

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 573

Introduced by Davis, 43.

Read first time January 21, 2015

Committee: Revenue

1 A BILL FOR AN ACT relating to health care; to amend section 84-602.02,
2 Reissue Revised Statutes of Nebraska, and sections 49-801.01,
3 77-2701, 77-2715.07, 77-2717, and 77-2734.03, Revised Statutes
4 Cumulative Supplement, 2014; to adopt the Health Enterprise Zone
5 Act; to provide for health enterprise zone tax credits; to harmonize
6 provisions; to repeal the original sections; and to declare an
7 emergency.
8 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 Health Enterprise Zone Act.

3 Sec. 2. For purposes of the Health Enterprise Zone Act:

4 (1) Board means the Health Enterprise Zone Review Board;

5 (2) Local public health department has the meaning found in section
6 71-1626; and

7 (3) Zone means a health enterprise zone designated pursuant to
8 section 7 of this act.

9 Sec. 3. (1) The Legislature finds that:

10 (a) Health disparities exist throughout the state;

11 (b) Communities where significant health disparities exist also
12 often face shortages in the primary health care workforce, including
13 physicians, physician assistants, and nurses;

14 (c) Health disparities are a result of modifiable health care system
15 factors, community factors, and individual factors;

16 (d) Many communities in both rural and urban Nebraska lack
17 consistent access to basic health care or certain types of necessary
18 medical care due to a lack of financial resources, often in combination
19 with an inability to recruit and retain health care professionals;

20 (e) The state has a vested interest in creating a sustainable health
21 care workforce in rural and urban areas in Nebraska that have health care
22 service shortages; and

23 (f) Local communities can be involved more directly by partnering
24 with the state in the effort to create a sustainable local health care
25 workforce.

26 (2) The purpose of the pilot project to create health enterprise
27 zones under the Health Enterprise Zone Act is to target state resources
28 to reduce health disparities, improve health outcomes, and reduce health
29 costs and hospital admissions and readmissions in specific areas of the
30 state.

31 Sec. 4. (1) The Health Enterprise Zone Review Board is created to

1 advise the University of Nebraska Medical Center regarding the pilot
2 project to create zones. The board shall consist of the chairperson of
3 the Health and Human Services Committee of the Legislature or his or her
4 designee as a nonvoting, ex officio member, the chairperson of the
5 Nebraska Rural Health Advisory Commission or his or her designee as a
6 voting, ex officio member, the Director of Economic Development or his or
7 her designee as a voting, ex officio member, the Dean of the College of
8 Public Health of the University of Nebraska Medical Center as a voting,
9 ex officio member, and two members appointed by the Governor for three-
10 year terms, one of whom is a representative of community health centers
11 in Nebraska. The Governor shall appoint a member to fill any vacancy for
12 the remainder of the unexpired term.

13 (2) The Dean of the College of Public Health of the University of
14 Nebraska Medical Center shall serve as the chairperson of the board. The
15 members of the board shall be reimbursed for actual and necessary
16 expenses incurred in carrying out the duties of the board as provided in
17 sections 81-1174 to 81-1177.

18 Sec. 5. The Board of Regents of the University of Nebraska, in
19 consultation with the Health Enterprise Zone Review Board, shall adopt
20 and promulgate rules and regulations for the pilot project to establish
21 eligibility criteria and procedures for applications for creation and
22 approval of zones and procedures for monitoring of zones by the
23 University of Nebraska Medical Center under the Health Enterprise Zone
24 Act.

25 Sec. 6. (1) A local public health department may apply to the
26 University of Nebraska Medical Center for the establishment of a zone
27 within its geographically defined community. The application shall be in
28 the form and manner and contain the information required by the
29 University of Nebraska Medical Center. The University of Nebraska Medical
30 Center shall forward completed applications to the board for review.

31 (2) In order to be approved, the applicant shall (a) demonstrate

1 measurable and documented health disparities and poor health outcomes in
2 the zone, (b) demonstrate that the zone is small enough to allow for the
3 incentives offered under the Health Enterprise Zone Act to have a
4 significant impact on improving health outcomes and reducing health
5 disparities, (c) set forth an effective and sustainable plan to reduce
6 health disparities, reduce costs or produce savings to the health care
7 system, and improve health outcomes, including the intended use of
8 funding to be provided to address health care provider capacity, improve
9 health services delivery, effectuate community improvements, or conduct
10 outreach and education efforts, and (d) provide evidence of a local match
11 of funds committed for the amount requested from the Health Enterprise
12 Zone Reserve Fund in a ratio of one to two so that one-third of the
13 funding for the incentive would be provided by a local match and two-
14 thirds of the funding would be provided from the fund.

15 (3) The applicant may include in the plan a proposal to use other
16 benefits in addition to those available under the Health Enterprise Zone
17 Act, including (a) health enterprise zone tax credits available to health
18 care professionals under section 16 of this act, (b) innovative public
19 health strategies to reduce health disparities in the zone, such as the
20 use of community health workers, health coaches, registered dietitians,
21 optometrists, peer learning, and community-based disease management
22 activities, that could be supported by grants awarded under section 8 of
23 this act, and (c) incentives or mechanisms to address health disparities
24 that focus on ways to expand access to health care, promote hiring of
25 health care professionals, and reduce costs to the health care system.

26 Sec. 7. (1) The board shall review completed applications forwarded
27 by the University of Nebraska Medical Center. The board shall approve
28 applications based on the criteria in section 6 of this act taking into
29 consideration the following factors:

30 (a) Preference for applicants creating zones in counties with one
31 hundred or fewer inhabitants per square mile according to the most recent

1 federal decennial census;

2 (b) Support from and participation of key stakeholders in the public
3 and private sectors, including residents of the zone and local
4 governments;

5 (c) The plan for long-term funding and sustainability;

6 (d) Inclusion of supporting funds from the private sector;

7 (e) A plan for evaluation of the impact of the designation as a
8 zone;

9 (f) Other factors that the University of Nebraska Medical Center and
10 the board determine are appropriate to demonstrate a commitment to reduce
11 disparities and improve health outcomes.

12 (2) The decision of the board regarding approval of an application
13 to designate a zone is final.

14 Sec. 8. (1) A local public health department which has received
15 approval for a zone under the Health Enterprise Zone Act may award grants
16 to health care facilities and health care professionals that provide
17 health care services within a zone for patients who are uninsured and for
18 patients for whom reimbursement is provided pursuant to the medical
19 assistance program under the Medical Assistance Act. An applicant for a
20 grant under this section shall provide evidence to the local public
21 health department that the applicant owns or leases a health care
22 facility licensed under the Health Care Facility Licensure Act or a
23 health care practitioner facility as defined in section 71-414 and
24 provides health care services as described in this subsection from that
25 facility.

26 (2) A health care facility or health care professional that receives
27 a grant under this section shall use the grant funds for medical or
28 dental equipment for the facility or for capital improvements or
29 leasehold improvements to the facility.

30 Sec. 9. The University of Nebraska Medical Center, in consultation
31 with the board, shall annually, on or before December 15, submit to the

1 Governor and electronically to the Legislature a report regarding the
2 pilot project that shall include, but not be limited to, the number of
3 applications submitted to create a zone, the number of applications
4 approved, the number of zones created, the number and type of incentives
5 used by the zones, evidence of the impact of the incentives in attracting
6 health care professionals to the zones, evidence of the impact of the
7 various incentives used in the zones to reduce health disparities and
8 improve health outcomes, and evidence of progress in reducing health care
9 costs and hospital admissions and readmissions in the zones. The
10 University of Nebraska Medical Center shall collect baseline data during
11 the first year of the pilot project and compare the data against the data
12 after the third year to provide a measure of the effectiveness of the
13 zones.

14 Sec. 10. The Health Enterprise Zone Reserve Fund is created. The
15 fund shall be used to provide matching funds for zones approved pursuant
16 to the Health Enterprise Zone Act. It is the intent of the Legislature to
17 appropriate one million eight hundred thousand dollars from the General
18 Fund to the Health Enterprise Zone Reserve Fund for each of fiscal years
19 2015-16, 2016-17, and 2017-18. Any money in the fund available for
20 investment shall be invested by the state investment officer pursuant to
21 the Nebraska Capital Expansion Act and the Nebraska State Funds
22 Investment Act.

23 Sec. 11. Section 49-801.01, Revised Statutes Cumulative Supplement,
24 2014, is amended to read:

25 49-801.01 Except as provided by Article VIII, section 1B, of the
26 Constitution of Nebraska and in sections 77-1106, 77-1108, 77-1109,
27 77-1117, 77-1119, 77-2701.01, 77-2714 to 77-27,123, 77-27,191, 77-2902,
28 77-2906, 77-2908, 77-2909, 77-4103, 77-4104, 77-4108, 77-5509, 77-5515,
29 77-5527 to 77-5529, 77-5539, 77-5717 to 77-5719, 77-5728, 77-5802,
30 77-5803, 77-5806, 77-5903, 77-6302, and 77-6306 and section 16 of this
31 act, any reference to the Internal Revenue Code refers to the Internal

1 Revenue Code of 1986 as it exists on April 11, 2014.

2 Sec. 12. Section 77-2701, Revised Statutes Cumulative Supplement,
3 2014, is amended to read:

4 77-2701 Sections 77-2701 to 77-27,135.01 and 77-27,228 to 77-27,236
5 and section 16 of this act shall be known and may be cited as the
6 Nebraska Revenue Act of 1967.

7 Sec. 13. Section 77-2715.07, Revised Statutes Cumulative Supplement,
8 2014, is amended to read:

9 77-2715.07 (1) There shall be allowed to qualified resident
10 individuals as a nonrefundable credit against the income tax imposed by
11 the Nebraska Revenue Act of 1967:

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

14 (b) A credit for taxes paid to another state as provided in section
15 77-2730.

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

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

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

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

6 (d) A refundable credit for individuals who qualify for an income
7 tax credit under the Angel Investment Tax Credit Act, the Nebraska
8 Advantage Microenterprise Tax Credit Act, or the Nebraska Advantage
9 Research and Development Act or section 16 of this act; and

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

13 (3) There shall be allowed to all individuals as a nonrefundable
14 credit against the income tax imposed by the Nebraska Revenue Act of
15 1967:

16 (a) A credit for personal exemptions allowed under section
17 77-2716.01;

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

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

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

29 (e) A credit as provided in the Nebraska Job Creation and Mainstreet
30 Revitalization Act.

31 (4) There shall be allowed as a credit against the income tax

1 imposed by the Nebraska Revenue Act of 1967:

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

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

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

18 (5)(a) For all taxable years beginning on or after January 1, 2007,
19 and before January 1, 2009, under the Internal Revenue Code of 1986, as
20 amended, there shall be allowed to each partner, shareholder, member, or
21 beneficiary of a partnership, subchapter S corporation, limited liability
22 company, or estate or trust a nonrefundable credit against the income tax
23 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the
24 partner's, shareholder's, member's, or beneficiary's portion of the
25 amount of franchise tax paid to the state under sections 77-3801 to
26 77-3807 by a financial institution.

27 (b) For all taxable years beginning on or after January 1, 2009,
28 under the Internal Revenue Code of 1986, as amended, there shall be
29 allowed to each partner, shareholder, member, or beneficiary of a
30 partnership, subchapter S corporation, limited liability company, or
31 estate or trust a nonrefundable credit against the income tax imposed by

1 the Nebraska Revenue Act of 1967 equal to the partner's, shareholder's,
2 member's, or beneficiary's portion of the amount of franchise tax paid to
3 the state under sections 77-3801 to 77-3807 by a financial institution.

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

10 Sec. 14. Section 77-2717, Revised Statutes Cumulative Supplement,
11 2014, is amended to read:

12 77-2717 (1)(a)(i) For taxable years beginning or deemed to begin
13 before January 1, 2014, the tax imposed on all resident estates and
14 trusts shall be a percentage of the federal taxable income of such
15 estates and trusts as modified in section 77-2716, plus a percentage of
16 the federal alternative minimum tax and the federal tax on premature or
17 lump-sum distributions from qualified retirement plans. The additional
18 taxes shall be recomputed by (A) substituting Nebraska taxable income for
19 federal taxable income, (B) calculating what the federal alternative
20 minimum tax would be on Nebraska taxable income and adjusting such
21 calculations for any items which are reflected differently in the
22 determination of federal taxable income, and (C) applying Nebraska rates
23 to the result. The federal credit for prior year minimum tax, after the
24 recomputations required by the Nebraska Revenue Act of 1967, and the
25 credits provided in the Nebraska Advantage Microenterprise Tax Credit Act
26 and the Nebraska Advantage Research and Development Act shall be allowed
27 as a reduction in the income tax due. A refundable income tax credit
28 shall be allowed for all resident estates and trusts under the Angel
29 Investment Tax Credit Act, the Nebraska Advantage Microenterprise Tax
30 Credit Act, and the Nebraska Advantage Research and Development Act. A
31 nonrefundable income tax credit shall be allowed for all resident estates

1 and trusts as provided in the New Markets Job Growth Investment Act.

2 (ii) For taxable years beginning or deemed to begin on or after
3 January 1, 2014, the tax imposed on all resident estates and trusts shall
4 be a percentage of the federal taxable income of such estates and trusts
5 as modified in section 77-2716, plus a percentage of the federal tax on
6 premature or lump-sum distributions from qualified retirement plans. The
7 additional taxes shall be recomputed by substituting Nebraska taxable
8 income for federal taxable income and applying Nebraska rates to the
9 result. The credits provided in the Nebraska Advantage Microenterprise
10 Tax Credit Act and the Nebraska Advantage Research and Development Act
11 shall be allowed as a reduction in the income tax due. A refundable
12 income tax credit shall be allowed for all resident estates and trusts
13 under the Angel Investment Tax Credit Act, the Nebraska Advantage
14 Microenterprise Tax Credit Act, ~~and~~ the Nebraska Advantage Research and
15 Development Act, and section 16 of this act. A nonrefundable income tax
16 credit shall be allowed for all resident estates and trusts as provided
17 in the Nebraska Job Creation and Mainstreet Revitalization Act and the
18 New Markets Job Growth Investment Act.

19 (b) The tax imposed on all nonresident estates and trusts shall be
20 the portion of the tax imposed on resident estates and trusts which is
21 attributable to the income derived from sources within this state. The
22 tax which is attributable to income derived from sources within this
23 state shall be determined by multiplying the liability to this state for
24 a resident estate or trust with the same total income by a fraction, the
25 numerator of which is the nonresident estate's or trust's Nebraska income
26 as determined by sections 77-2724 and 77-2725 and the denominator of
27 which is its total federal income after first adjusting each by the
28 amounts provided in section 77-2716. The federal credit for prior year
29 minimum tax, after the recomputations required by the Nebraska Revenue
30 Act of 1967, reduced by the percentage of the total income which is
31 attributable to income from sources outside this state, and the credits

1 provided in the Nebraska Advantage Microenterprise Tax Credit Act and the
2 Nebraska Advantage Research and Development Act shall be allowed as a
3 reduction in the income tax due. A refundable income tax credit shall be
4 allowed for all nonresident estates and trusts under the Angel Investment
5 Tax Credit Act, the Nebraska Advantage Microenterprise Tax Credit Act,
6 ~~and~~ the Nebraska Advantage Research and Development Act, and section 16
7 of this act. A nonrefundable income tax credit shall be allowed for all
8 nonresident estates and trusts as provided in the Nebraska Job Creation
9 and Mainstreet Revitalization Act and the New Markets Job Growth
10 Investment Act.

11 (2) In all instances wherein a fiduciary income tax return is
12 required under the provisions of the Internal Revenue Code, a Nebraska
13 fiduciary return shall be filed, except that a fiduciary return shall not
14 be required to be filed regarding a simple trust if all of the trust's
15 beneficiaries are residents of the State of Nebraska, all of the trust's
16 income is derived from sources in this state, and the trust has no
17 federal tax liability. The fiduciary shall be responsible for making the
18 return for the estate or trust for which he or she acts, whether the
19 income be taxable to the estate or trust or to the beneficiaries thereof.
20 The fiduciary shall include in the return a statement of each
21 beneficiary's distributive share of net income when such income is
22 taxable to such beneficiaries.

23 (3) The beneficiaries of such estate or trust who are residents of
24 this state shall include in their income their proportionate share of
25 such estate's or trust's federal income and shall reduce their Nebraska
26 tax liability by their proportionate share of the credits as provided in
27 the Angel Investment Tax Credit Act, the Nebraska Advantage
28 Microenterprise Tax Credit Act, the Nebraska Advantage Research and
29 Development Act, the Nebraska Job Creation and Mainstreet Revitalization
30 Act, ~~and~~ the New Markets Job Growth Investment Act, and section 16 of
31 this act. There shall be allowed to a beneficiary a refundable income tax

1 credit under the Beginning Farmer Tax Credit Act for all taxable years
2 beginning or deemed to begin on or after January 1, 2001, under the
3 Internal Revenue Code of 1986, as amended.

4 (4) If any beneficiary of such estate or trust is a nonresident
5 during any part of the estate's or trust's taxable year, he or she shall
6 file a Nebraska income tax return which shall include (a) in Nebraska
7 adjusted gross income that portion of the estate's or trust's Nebraska
8 income, as determined under sections 77-2724 and 77-2725, allocable to
9 his or her interest in the estate or trust and (b) a reduction of the
10 Nebraska tax liability by his or her proportionate share of the credits
11 as provided in the Angel Investment Tax Credit Act, the Nebraska
12 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
13 and Development Act, the Nebraska Job Creation and Mainstreet
14 Revitalization Act, ~~and~~ the New Markets Job Growth Investment Act, and
15 section 16 of this act and shall execute and forward to the fiduciary, on
16 or before the original due date of the Nebraska fiduciary return, an
17 agreement which states that he or she will file a Nebraska income tax
18 return and pay income tax on all income derived from or connected with
19 sources in this state, and such agreement shall be attached to the
20 Nebraska fiduciary return for such taxable year.

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

1 be the highest individual income tax rate determined under section
2 77-2715.03 multiplied by the nonresident beneficiary's share of the
3 estate or trust income which was derived from or attributable to sources
4 within this state. The amount remitted shall be allowed as a credit
5 against the Nebraska income tax liability of the beneficiary.

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

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

22 (8) For purposes of this section, any beneficiary of an estate or
23 trust that is a grantor trust of a nonresident shall be disregarded and
24 this section shall apply as though the nonresident grantor was the
25 beneficiary.

26 Sec. 15. Section 77-2734.03, Revised Statutes Cumulative Supplement,
27 2014, is amended to read:

28 77-2734.03 (1)(a) For taxable years commencing prior to January 1,
29 1997, any (i) insurer paying a tax on premiums and assessments pursuant
30 to section 77-908 or 81-523, (ii) electric cooperative organized under
31 the Joint Public Power Authority Act, or (iii) credit union shall be

1 credited, in the computation of the tax due under the Nebraska Revenue
2 Act of 1967, with the amount paid during the taxable year as taxes on
3 such premiums and assessments and taxes in lieu of intangible tax.

4 (b) For taxable years commencing on or after January 1, 1997, any
5 insurer paying a tax on premiums and assessments pursuant to section
6 77-908 or 81-523, any electric cooperative organized under the Joint
7 Public Power Authority Act, or any credit union shall be credited, in the
8 computation of the tax due under the Nebraska Revenue Act of 1967, with
9 the amount paid during the taxable year as (i) taxes on such premiums and
10 assessments included as Nebraska premiums and assessments under section
11 77-2734.05 and (ii) taxes in lieu of intangible tax.

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

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

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

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

30 (5) There shall be allowed to corporate taxpayers refundable income
31 tax credits under the Nebraska Advantage Microenterprise Tax Credit Act,

1 ~~and~~ the Nebraska Advantage Research and Development Act, and section 16
2 of this act.

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

6 (7) There shall be allowed to corporate taxpayers a nonrefundable
7 income tax credit as provided in the Nebraska Job Creation and Mainstreet
8 Revitalization Act and the New Markets Job Growth Investment Act.

9 Sec. 16. (1) For purposes of this section, taxpayer means any
10 person subject to the income tax imposed by the Nebraska Revenue Act of
11 1967, any corporation, partnership, limited liability company,
12 cooperative, including a cooperative exempt under section 521 of the
13 Internal Revenue Code of 1986, as amended, limited cooperative
14 association, or joint venture that is or would otherwise be a member of
15 the same unitary group, if incorporated, which is, or whose partners,
16 members, or owners representing an ownership interest of at least ninety
17 percent of such entity are, subject to such tax, and any other
18 partnership, limited liability company, subchapter S corporation,
19 cooperative, including a cooperative exempt under section 521 of the
20 Internal Revenue Code of 1986, as amended, limited cooperative
21 association, or joint venture when the partners, shareholders, or members
22 representing an ownership interest of at least ninety percent of such
23 entity are subject to such tax.

24 (2) The health enterprise zone tax credit shall be administered by
25 the Department of Revenue. The department shall accept applications for
26 tax credits from taxpayers that provide health care services within a
27 health enterprise zone for patients who are uninsured and for patients
28 for whom reimbursement is provided pursuant to the medical assistance
29 program under the Medical Assistance Act and that meet the requirements
30 of subsection (3) of this section. The application shall be on a form
31 developed by the department and shall contain other documents, plans, and

1 specifications as required by the department. Applications shall be filed
2 by November 1 and shall be complete by December 1 of each calendar year.
3 Any application that is filed after November 1 or that is not complete on
4 December 1 shall be considered to be filed during the following calendar
5 year.

6 (3) Subject to the limit provided in this subsection, a taxpayer
7 shall be entitled to a refundable tax credit equal to one hundred percent
8 of the taxpayer's expenditures during the tax year related to employing a
9 health care professional or employing support personnel for a health care
10 professional if the position for which the health care professional or
11 support personnel is employed is full time and did not exist in the prior
12 tax year. The tax credit shall not exceed the amount of the incentive
13 approved by the Health Enterprise Zone Review Board under the Health
14 Enterprise Zone Act for the health enterprise zone. The taxpayer shall
15 claim the tax credit by filing a form developed by the Tax Commissioner
16 and attaching the tentative tax credit certification granted by the
17 department. Tentative tax credits expire after the end of the tax year
18 following the year the tentative tax credit was certified. Interest shall
19 not be allowed on any taxes refunded under this section.

20 (4) The Tax Commissioner shall not approve or grant to any person
21 any tax incentive under this section unless the taxpayer provides
22 evidence satisfactory to the Tax Commissioner that the taxpayer
23 electronically verified the work eligibility status of all newly hired
24 employees employed in Nebraska. For purposes of calculating any tax
25 incentive available under this section, the Tax Commissioner shall
26 exclude the hours worked and compensation paid to an employee that is not
27 eligible to work in Nebraska as verified under this subsection.

28 (5) If the Department of Revenue determines that an application
29 meets the requirements of this section and that the applicant has met the
30 requirements of this section, the department shall approve the
31 application and authorize tentative tax credits to the applicant within

1 the limits set forth in this section and certify the amount of tentative
2 tax credits approved for the applicant. Applications for tax credits
3 shall be considered in the order in which they are received.

4 (6) After applications totaling the limit of the incentive approved
5 by the board have been approved for a calendar year, no further
6 applications shall be approved for that year.

7 Sec. 17. Section 84-602.02, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 84-602.02 (1)(a) Not later than January 1, 2010, the web site
10 established, developed, and maintained by the State Treasurer pursuant to
11 subdivision (9) of section 84-602 shall provide such information as will
12 document the sources of all tax receipts and the expenditure of state
13 funds by all agencies, boards, commissions, and departments of the state.

14 (b) The State Treasurer shall, in appropriate detail, cause to be
15 published on the web site:

16 (i) The identity, principal location, and amount of funds received
17 or expended by the State of Nebraska and all of its agencies, boards,
18 commissions, and departments;

19 (ii) The funding or expending agency, board, commission, or
20 department;

21 (iii) The budget program source;

22 (iv) The amount, date, purpose, and recipient of all disbursed
23 funds; and

24 (v) Such other relevant information as will further the intent of
25 enhancing the transparency of state government financial operations to
26 its citizens and taxpayers. The web site shall include data for fiscal
27 year 2008-09 and each fiscal year thereafter.

28 (2) Beginning July 1, 2010, the data shall be available on the web
29 site no later than thirty days after the end of the preceding fiscal
30 year.

31 (3)(a) Beginning July 1, 2014, the web site described in this

1 section shall include a link to the web site of the Department of
2 Administrative Services. The department's web site shall contain:

3 (i) A data base that includes a copy of each active contract that is
4 a basis for an expenditure of state funds, including any amendment to
5 such contract and any document incorporated by reference in such
6 contract. For purposes of this subdivision, amendment means an agreement
7 to modify a contract which has been reduced to writing and signed by each
8 party to the contract, an agreement to extend the duration of a contract,
9 or an agreement to renew a contract. The data base shall be accessible by
10 the public and searchable by vendor, by agency, board, commission, or
11 department, and by dollar amount. All agencies, boards, commissions, and
12 departments of the state shall provide to the Department of
13 Administrative Services, in electronic form, copies of such contracts for
14 inclusion in the data base beginning with contracts that are active on
15 and after January 1, 2014; and

16 (ii) A data base that includes copies of all expired contracts which
17 were previously included in the data base described in subdivision (3)(a)
18 (i) of this section. The data base required under this subdivision shall
19 be accessible by the public and searchable by vendor, by agency, board,
20 commission, or department, and by dollar amount.

21 (b) The following shall be redacted or withheld from any contract
22 before such contract is included in a data base pursuant to subdivision
23 (3)(a) of this section:

24 (i) The social security number or federal tax identification number
25 of any individual or business;

26 (ii) Protected health information as such term is defined under the
27 federal Health Insurance Portability and Accountability Act of 1996, as
28 such act existed on January 1, 2013;

29 (iii) Any information which may be withheld from the public under
30 section 84-712.05; or

31 (iv) Any information that is confidential under state or federal

1 law, rule, or regulation.

2 (c) The following contracts shall be exempt from the requirements of
3 subdivision (3)(a) of this section:

4 (i) Contracts entered into by the Department of Health and Human
5 Services that are letters of agreement for the purpose of providing
6 specific services to a specifically named individual and his or her
7 family;

8 (ii) Contracts entered into by the University of Nebraska or any of
9 the Nebraska state colleges for the purpose of providing specific
10 services or financial assistance to a specifically named individual and
11 his or her family;

12 (iii) Contracts entered into by the Department of Veterans' Affairs
13 under section 80-401 or 80-403 for the purpose of providing aid to a
14 specifically named veteran and his or her family;

15 (iv) Contracts entered into by the State Energy Office for the
16 purpose of providing financing from the Dollar and Energy Saving Loan
17 program; and

18 (v) Contracts of employment for employees of any agency, board,
19 commission, or department of the state. The exemption provided in this
20 subdivision shall not apply to contracts entered into by any agency,
21 board, commission, or department of the state to obtain the services of
22 an independent contractor.

23 (d) No agency, board, commission, or department of the state shall
24 structure a contract to avoid any of the requirements of subdivision (3)
25 (a) of this section.

26 (e) The Department of Administrative Services shall adopt policies
27 and procedures regarding the creation and maintenance of the data bases
28 required under this section and the process by which agencies, boards,
29 commissions, and departments of the state provide copies of the contracts
30 required under this section.

31 (4) All agencies, boards, commissions, and departments of the state

1 shall provide to the State Treasurer, at such times and in such form as
2 designated by the State Treasurer, such information as is necessary to
3 accomplish the purposes of the Taxpayer Transparency Act.

4 (5) Nothing in this section requires the disclosure of information
5 which is considered confidential under state or federal law or is not a
6 public record under section 84-712.05.

7 (6)(a) For purposes of this section, expenditure of state funds
8 means all expenditures of appropriated or nonappropriated funds by an
9 agency, board, commission, or department of the state from the state
10 treasury in forms including, but not limited to:

11 (i) Grants;

12 (ii) Contracts;

13 (iii) Subcontracts;

14 (iv) State aid to political subdivisions; and

15 (v) Tax refunds or credits that may be disclosed pursuant to the
16 Nebraska Advantage Act, the Nebraska Advantage Microenterprise Tax Credit
17 Act, the Nebraska Advantage Research and Development Act, ~~or~~ the Nebraska
18 Advantage Rural Development Act, or section 16 of this act.

19 (b) Expenditure of state funds does not include the transfer of
20 funds between two agencies, boards, commissions, or departments of the
21 state or payments of state or federal assistance to an individual.

22 Sec. 18. Original section 84-602.02, Reissue Revised Statutes of
23 Nebraska, and sections 49-801.01, 77-2701, 77-2715.07, 77-2717, and
24 77-2734.03, Revised Statutes Cumulative Supplement, 2014, are repealed.

25 Sec. 19. Since an emergency exists, this act takes effect when
26 passed and approved according to law.