage  
17 Microenterprise Tax Credit Act, the Nebraska Advantage Research and  
18 Development Act, the Nebraska Biodiesel Tax Credit Act, the Nebraska  
19 Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, and  
20 the Renewable Chemical Production Tax Credit Act. A nonrefundable income  
21 tax credit shall be allowed for all nonresident estates and trusts as  
22 provided in the Nebraska Job Creation and Mainstreet Revitalization Act,  
23 the New Markets Job Growth Investment Act, the School Readiness Tax  
24 Credit Act, the Child Care Tax Credit Act, the Affordable Housing Tax  
25 Credit Act, the Opportunity Scholarships Act, the Sustainable Aviation  
26 Fuel Tax Credit Act, the Nebraska Shortline Rail Modernization Act, the  
27 Nebraska Pregnancy Help Act, the Individuals with Intellectual and  
28 Developmental Disabilities Support Act, and sections 77-27,238,  
29 77-27,240, and 77-27,241.

30 (2) In all instances wherein a fiduciary income tax return is  
31 required under the provisions of the Internal Revenue Code, a Nebraska

1 fiduciary return shall be filed, except that a fiduciary return shall not  
2 be required to be filed regarding a simple trust if all of the trust's  
3 beneficiaries are residents of the State of Nebraska, all of the trust's  
4 income is derived from sources in this state, and the trust has no  
5 federal tax liability. The fiduciary shall be responsible for making the  
6 return for the estate or trust for which he or she acts, whether the  
7 income be taxable to the estate or trust or to the beneficiaries thereof.  
8 The fiduciary shall include in the return a statement of each  
9 beneficiary's distributive share of net income when such income is  
10 taxable to such beneficiaries.

11 (3) The beneficiaries of such estate or trust who are residents of  
12 this state shall include in their income their proportionate share of  
13 such estate's or trust's federal income and shall reduce their Nebraska  
14 tax liability by their proportionate share of the credits as provided in  
15 the Angel Investment Tax Credit Act, the Nebraska Advantage  
16 Microenterprise Tax Credit Act, the Nebraska Advantage Research and  
17 Development Act, the Nebraska Job Creation and Mainstreet Revitalization  
18 Act, the New Markets Job Growth Investment Act, the School Readiness Tax  
19 Credit Act, the Child Care Tax Credit Act, the Affordable Housing Tax  
20 Credit Act, the Nebraska Biodiesel Tax Credit Act, the Nebraska Higher  
21 Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, the  
22 Renewable Chemical Production Tax Credit Act, the Opportunity  
23 Scholarships Act, the Sustainable Aviation Fuel Tax Credit Act, the  
24 Nebraska Shortline Rail Modernization Act, the Cast and Crew Nebraska  
25 Act, the Nebraska Pregnancy Help Act, the Individuals with Intellectual  
26 and Developmental Disabilities Support Act, and sections 77-27,238,  
27 77-27,240, and 77-27,241. There shall be allowed to a beneficiary a  
28 refundable income tax credit under the Beginning Farmer Tax Credit Act  
29 for all taxable years beginning or deemed to begin on or after January 1,  
30 2001, under the Internal Revenue Code of 1986, as amended.

31 (4) If any beneficiary of such estate or trust is a nonresident

1 during any part of the estate's or trust's taxable year, he or she shall  
2 file a Nebraska income tax return which shall include (a) in Nebraska  
3 adjusted gross income that portion of the estate's or trust's Nebraska  
4 income, as determined under sections 77-2724 and 77-2725, allocable to  
5 his or her interest in the estate or trust and (b) a reduction of the  
6 Nebraska tax liability by his or her proportionate share of the credits  
7 as provided in the Angel Investment Tax Credit Act, the Nebraska  
8 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research  
9 and Development Act, the Nebraska Job Creation and Mainstreet  
10 Revitalization Act, the New Markets Job Growth Investment Act, the School  
11 Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable  
12 Housing Tax Credit Act, the Nebraska Biodiesel Tax Credit Act, the  
13 Nebraska Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive  
14 Act, the Renewable Chemical Production Tax Credit Act, the Opportunity  
15 Scholarships Act, the Sustainable Aviation Fuel Tax Credit Act, the  
16 Nebraska Shortline Rail Modernization Act, the Cast and Crew Nebraska  
17 Act, the Nebraska Pregnancy Help Act, the Individuals with Intellectual  
18 and Developmental Disabilities Support Act, and sections 77-27,238,  
19 77-27,240, and 77-27,241 and shall execute and forward to the fiduciary,  
20 on or before the original due date of the Nebraska fiduciary return, an  
21 agreement which states that he or she will file a Nebraska income tax  
22 return and pay income tax on all income derived from or connected with  
23 sources in this state, and such agreement shall be attached to the  
24 Nebraska fiduciary return for such taxable year.

25 (5) In the absence of the nonresident beneficiary's executed  
26 agreement being attached to the Nebraska fiduciary return, the estate or  
27 trust shall remit a portion of such beneficiary's income which was  
28 derived from or attributable to Nebraska sources with its Nebraska return  
29 for the taxable year. For taxable years beginning or deemed to begin  
30 before January 1, 2013, the amount of remittance, in such instance, shall  
31 be the highest individual income tax rate determined under section

1 77-2715.02 multiplied by the nonresident beneficiary's share of the  
2 estate or trust income which was derived from or attributable to sources  
3 within this state. For taxable years beginning or deemed to begin on or  
4 after January 1, 2013, the amount of remittance, in such instance, shall  
5 be the highest individual income tax rate determined under section  
6 77-2715.03 multiplied by the nonresident beneficiary's share of the  
7 estate or trust income which was derived from or attributable to sources  
8 within this state. The amount remitted shall be allowed as a credit  
9 against the Nebraska income tax liability of the beneficiary.

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

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

26 (8) For purposes of this section, any beneficiary of an estate or  
27 trust that is a grantor trust of a nonresident shall be disregarded and  
28 this section shall apply as though the nonresident grantor was the  
29 beneficiary.

30 Sec. 77. Section 77-2734.03, Revised Statutes Supplement, 2023, is  
31 amended to read:

1           77-2734.03 (1)(a) For taxable years commencing prior to January 1,  
2 1997, any (i) insurer paying a tax on premiums and assessments pursuant  
3 to section 77-908 or 81-523, (ii) electric cooperative organized under  
4 the Joint Public Power Authority Act, or (iii) credit union shall be  
5 credited, in the computation of the tax due under the Nebraska Revenue  
6 Act of 1967, with the amount paid during the taxable year as taxes on  
7 such premiums and assessments and taxes in lieu of intangible tax.

8           (b) For taxable years commencing on or after January 1, 1997, any  
9 insurer paying a tax on premiums and assessments pursuant to section  
10 77-908 or 81-523, any electric cooperative organized under the Joint  
11 Public Power Authority Act, or any credit union shall be credited, in the  
12 computation of the tax due under the Nebraska Revenue Act of 1967, with  
13 the amount paid during the taxable year as (i) taxes on such premiums and  
14 assessments included as Nebraska premiums and assessments under section  
15 77-2734.05 and (ii) taxes in lieu of intangible tax.

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

23           (2) There shall be allowed to corporate taxpayers a tax credit for  
24 contributions to community betterment programs as provided in the  
25 Community Development Assistance Act.

26           (3) There shall be allowed to corporate taxpayers a refundable  
27 income tax credit under the Beginning Farmer Tax Credit Act for all  
28 taxable years beginning or deemed to begin on or after January 1, 2001,  
29 under the Internal Revenue Code of 1986, as amended.

30           (4) The changes made to this section by Laws 2004, LB 983, apply to  
31 motor fuels purchased during any tax year ending or deemed to end on or

1 after January 1, 2005, under the Internal Revenue Code of 1986, as  
2 amended.

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

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

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

21 Sec. 78. Section 77-27,223, Revised Statutes Supplement, 2023, is  
22 amended to read:

23 77-27,223 A county may raise revenue by levying and collecting a  
24 license or occupation tax on any person, partnership, limited liability  
25 company, corporation, or business engaged in the sale of admissions to  
26 recreational, cultural, entertainment, or concert events that are subject  
27 to sales tax under sections 77-2701.04 to 77-2713 and section 71 of this  
28 act that occur outside any incorporated municipality, but within the  
29 boundary limits of the county. The tax shall be uniform in respect to the  
30 class upon which it is imposed. The tax shall be based upon a certain  
31 percentage of gross receipts from sales in the county of the person,

1 partnership, limited liability company, corporation, or business, and may  
2 include sales of other goods and services at such locations and events,  
3 not to exceed one and one-half percent. A county may not impose the tax  
4 on sales that are within an incorporated city or village. No county shall  
5 levy and collect a license or occupation tax under this section unless  
6 approved by a majority of those voting on the question at a special,  
7 primary, or general election.

8 Sec. 79. Section 77-27,241, Revised Statutes Supplement, 2023, is  
9 amended to read:

10 77-27,241 (1) For purposes of this section:

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

14 (b) Department means the Department of Revenue;

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

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

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

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

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

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

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

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

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

1 (f) Grocery store retailer means a retailer located in this state  
2 that is primarily engaged in business activities classified as code  
3 445110 under the North American Industry Classification System;

4 (g) Qualifying agricultural food donation means a donation made by  
5 an agricultural producer to a food bank, food pantry, or food rescue of  
6 fresh or frozen fruits, vegetables, eggs, dairy products, or meat  
7 products grown or produced in the State of Nebraska which meets all  
8 applicable quality and labeling standards, along with any other  
9 applicable requirements of the food bank, food pantry, or food rescue to  
10 which the qualifying agricultural food donation is made; and

11 (h) Restaurant means a business located in this state that is  
12 primarily engaged in business activities classified as code 722511,  
13 722513, 722514, or 722515 under the North American Industry  
14 Classification System.

15 (2) For taxable years beginning or deemed to begin on or after  
16 January 1, ~~2025~~ 2024, under the Internal Revenue Code of 1986, as  
17 amended, a credit against the income tax imposed by the Nebraska Revenue  
18 Act of 1967 shall be allowed to:

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

21 (b) Any agricultural producer that makes a qualifying agricultural  
22 food donation to a food bank, food pantry, or food rescue during the  
23 taxable year.

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

31 (4) For purposes of this section, food donated by a grocery store



1 retailer or restaurant shall be valued at its wholesale value. A  
2 qualifying agricultural food donation shall be valued at the prevailing  
3 market value of the product at the time of donation, plus the direct cost  
4 incurred by the agricultural producer for processing the product.

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

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

14 (7) The department may approve up to five hundred thousand zero  
15 dollars of credits in fiscal year 2025-26 and each fiscal year thereafter  
16 ~~each year~~. If the amount of credits requested by qualified taxpayers in  
17 any year exceeds such limit, the department shall allocate credits  
18 proportionally based on the amounts requested so that the limit is not  
19 exceeded.

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

23 (9) Any amount relating to such food donations or qualifying  
24 agricultural food donations that was deducted as a charitable  
25 contribution on the taxpayer's federal income tax return ~~subtracted from~~  
26 ~~the taxpayer's federal adjusted gross income or federal taxable income~~  
27 must be added back in the determination of Nebraska ~~adjusted gross income~~  
28 ~~or~~ taxable income before the credit provided in this section may be  
29 claimed.

30 (10) No credit granted under this section shall be transferred,  
31 sold, or assigned. No taxpayer shall be eligible to receive a credit

1 under this section if such taxpayer employs persons who are not  
2 authorized to work in the United States under federal law. No taxpayer  
3 shall be able to claim more than one credit under this section for a  
4 single donation.

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

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

10 Sec. 80. Section 77-3806, Revised Statutes Cumulative Supplement,  
11 2022, is amended to read:

12 77-3806 (1) The tax return shall be filed and the total amount of  
13 the franchise tax shall be due on the fifteenth day of the third month  
14 after the end of the taxable year. No extension of time to pay the tax  
15 shall be granted. If the Tax Commissioner determines that the amount of  
16 tax can be computed from available information filed by the financial  
17 institutions with either state or federal regulatory agencies, the Tax  
18 Commissioner may, by regulation, waive the requirement for the financial  
19 institutions to file returns.

20 (2) Sections 77-2714 to 77-27,135 relating to deficiencies,  
21 penalties, interest, the collection of delinquent amounts, and appeal  
22 procedures for the tax imposed by section 77-2734.02 shall also apply to  
23 the tax imposed by section 77-3802. If the filing of a return is waived  
24 by the Tax Commissioner, the payment of the tax shall be considered the  
25 filing of a return for purposes of sections 77-2714 to 77-27,135.

26 (3) No refund of the tax imposed by section 77-3802 shall be allowed  
27 unless a claim for such refund is filed within ninety days of the date on  
28 which (a) the tax is due or was paid, whichever is later, (b) a change is  
29 made to the amount of deposits or the net financial income of the  
30 financial institution by a state or federal regulatory agency, or (c) the  
31 Nebraska Investment Finance Authority issues an eligibility statement to

1 the financial institution pursuant to the Affordable Housing Tax Credit  
2 Act.

3 (4) Any such financial institution shall receive a credit on the  
4 franchise tax as provided under the Affordable Housing Tax Credit Act,  
5 the Community Development Assistance Act, the Nebraska Higher Blend Tax  
6 Credit Act, the Nebraska Job Creation and Mainstreet Revitalization Act,  
7 the Nebraska Property Tax Incentive Act, ~~and~~ the New Markets Job Growth  
8 Investment Act, the Sustainable Aviation Fuel Tax Credit Act, and the  
9 Nebraska Shortline Rail Modernization Act.

10 Sec. 81. Section 77-7012, Revised Statutes Supplement, 2023, is  
11 amended to read:

12 77-7012 (1) If the department determines that an application is  
13 complete and that the taxpayer qualifies for tax credits, the department  
14 shall approve the application within the limits set forth in this section  
15 and shall certify the amount of tax credits approved to the taxpayer.

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

22 Sec. 82. Section 77-7015, Revised Statutes Supplement, 2023, is  
23 amended to read:

24 77-7015 There shall be no new applications filed under the Nebraska  
25 Biodiesel Tax Credit Act after December 31, 2029 ~~2028~~. All applications  
26 and all tax credits pending or approved before such date shall continue  
27 in full force and effect.

28 Sec. 83. Section 81-1220, Revised Statutes Cumulative Supplement,  
29 2022, is amended to read:

30 81-1220 (1)(a) The Nebraska Film Office Fund is created. The fund  
31 shall be administered by the Department of Economic Development and used

1 for grants for Nebraska-based films, Nebraska filmmakers, and tribal  
2 communities in Nebraska as provided in this section.

3 (b) The fund shall consist of funds transferred by the Legislature,  
4 gifts, grants, and bequests. ~~It is the intent of the Legislature to~~  
5 ~~transfer the unexpended and unobligated balance in the Nebraska Film~~  
6 ~~Office Fund on June 30, 2025, to the General Fund.~~

7 (c) Any money in the Nebraska Film Office Fund available for  
8 investment shall be invested by the state investment officer pursuant to  
9 the Nebraska Capital Expansion Act and the Nebraska State Funds  
10 Investment Act.

11 (2)(a) The department shall administer a grant program for Nebraska-  
12 based films and shall require applications to be submitted to the  
13 department prior to beginning production.

14 (b) To be eligible for a grant under the program, the applicant  
15 shall verify that:

16 (i) The film is to be produced in Nebraska;

17 (ii) The film tells a Nebraska story; and

18 (iii) At least fifty percent of the workforce for film production  
19 will be composed of Nebraska residents for the duration of the production  
20 except as otherwise provided in subdivision (c) of this subsection.

21 (c) The department may lower the fifty-percent requirement in  
22 subdivision (b)(iii) of this subsection but shall not waive the  
23 requirement. The applicant shall apply to the department to lower the  
24 requirement and provide a certification that the requirement is an  
25 unreasonable impediment to production of the film. The department shall  
26 notify the applicant of the decision under this subdivision.

27 (d) The department shall review each application to determine  
28 whether the film qualifies for a grant under this subsection ~~section~~ and  
29 shall not award a grant that exceeds twenty-five percent of the projected  
30 production cost of the film.

31 (3)(a) The department shall administer a grant program for Nebraska

1 filmmakers with the intention to create Nebraska film industry jobs and  
2 shall require applications to be submitted to the department prior to  
3 beginning production.

4 (b) To be eligible for a grant under the program, the applicant  
5 shall verify that:

6 (i) One hundred percent of the principal photography of the film  
7 will be in Nebraska;

8 (ii) The applicant is a resident that has a validated credit as a  
9 producer, director, director of photography, or screenwriter for the  
10 film;

11 (iii) The film will be a full-length film or documentary or a short-  
12 length film or documentary;

13 (iv) The film will not contain any obscene or sexually explicit  
14 material;

15 (v) All employees who will work on the film are residents; and

16 (vi) The total budget of the film is at least:

17 (A) For full-length films or documentaries, fifty thousand dollars;  
18 or

19 (B) For short-length films or documentaries, five thousand dollars;

20 (c) The department shall review each application to determine  
21 whether the film qualifies for a grant under this subsection.

22 (d) The department shall review applications for grants under this  
23 subsection in the order in which the applications are received.

24 (e) The department shall award grants under this subsection for a  
25 total of four full-length films or documentaries and ten short-length  
26 films or documentaries each calendar year.

27 (f) The department shall not award a grant that exceeds two hundred  
28 fifty thousand dollars for a full-length film or documentary or twenty-  
29 five thousand dollars for a short-length film or documentary.

30 (g) The department shall not award total grants exceeding one  
31 million three hundred twenty-five thousand dollars in any calendar year.

1       (h) The first grant awarded for each individual film shall not  
2 exceed:

3       (i) For full-length films or documentaries, fifty thousand dollars;  
4 or

5       (ii) For short-length films or documentaries, ten thousand dollars.

6       (i) If an applicant who receives a grant under this subsection does  
7 not meet the requirements for eligibility under subdivision (b) of this  
8 subsection during the entirety of the production of the film, the  
9 applicant shall repay the entirety of the grant.

10       (j) For purposes of this subsection:

11       (i) Full-length means a production at least sixty minutes in length;

12       (ii) Short-length means a production at least thirty minutes and  
13 less than sixty minutes in length; and

14       (iii) Resident means any individual domiciled in the State of  
15 Nebraska and any other individual who maintains a permanent place of  
16 residence within the state even though temporarily absent from the state  
17 and who has not established a residence elsewhere.

18       (4)(a) The department shall administer a grant program for film and  
19 entertainment education programs in tribal communities in Nebraska.

20       (b) The department shall award total grants of at least seventy-five  
21 thousand dollars each calendar year.

22       Sec. 84. Sections 64, 65, and 85 of this act become operative on  
23 August 1, 2024. Sections 67, 68, 69, 70, 71, 72, 73, 78, and 86 of this  
24 act become operative on October 1, 2024. Sections 24, 25, 26, 27, 28, 29,  
25 30, 31, 32, and 33 of this act become operative for all taxable years  
26 beginning or deemed to begin on or after January 1, 2025, under the  
27 Internal Revenue Code of 1986, as amended. The other sections of this act  
28 become operative on their effective date.

29       Sec. 85. Original section 66-489, Reissue Revised Statutes of  
30 Nebraska, and section 66-482, Revised Statutes Cumulative Supplement,  
31 2022, are repealed.

1           Sec. 86.     Original sections 77-2701, 77-2701.04, 77-2701.41,  
2 77-2704.12, 77-2711, 77-2713, and 77-27,223, Revised Statutes Supplement,  
3 2023, are repealed.

4           Sec. 87.     Original sections 77-908, 77-3806, and 81-1220, Revised  
5 Statutes Cumulative Supplement, 2022, and sections 77-2715.07, 77-2716,  
6 77-2717, 77-2734.03, 77-27,241, 77-7012, and 77-7015, Revised Statutes  
7 Supplement, 2023, are repealed.

8           Sec. 88.     The following section is outright repealed: Section  
9 66-4,146.01, Reissue Revised Statutes of Nebraska.