

LEGISLATURE OF NEBRASKA  
ONE HUNDRED THIRD LEGISLATURE  
SECOND SESSION  
**LEGISLATIVE BILL 691**

Introduced by Bolz, 29.

Read first time January 08, 2014

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section  
2 77-2715.07, Revised Statutes Cumulative Supplement, 2012;  
3 to increase a child and dependent care tax credit; to  
4 provide an operative date; and to repeal the original  
5 section.  
6 Be it enacted by the people of the State of Nebraska,

1                   Section 1. Section 77-2715.07, Revised Statutes  
2 Cumulative Supplement, 2012, 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 tax  
5 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 gross  
14 incomes of greater than twenty-nine thousand dollars, a nonrefundable  
15 credit equal to ~~twenty-five~~twenty-eight percent of the federal  
16 credit allowed under section 21 of the Internal Revenue Code of 1986,  
17 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 not  
22 the federal credit was limited by the federal tax liability. The  
23 percentage of the federal credit shall be one hundred percent for  
24 incomes not greater than twenty-two thousand dollars, and the  
25 percentage shall be reduced by ten percent for each one thousand

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

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

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

13 (e) A refundable credit equal to ten percent of the  
14 federal credit allowed under section 32 of the Internal Revenue Code  
15 of 1986, as amended.

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

19 (a) A credit for personal exemptions allowed under  
20 section 77-2716.01;

21 (b) A credit for contributions to certified community  
22 betterment programs as provided in the Community Development  
23 Assistance Act. Each partner, each shareholder of an electing  
24 subchapter S corporation, each beneficiary of an estate or trust, or  
25 each member of a limited liability company shall report his or her

1 share of the credit in the same manner and proportion as he or she  
2 reports the partnership, subchapter S corporation, estate, trust, or  
3 limited liability company income;

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

6 (d) A credit as provided in the New Markets Job Growth  
7 Investment Act.

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;

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; and

15 (c) A refundable credit for individuals who qualify for  
16 an income tax credit as an owner of agricultural assets under the  
17 Beginning Farmer Tax Credit Act for all taxable years beginning or  
18 deemed to begin on or after January 1, 2009, under the Internal  
19 Revenue Code of 1986, as amended. The credit allowed for each  
20 partner, shareholder, member, or beneficiary of a partnership,  
21 corporation, limited liability company, or estate or trust qualifying  
22 for an income tax credit as an owner of agricultural assets under the  
23 Beginning Farmer Tax Credit Act shall be equal to the partner's,  
24 shareholder's, member's, or beneficiary's portion of the amount of  
25 tax credit distributed pursuant to subsection (4) of section 77-5211.

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

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

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

1 back.

2                   Sec. 2. This act becomes operative for all taxable years  
3 beginning or deemed to begin on or after January 1, 2015, under the  
4 Internal Revenue Code of 1986, as amended.

5                   Sec. 3. Original section 77-2715.07, Revised Statutes  
6 Cumulative Supplement, 2012, is repealed.