AM3225
LB 925
DSH-04-03

AMENDMENTS TO LB 925

1. On page 3, line 15, after the semicolon insert "(b) Costs incurred by the business firm in providing child care services for children of employees means the amounts expended by the business firm during the year for interior improvements to the premises, whether existing or new construction, for purposes of making them suitable for use as a child care facility, but not the acquisition of land or the construction of a new structure, furnishing the facility with fencing, landscaping, sidewalks, furniture, equipment, supplies, and other improvements and materials reasonably required to operate a child care facility and the direct operating costs of staffing and operating a child care facility. The costs include the payroll taxes and employee benefit costs of staffing the child care facility and sales and use taxes on purchases otherwise included in the costs of providing child care, but not an allocation of the business firm's general, administrative, and other operating expenses. The costs include payments to third parties to subsidize the cost of providing child care for the children of employees in such third parties' facility;"; and in line 16 strike "(b)" and insert "(c)".

2. On page 4, strike beginning with "Such" in line 1 through the period in line 3 and insert "In the case of a fiduciary, sole proprietorship, partnership, or limited liability company which is taxed as a pass through entity or a corporation which has in effect an election under subchapter S of the Internal

Revenue Code, the maximum allowable amount of credit shall be fifty percent of the income tax liability determined as if such business firm had been a corporation subject to the state income tax imposed by section 77-2734.02. Such pass-through entities shall allocate the allowable credit among their beneficiaries, proprietors, partners, members, or shareholders in the same manner as taxable income is allocated. The credit shall only be used to reduce the tax liabilities of the business firm, or in the case of pass through entities, the beneficiaries, proprietors, partners, members, or shareholders, for the year in which the costs were incurred."; in line 6 after "(3)" insert "Costs incurred by the business firm in providing child care services for the children of employees shall be reduced by payments received by the business firm from employees. If the business firm provides child care services for the children of employees and also for the children of non-employees, the costs shall be multiplied by a fraction, the numerator of which is the total child hours of care provided to the children of employees and the denominator of which is the total child hours of care provided in the child care facility. Child hour means one hour of care provided for one child. For purposes of calculating child hours, if the business firm does not in the ordinary course of its business compile the actual child hours of care, it may determine the number of child hours based on a reasonable convention if such convention is used consistently for each year that the credit is claimed or the business firm obtains the advance consent of the Tax Commissioner to change the convention. Costs shall be considered incurred in the taxable year

in which they are either accruable or are paid in accordance with the business firm's overall income tax method of accounting.

(4)"; and in line 10 Strike "(4)" and insert "(5)".