

LEGISLATURE OF NEBRASKA

ONE HUNDREDTH LEGISLATURE

FIRST SESSION

**LEGISLATIVE BILL 453**

Introduced by White, 8; Aguilar, 35; Ashford, 20; Carlson, 38; Cornett, 45; Friend, 10; Gay, 14; Hansen, 42; Harms, 48; Howard, 9; Karpisek, 32; Kruse, 13; Langemeier, 23; Lathrop, 12; McDonald, 41; McGill, 26; Nantkes, 46; Nelson, 6; Pahls, 31; Pankonin, 2; Pedersen, 39; Preister, 5; Rogert, 16; Schimek, 27; Stuthman, 22; Synowiecki, 7; Wallman, 30; Wightman, 36;

Read first time January 16, 2007

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section  
2 77-2715.07, Revised Statutes Cumulative Supplement, 2006;  
3 to provide for an income tax credit for property taxes  
4 paid; and to repeal the original section.

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

1                   Section 1. Section 77-2715.07, Revised Statutes  
2 Cumulative Supplement, 2006, is amended to read:

3                   77-2715.07 (1) There shall be allowed to qualified  
4 resident individuals as a nonrefundable credit against the income  
5 tax imposed by the Nebraska Revenue Act of 1967:

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

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

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

13                   (a) For returns filed reporting federal adjusted  
14 gross incomes of greater than twenty-nine thousand dollars, a  
15 nonrefundable credit equal to twenty-five percent of the federal  
16 credit allowed under section 21 of the Internal Revenue Code of  
17 1986, as amended;

18                   (b) For returns filed reporting federal adjusted gross  
19 income of twenty-nine thousand dollars or less, a refundable credit  
20 equal to a percentage of the federal credit allowable under section  
21 21 of the Internal Revenue Code of 1986, as amended, whether or  
22 not the federal credit was limited by the federal tax liability.  
23 The percentage of the federal credit shall be one hundred percent  
24 for incomes not greater than twenty-two thousand dollars, and  
25 the percentage shall be reduced by ten percent for each one

1 thousand dollars, or fraction thereof, by which the reported  
2 federal adjusted gross income exceeds twenty-two thousand dollars;

3 (c) A refundable credit for individuals who qualify for  
4 an income tax credit as an owner of agricultural assets under the  
5 Beginning Farmer Tax Credit Act for all taxable years beginning or  
6 deemed to begin on or after January 1, 2001, under the Internal  
7 Revenue Code of 1986, as amended; and a refundable credit as  
8 provided in section 77-5209.01 for individuals who qualify for an  
9 income tax credit as a qualified beginning farmer or livestock  
10 producer under the Beginning Farmer Tax Credit Act for all taxable  
11 years beginning or deemed to begin on or after January 1, 2006,  
12 under the Internal Revenue Code of 1986, as amended;

13 (d) A refundable credit for individuals who qualify for  
14 an income tax credit under the Nebraska Advantage Microenterprise  
15 Tax Credit Act or the Nebraska Advantage Research and Development  
16 Act; and

17 (e) A refundable credit equal to eight percent of the  
18 federal credit allowed under section 32 of the Internal Revenue  
19 Code of 1986, as amended.

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

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

25 (b) A credit for contributions to certified community

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

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

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

12 (b) A credit to all estates and trusts for contributions  
13 to certified community betterment programs as provided in the  
14 Community Development Assistance Act.

15 (5) There shall be allowed to all business firms as a  
16 credit against the income tax imposed by the Nebraska Revenue Act  
17 of 1967 a credit as provided in section 77-27,222.

18 (6) For taxable years beginning or deemed to begin on or  
19 after January 1, 2007, there shall be allowed to resident taxpayers  
20 against the tax imposed by the Nebraska Revenue Act of 1967 a  
21 refundable credit for property taxes paid on the primary residence  
22 of the taxpayer. The amount of the credit shall be the property  
23 taxes paid on the primary residence during the tax year, but not  
24 to exceed five hundred dollars. The Tax Commissioner shall develop  
25 a form for use by the taxpayer and the department which provides

1 sufficient proof of ownership and taxes paid in the tax year. Every  
2 biennium, the Legislature shall reexamine the amount of this tax  
3 credit based on economic conditions, fiscal conditions, and other  
4 relevant factors.

5           Sec. 2. Original section 77-2715.07, Revised Statutes  
6 Cumulative Supplement, 2006, is repealed.