

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1084

Introduced by Ibach, 44; Kauth, 31.

Read first time January 09, 2024

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
2 77-908 and 77-3806, Revised Statutes Cumulative Supplement, 2022,
3 and sections 77-2715.07, 77-2717, and 77-2734.03, Revised Statutes
4 Supplement, 2023; to adopt the Nebraska Shortline Rail Modernization
5 Act; to provide for tax credits; to harmonize provisions; and to
6 repeal the original sections.

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

1 Section 1. Sections 1 to 10 of this act shall be known and may be
2 cited as the Nebraska Shortline Rail Modernization Act.

3 Sec. 2. For purposes of the Nebraska Shortline Rail Modernization
4 Act:

5 (1) Department means the Department of Revenue;

6 (2) Eligible taxpayer means:

7 (a) Any shortline railroad company located wholly or partly in
8 Nebraska that is classified by the federal Surface Transportation Board
9 as a Class II or Class III railroad; and

10 (b) Any owner or lessee of a rail siding, industrial spur, or
11 industry track located on or adjacent to any railroad in Nebraska;

12 (3) Qualified new rail infrastructure expenditures means
13 expenditures for new rail infrastructure and improvements, including, but
14 not limited to, the acquisition of a right-of-way, engineering,
15 construction of new track such as industrial leads, switches, spurs, and
16 sidings, loading dock improvements, and transloading structures involved
17 with servicing customer locations or expansions by any railroad located
18 in Nebraska;

19 (4)(a) Qualified shortline railroad maintenance expenditures means
20 gross expenditures for railroad infrastructure maintenance and capital
21 improvements, including, but not limited to, rail, tie plates, joint
22 bars, fasteners, switches, ballast, subgrade, roadbed, bridges,
23 industrial leads, sidings, signs, safety barriers, crossing signals and
24 gates, and related track structures owned or leased by a Class II or
25 Class III railroad.

26 (b) Qualified shortline railroad maintenance expenditures do not
27 include expenditures used to generate a federal tax credit or
28 expenditures funded by a federal grant; and

29 (5) Taxpayer means any individual, corporation, partnership, limited
30 liability company, trust, estate, or other entity subject to the income
31 tax imposed by the Nebraska Revenue Act of 1967 or any tax imposed by

1 sections 77-907 to 77-918 or 77-3801 to 77-3807.

2 Sec. 3. (1) For taxable years beginning or deemed to begin on or
3 after January 1, 2024, under the Internal Revenue Code of 1986, as
4 amended, an eligible taxpayer shall be allowed a credit against the
5 income tax imposed by the Nebraska Revenue Act of 1967 or any tax imposed
6 by sections 77-907 to 77-918 or 77-3801 to 77-3807 for qualified
7 shortline railroad maintenance expenditures or qualified new rail
8 infrastructure expenditures.

9 (2) The credit provided in this section shall be a nonrefundable tax
10 credit equal to:

11 (a) Fifty percent of the qualified shortline railroad maintenance
12 expenditures incurred during the taxable year by the eligible taxpayer.
13 The amount of the credit may not exceed an amount equal to five thousand
14 dollars multiplied by the number of miles of railroad track owned or
15 leased in the state by the eligible taxpayer at the end of the taxable
16 year; and

17 (b) Fifty percent of the qualified new rail infrastructure
18 expenditures incurred during the taxable year by the eligible taxpayer.

19 (3) The total amount of tax credits allowed in any taxable year
20 under the Nebraska Shortline Rail Modernization Act shall not exceed:

21 (a) Four million dollars for qualified shortline railroad
22 maintenance expenditures; and

23 (b) Five million dollars for qualified new rail infrastructure
24 expenditures.

25 (4) The maximum allowable amount of tax credits for qualified new
26 rail infrastructure expenditures in any single taxable year for an
27 individual infrastructure project shall not exceed three million dollars.

28 Sec. 4. To receive tax credits under the Nebraska Shortline Rail
29 Modernization Act, an eligible taxpayer shall submit an application to
30 the department on a form prescribed by the department after incurring the
31 relevant qualified shortline railroad maintenance expenditures or

1 qualified new rail infrastructure expenditures. The application shall be
2 submitted no later than May 1 of the calendar year immediately following
3 the calendar year in which the expenditures were incurred. The
4 application shall include the following information:

5 (1) If applying for tax credits for qualified shortline railroad
6 maintenance expenditures, the number of miles of railroad track owned or
7 leased in this state by the eligible taxpayer;

8 (2) A description of the amount of qualified shortline railroad
9 maintenance expenditures incurred by the eligible taxpayer; and

10 (3) A description of the amount of qualified new rail infrastructure
11 expenditures incurred by the eligible taxpayer.

12 Sec. 5. (1) If the department determines that an application is
13 complete and that the eligible taxpayer qualifies for tax credits under
14 the Nebraska Shortline Rail Modernization Act, the department shall
15 approve the application and issue a tax credit certificate to the
16 eligible taxpayer. The certificate shall include the following
17 information:

18 (a) An identification number for the certificate;

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

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

22 (2) The department shall consider and approve applications for tax
23 credits under the act in the order in which the applications are
24 received.

25 Sec. 6. (1) A taxpayer shall claim the tax credit under the
26 Nebraska Shortline Rail Modernization Act by attaching the tax credit
27 certification received from the department under section 5 of this act to
28 its tax return.

29 (2) Any amount of the credit that is unused may be carried forward
30 and applied against the taxpayer's tax liability for the next five
31 taxable years immediately following the taxable year in which the credit

1 was first allowed.

2 Sec. 7. The tax credits allowed under the Nebraska Shortline Rail
3 Modernization Act may be assigned by the eligible taxpayer to another
4 taxpayer by written agreement at any time during the taxable year in
5 which the credit was first allowed for the eligible taxpayer or in the
6 five taxable years immediately following the taxable year in which the
7 credit was first allowed for the eligible taxpayer. The assignor and
8 assignee shall jointly file a copy of the written assignment agreement
9 with the department within thirty days of the assignment. The written
10 agreement shall contain the name, address, and taxpayer identification
11 number of the parties to the assignment, the taxable year the eligible
12 taxpayer incurred the expenditures, the amount of credit being assigned,
13 and all taxable years for which the credit may be claimed.

14 Sec. 8. Any tax credit allowable to a partnership, a limited
15 liability company, a subchapter S corporation, or an estate or trust may
16 be distributed to the partners, limited liability company members,
17 shareholders, or beneficiaries in the same manner as income is
18 distributed.

19 Sec. 9. The department may adopt and promulgate rules and
20 regulations to carry out the Nebraska Shortline Rail Modernization Act.

21 Sec. 10. There shall be no new applications for tax credits filed
22 under the Nebraska Shortline Rail Modernization Act after December 31,
23 2033. All applications and all credits pending or approved before such
24 date shall continue in full force and effect.

25 Sec. 11. Section 77-908, Revised Statutes Cumulative Supplement,
26 2022, is amended to read:

27 77-908 Every insurance company organized under the stock, mutual,
28 assessment, or reciprocal plan, except fraternal benefit societies, which
29 is transacting business in this state shall, on or before March 1 of each
30 year, pay a tax to the director of one percent of the gross amount of
31 direct writing premiums received by it during the preceding calendar year

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

29 Sec. 12. Section 77-2715.07, Revised Statutes Supplement, 2023, is
30 amended to read:

31 77-2715.07 (1) There shall be allowed to qualified resident

1 individuals as a nonrefundable credit against the income tax imposed by
2 the Nebraska Revenue Act of 1967:

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

5 (b) A credit for taxes paid to another state as provided in section
6 77-2730.

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

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

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

1 operating loss that was deducted pursuant to such section in determining
2 eligibility for the federal credit;

3 (c) A refundable credit as provided in section 77-5209.01 for
4 individuals who qualify for an income tax credit as a qualified beginning
5 farmer or livestock producer under the Beginning Farmer Tax Credit Act
6 for all taxable years beginning or deemed to begin on or after January 1,
7 2006, under the Internal Revenue Code of 1986, as amended;

8 (d) A refundable credit for individuals who qualify for an income
9 tax credit under the Angel Investment Tax Credit Act, the Nebraska
10 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
11 and Development Act, or the Volunteer Emergency Responders Incentive Act;
12 and

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

21 (3) There shall be allowed to all individuals as a nonrefundable
22 credit against the income tax imposed by the Nebraska Revenue Act of
23 1967:

24 (a) A credit for personal exemptions allowed under section
25 77-2716.01;

26 (b) A credit for contributions to certified community betterment
27 programs as provided in the Community Development Assistance Act. Each
28 partner, each shareholder of an electing subchapter S corporation, each
29 beneficiary of an estate or trust, or each member of a limited liability
30 company shall report his or her share of the credit in the same manner
31 and proportion as he or she reports the partnership, subchapter S

1 corporation, estate, trust, or limited liability company income;

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

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

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

8 (f) A credit to employers as provided in sections 77-27,238 and
9 77-27,240;

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

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

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

14 (j) A credit as provided in the Nebraska Shortline Rail
15 Modernization Act.

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

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

20 (b) A credit to all estates and trusts for contributions to
21 certified community betterment programs as provided in the Community
22 Development Assistance Act; and

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

1 of the amount of tax credit distributed pursuant to subsection (6) of
2 section 77-5211.

3 (5)(a) For all taxable years beginning on or after January 1, 2007,
4 and before January 1, 2009, under the Internal Revenue Code of 1986, as
5 amended, there shall be allowed to each partner, shareholder, member, or
6 beneficiary of a partnership, subchapter S corporation, limited liability
7 company, or estate or trust a nonrefundable credit against the income tax
8 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the
9 partner's, shareholder's, member's, or beneficiary's portion of the
10 amount of franchise tax paid to the state under sections 77-3801 to
11 77-3807 by a financial institution.

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

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

26 (6) There shall be allowed to all individuals nonrefundable credits
27 against the income tax imposed by the Nebraska Revenue Act of 1967 as
28 provided in section 77-3604 and refundable credits against the income tax
29 imposed by the Nebraska Revenue Act of 1967 as provided in section
30 77-3605.

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

1 January 1, 2020, and before January 1, 2026, under the Internal Revenue
2 Code of 1986, as amended, a nonrefundable credit against the income tax
3 imposed by the Nebraska Revenue Act of 1967 in the amount of five
4 thousand dollars shall be allowed to any individual who purchases a
5 residence during the taxable year if such residence:

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

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

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

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

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

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

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

25 (8) There shall be allowed to all individuals refundable credits
26 against the income tax imposed by the Nebraska Revenue Act of 1967 as
27 provided in the Nebraska Biodiesel Tax Credit Act, the Nebraska Higher
28 Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, and the
29 Renewable Chemical Production Tax Credit Act.

30 (9)(a) For taxable years beginning or deemed to begin on or after
31 January 1, 2022, under the Internal Revenue Code of 1986, as amended, a

1 refundable credit against the income tax imposed by the Nebraska Revenue
2 Act of 1967 shall be allowed to the parent of a stillborn child if:

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

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

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

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

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

12 (10) There shall be allowed to all individuals refundable credits
13 against the income tax imposed by the Nebraska Revenue Act of 1967 as
14 provided in section 77-7203 and nonrefundable credits against the income
15 tax imposed by the Nebraska Revenue Act of 1967 as provided in section
16 77-7204.

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

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

1 credits provided in the Nebraska Advantage Microenterprise Tax Credit Act
2 and the Nebraska Advantage Research and Development Act shall be allowed
3 as a reduction in the income tax due. A refundable income tax credit
4 shall be allowed for all resident estates and trusts under the Angel
5 Investment Tax Credit Act, the Nebraska Advantage Microenterprise Tax
6 Credit Act, and the Nebraska Advantage Research and Development Act. A
7 nonrefundable income tax credit shall be allowed for all resident estates
8 and trusts as provided in the New Markets Job Growth Investment Act.

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

31 (b) The tax imposed on all nonresident estates and trusts shall be

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

28 (2) In all instances wherein a fiduciary income tax return is
29 required under the provisions of the Internal Revenue Code, a Nebraska
30 fiduciary return shall be filed, except that a fiduciary return shall not
31 be required to be filed regarding a simple trust if all of the trust's

1 beneficiaries are residents of the State of Nebraska, all of the trust's
2 income is derived from sources in this state, and the trust has no
3 federal tax liability. The fiduciary shall be responsible for making the
4 return for the estate or trust for which he or she acts, whether the
5 income be taxable to the estate or trust or to the beneficiaries thereof.
6 The fiduciary shall include in the return a statement of each
7 beneficiary's distributive share of net income when such income is
8 taxable to such beneficiaries.

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

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

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

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

1 against the Nebraska income tax liability of the beneficiary.

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

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

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

22 Sec. 14. Section 77-2734.03, Revised Statutes Supplement, 2023, is
23 amended to read:

24 77-2734.03 (1)(a) For taxable years commencing prior to January 1,
25 1997, any (i) insurer paying a tax on premiums and assessments pursuant
26 to section 77-908 or 81-523, (ii) electric cooperative organized under
27 the Joint Public Power Authority Act, or (iii) credit union shall be
28 credited, in the computation of the tax due under the Nebraska Revenue
29 Act of 1967, with the amount paid during the taxable year as taxes on
30 such premiums and assessments and taxes in lieu of intangible tax.

31 (b) For taxable years commencing on or after January 1, 1997, any

1 insurer paying a tax on premiums and assessments pursuant to section
2 77-908 or 81-523, any electric cooperative organized under the Joint
3 Public Power Authority Act, or any credit union shall be credited, in the
4 computation of the tax due under the Nebraska Revenue Act of 1967, with
5 the amount paid during the taxable year as (i) taxes on such premiums and
6 assessments included as Nebraska premiums and assessments under section
7 77-2734.05 and (ii) taxes in lieu of intangible tax.

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

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

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

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

26 (5) There shall be allowed to corporate taxpayers refundable income
27 tax credits under the Nebraska Advantage Microenterprise Tax Credit Act,
28 the Nebraska Advantage Research and Development Act, the Nebraska
29 Biodiesel Tax Credit Act, the Nebraska Higher Blend Tax Credit Act, the
30 Nebraska Property Tax Incentive Act, and the Renewable Chemical
31 Production Tax Credit Act.

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

4 (7) There shall be allowed to corporate taxpayers a nonrefundable
5 income tax credit as provided in the Nebraska Job Creation and Mainstreet
6 Revitalization Act, the New Markets Job Growth Investment Act, the School
7 Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable
8 Housing Tax Credit Act, the Opportunity Scholarships Act, the Nebraska
9 Shortline Rail Modernization Act, and sections 77-27,238, 77-27,240, and
10 77-27,241.

11 Sec. 15. Section 77-3806, Revised Statutes Cumulative Supplement,
12 2022, is amended to read:

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

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

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

1 Nebraska Investment Finance Authority issues an eligibility statement to
2 the financial institution pursuant to the Affordable Housing Tax Credit
3 Act.

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

10 Sec. 16. Original sections 77-908 and 77-3806, Revised Statutes
11 Cumulative Supplement, 2022, and sections 77-2715.07, 77-2717, and
12 77-2734.03, Revised Statutes Supplement, 2023, are repealed.