

AMENDMENTS TO LB591
(Amendments to E and R amendments, ER128)

Introduced by Schumacher, 22.

1 1. Insert the following new sections:

2 Sec. 12. Section 77-2715.07, Revised Statutes Cumulative Supplement,
3 2014, is amended to read:

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

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

9 (b) A credit for taxes paid to another state as provided in section
10 77-2730.

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

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

23 (b) For returns filed reporting federal adjusted gross income of
24 twenty-nine thousand dollars or less, a refundable credit equal to a
25 percentage of the federal credit allowable under section 21 of the
26 Internal Revenue Code of 1986, as amended, whether or not the federal

1 credit was limited by the federal tax liability. The percentage of the
2 federal credit shall be one hundred percent for incomes not greater than
3 twenty-two thousand dollars, and the percentage shall be reduced by ten
4 percent for each one thousand dollars, or fraction thereof, by which the
5 reported federal adjusted gross income exceeds twenty-two thousand
6 dollars, except that for taxable years beginning or deemed to begin on or
7 after January 1, 2015, such refundable credit shall be allowed only if
8 the individual would have received the federal credit allowed under
9 section 21 of the code after adding back in any carryforward of a net
10 operating loss that was deducted pursuant to such section in determining
11 eligibility for the federal credit;

12 (c) A refundable credit as provided in section 77-5209.01 for
13 individuals who qualify for an income tax credit as a qualified beginning
14 farmer or livestock producer under the Beginning Farmer Tax Credit Act
15 for all taxable years beginning or deemed to begin on or after January 1,
16 2006, under the Internal Revenue Code of 1986, as amended;

17 (d) A refundable credit for individuals who qualify for an income
18 tax credit under the Angel Investment Tax Credit Act, the Nebraska
19 Advantage Microenterprise Tax Credit Act, or the Nebraska Advantage
20 Research and Development Act; and

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

29 (3) There shall be allowed to all individuals as a nonrefundable
30 credit against the income tax imposed by the Nebraska Revenue Act of
31 1967:

1 (a) A credit for personal exemptions allowed under section
2 77-2716.01;

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

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

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

14 (e) A credit as provided in the Nebraska Job Creation and Mainstreet
15 Revitalization 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 (4) 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 Sec. 14. Section 77-3504, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 77-3504 Household income means the total federal adjusted gross
29 income, as defined in the Internal Revenue Code, plus (1) any Nebraska
30 adjustments increasing the total federal adjusted gross income, (2) any
31 interest or dividends received by the owner regarding obligations of the

1 State of Nebraska or any political subdivision, authority, commission, or
2 instrumentality thereof to the extent excluded in the computation of
3 gross income for federal income tax purposes, ~~and~~ (3) any social security
4 or railroad retirement benefit to the extent excluded in the computation
5 of gross income for federal income tax purposes, and (4) any carryforward
6 of a net operating loss to the extent deducted for federal income tax
7 purposes, of the claimant and spouse, and any additional owners who are
8 natural persons and who occupy the homestead, for the taxable year of the
9 claimant immediately prior to the year for which the claim for exemption
10 is made, less all medical expenses actually incurred and paid by the
11 claimant, his or her spouse, or any owner-occupant which are in excess of
12 four percent of household income calculated prior to the deduction for
13 medical expenses. For purposes of this section, medical expenses means
14 the costs of health insurance premiums and the costs of goods and
15 services purchased from a person licensed under the Uniform Credentialing
16 Act or a health care facility or health care service licensed under the
17 Health Care Facility Licensure Act for purposes of restoring or
18 maintaining health, including insulin and prescription medicine, but not
19 including nonprescription medicine.

20 Sec. 16. Sections 14 and 17 of this act become operative on January
21 1, 2016. The other sections of this act become operative on their
22 effective date.

23 Sec. 17. Original section 77-3504, Reissue Revised Statutes of
24 Nebraska, is repealed.

25 2. On page 13, line 8, after the second "trust" insert "or in the
26 achieving a better life experience program as provided in sections 1 to 9
27 of this act, if applicable".

28 3. On page 17, line 8, after "68-1201" insert ", 77-2715.07,".

29 4. Renumber the remaining sections accordingly.