

AMENDMENTS TO LB947

Introduced by Revenue.

1 1. Strike the original sections and insert the following new
2 sections:

3 Section 1. Sections 1 to 4 of this act shall be known and may be
4 cited as the Nebraska Property Tax Cuts and Opportunities Act.

5 Sec. 2. For purposes of the Nebraska Property Tax Cuts and
6 Opportunities Act:

7 (1) Agricultural land and horticultural land has the same meaning as
8 in section 77-1359;

9 (2) Department means the Department of Revenue;

10 (3) Farm site has the same meaning as in section 77-1359;

11 (4) Homestead has the same meaning as in section 77-3502; and

12 (5) Owner has the same meaning as in section 77-3503.

13 Sec. 3. (1) For taxable years beginning or deemed to begin on or
14 after January 1, 2018, each individual who is an owner of a homestead
15 shall be allowed a refundable credit against the income tax imposed by
16 the Nebraska Revenue Act of 1967 equal to the applicable percentage in
17 subsection (2) of this section multiplied by the property taxes paid
18 during the taxable year on such homestead, not to exceed the applicable
19 credit limitation amount provided in subsection (3) of this section.

20 (2) The following percentages shall apply for purposes of
21 calculating the credit allowed in subsection (1) of this section:

<u>Tax Year</u>	<u>Credit Percentage</u>
23 <u>2018</u>	<u>1%</u>
24 <u>2019</u>	<u>2%</u>
25 <u>2020</u>	<u>3%</u>
26 <u>2021</u>	<u>4%</u>
27 <u>2022</u>	<u>5%</u>

1	<u>2023</u>	<u>6%</u>
2	<u>2024</u>	<u>8%</u>
3	<u>2025</u>	<u>10%</u>
4	<u>2026</u>	<u>12%</u>
5	<u>2027</u>	<u>14%</u>
6	<u>2028</u>	<u>16%</u>
7	<u>2029</u>	<u>18%</u>
8	<u>2030 and After</u>	<u>20%</u>

9 (3) The credit allowed in subsection (1) of this section shall not
10 exceed the following credit limitation amounts:

11	<u>Tax Year</u>	<u>Credit Limitation Amount</u>
12	<u>2018</u>	<u>\$25</u>
13	<u>2019</u>	<u>\$50</u>
14	<u>2020</u>	<u>\$75</u>
15	<u>2021</u>	<u>\$100</u>
16	<u>2022</u>	<u>\$125</u>
17	<u>2023</u>	<u>\$150</u>
18	<u>2024</u>	<u>\$200</u>
19	<u>2025</u>	<u>\$250</u>
20	<u>2026</u>	<u>\$300</u>
21	<u>2027</u>	<u>\$350</u>
22	<u>2028</u>	<u>\$400</u>
23	<u>2029</u>	<u>\$450</u>
24	<u>2030 and After</u>	<u>\$500</u>

25 (4) If the property taxes on a homestead are paid by a corporation
26 having an election in effect under subchapter S of the Internal Revenue
27 Code, a partnership, a limited liability company, a trust, or an estate,
28 the amount of property taxes paid during the taxable year shall be
29 allocated to the shareholders, partners, members, or beneficiaries in the

1 same proportion that income is distributed. The department shall provide
2 forms and schedules necessary for verifying eligibility for the credit
3 provided in this section and for allocating the property taxes paid.

4 (5) The owner of a homestead who becomes the owner of another
5 homestead prior to August 15 of any year may file an affidavit with the
6 department on a form provided by the Tax Commissioner to allow the credit
7 to be claimed with respect to the property taxes paid by the owner on
8 either homestead during the taxable year.

9 Sec. 4. (1) For taxable years beginning or deemed to begin on or
10 after January 1, 2018, each individual shall be allowed a refundable
11 credit against the income tax imposed by the Nebraska Revenue Act of 1967
12 equal to the applicable percentage in subsection (2) of this section
13 multiplied by the property taxes paid during the taxable year on
14 agricultural land and horticultural land, farm sites, and improvements on
15 farm sites that are agricultural or horticultural in nature.

16 (2) The following percentages shall apply for purposes of
17 calculating the credit allowed in subsection (1) of this section:

<u>Tax Year</u>	<u>Credit Percentage</u>
<u>2018</u>	<u>2%</u>
<u>2019</u>	<u>4%</u>
<u>2020</u>	<u>6%</u>
<u>2021</u>	<u>8%</u>
<u>2022</u>	<u>10%</u>
<u>2023</u>	<u>12%</u>
<u>2024</u>	<u>14%</u>
<u>2025</u>	<u>16%</u>
<u>2026</u>	<u>18%</u>
<u>2027 and After</u>	<u>20%</u>

29 (3) If the property taxes on agricultural land and horticultural
30 land, farm sites, and improvements on farm sites are paid by a

1 corporation having an election in effect under subchapter S of the
2 Internal Revenue Code, a partnership, a limited liability company, a
3 trust, or an estate, the amount of property taxes paid during the taxable
4 year shall be allocated to the shareholders, partners, members, or
5 beneficiaries in the same proportion that income is distributed. The
6 department shall provide forms and schedules necessary for verifying
7 eligibility for the credit provided in this section and for allocating
8 the property taxes paid.

9 Sec. 5. Section 77-2715.07, Revised Statutes Cumulative Supplement,
10 2016, is amended to read:

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

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

16 (b) A credit for taxes paid to another state as provided in section
17 77-2730.

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

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

30 (b) For returns filed reporting federal adjusted gross income of
31 twenty-nine thousand dollars or less, a refundable credit equal to a

1 percentage of the federal credit allowable under section 21 of the
2 Internal Revenue Code of 1986, as amended, whether or not the federal
3 credit was limited by the federal tax liability. The percentage of the
4 federal credit shall be one hundred percent for incomes not greater than
5 twenty-two thousand dollars, and the percentage shall be reduced by ten
6 percent for each one thousand dollars, or fraction thereof, by which the
7 reported federal adjusted gross income exceeds twenty-two thousand
8 dollars, except that for taxable years beginning or deemed to begin on or
9 after January 1, 2015, such refundable credit shall be allowed only if
10 the individual would have received the federal credit allowed under
11 section 21 of the code after adding back in any carryforward of a net
12 operating loss that was deducted pursuant to such section in determining
13 eligibility for the federal credit;

14 (c) A refundable credit as provided in section 77-5209.01 for
15 individuals who qualify for an income tax credit as a qualified beginning
16 farmer or livestock producer under the Beginning Farmer Tax Credit Act
17 for all taxable years beginning or deemed to begin on or after January 1,
18 2006, under the Internal Revenue Code of 1986, as amended;

19 (d) A refundable credit for individuals who qualify for an income
20 tax credit under the Angel Investment Tax Credit Act, the Nebraska
21 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
22 and Development Act, or the Volunteer Emergency Responders Incentive Act;
23 and

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

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

4 (a) A credit for personal exemptions allowed under section
5 77-2716.01;

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

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

15 (d) A credit as provided in the New Markets Job Growth Investment
16 Act;

17 (e) A credit as provided in the Nebraska Job Creation and Mainstreet
18 Revitalization Act;

19 (f) A credit to employers as provided in section 77-27,238; and

20 (g) A credit as provided in the Affordable Housing Tax Credit Act.

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

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

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

28 (c) A refundable credit for individuals who qualify for an income
29 tax credit as an owner of agricultural assets under the Beginning Farmer
30 Tax Credit Act for all taxable years beginning or deemed to begin on or
31 after January 1, 2009, under the Internal Revenue Code of 1986, as

1 amended. The credit allowed for each partner, shareholder, member, or
2 beneficiary of a partnership, corporation, limited liability company, or
3 estate or trust qualifying for an income tax credit as an owner of
4 agricultural assets under the Beginning Farmer Tax Credit Act shall be
5 equal to the partner's, shareholder's, member's, or beneficiary's portion
6 of the amount of tax credit distributed pursuant to subsection (4) of
7 section 77-5211.

8 (5)(a) For all taxable years beginning on or after January 1, 2007,
9 and before January 1, 2009, under the Internal Revenue Code of 1986, as
10 amended, there shall be allowed to each partner, shareholder, member, or
11 beneficiary of a partnership, subchapter S corporation, limited liability
12 company, or estate or trust a nonrefundable credit against the income tax
13 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the
14 partner's, shareholder's, member's, or beneficiary's portion of the
15 amount of franchise tax paid to the state under sections 77-3801 to
16 77-3807 by a financial institution.

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

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

31 (6) There shall be allowed to all individuals nonrefundable credits

1 against the income tax imposed by the Nebraska Revenue Act of 1967 as
2 provided in section 77-3604 and refundable credits against the income tax
3 imposed by the Nebraska Revenue Act of 1967 as provided in section
4 77-3605.

5 (7) There shall be allowed to all individuals refundable credits
6 against the income tax imposed by the Nebraska Revenue Act of 1967 as
7 provided in the Nebraska Property Tax Cuts and Opportunities Act.

8 Sec. 6. Section 77-2734.02, Revised Statutes Cumulative Supplement,
9 2016, is amended to read:

10 77-2734.02 (1) Except as provided in subsection (2) of this section,
11 a tax is hereby imposed on the taxable income of every corporate taxpayer
12 that is doing business in this state:

13 (a) For taxable years beginning or deemed to begin before January 1,
14 2013, at a rate equal to one hundred fifty and eight-tenths percent of
15 the primary rate imposed on individuals under section 77-2701.01 on the
16 first one hundred thousand dollars of taxable income and at the rate of
17 two hundred eleven percent of such rate on all taxable income in excess
18 of one hundred thousand dollars. The resultant rates shall be rounded to
19 the nearest one hundredth of one percent;~~and~~

20 (b) For taxable years beginning or deemed to begin on or after
21 January 1, 2013, and before January 1, 2019, at a rate equal to 5.58
22 percent on the first one hundred thousand dollars of taxable income and
23 at the rate of 7.81 percent on all taxable income in excess of one
24 hundred thousand dollars; -

25 (c) For taxable years beginning or deemed to begin on or after
26 January 1, 2019, and before January 1, 2020, at a rate equal to 5.58
27 percent on the first one hundred thousand dollars of taxable income and
28 at the rate of 7.62 percent on all taxable income in excess of one
29 hundred thousand dollars;

30 (d) For taxable years beginning or deemed to begin on or after
31 January 1, 2020, and before January 1, 2021, at a rate equal to 5.58

1 percent on the first one hundred thousand dollars of taxable income and
2 at the rate of 7.43 percent on all taxable income in excess of one
3 hundred thousand dollars;

4 (e) For taxable years beginning or deemed to begin on or after
5 January 1, 2021, and before January 1, 2022, at a rate equal to 5.58
6 percent on the first one hundred thousand dollars of taxable income and
7 at the rate of 7.24 percent on all taxable income in excess of one
8 hundred thousand dollars;

9 (f) For taxable years beginning or deemed to begin on or after
10 January 1, 2022, and before January 1, 2023, at a rate equal to 5.58
11 percent on the first one hundred thousand dollars of taxable income and
12 at the rate of 7.04 percent on all taxable income in excess of one
13 hundred thousand dollars; and

14 (g) For taxable years beginning or deemed to begin on or after
15 January 1, 2023, at a rate equal to 5.58 percent on the first one hundred
16 thousand dollars of taxable income and at the rate of 6.84 percent on all
17 taxable income in excess of one hundred thousand dollars.

18 For corporate taxpayers with a fiscal year that does not coincide
19 with the calendar year, the individual rate used for this subsection
20 shall be the rate in effect on the first day, or the day deemed to be the
21 first day, of the taxable year.

22 (2) An insurance company shall be subject to taxation at the lesser
23 of the rate described in subsection (1) of this section or the rate of
24 tax imposed by the state or country in which the insurance company is
25 domiciled if the insurance company can establish to the satisfaction of
26 the Tax Commissioner that it is domiciled in a state or country other
27 than Nebraska that imposes on Nebraska domiciled insurance companies a
28 retaliatory tax against the tax described in subsection (1) of this
29 section.

30 (3) For a corporate taxpayer that is subject to tax in another
31 state, its taxable income shall be the portion of the taxpayer's federal

1 taxable income, as adjusted, that is determined to be connected with the
2 taxpayer's operations in this state pursuant to sections 77-2734.05 to
3 77-2734.15.

4 (4) Each corporate taxpayer shall file only one income tax return
5 for each taxable year.

6 Sec. 7. Section 77-4212, Revised Statutes Supplement, 2017, is
7 amended to read:

8 77-4212 (1) For tax year 2007, the amount of relief granted under
9 the Property Tax Credit Act shall be one hundred five million dollars.
10 For tax year 2008, the amount of relief granted under the act shall be
11 one hundred fifteen million dollars. It is the intent of the Legislature
12 to fund the Property Tax Credit Act for tax years after tax year 2008
13 using available revenue. For tax year 2017 and each tax year thereafter,
14 the amount of relief granted under the act shall be two hundred twenty-
15 four million dollars. The relief shall be in the form of a property tax
16 credit which appears on the property tax statement.

17 (2)(a) For tax years prior to tax year 2017, to determine the amount
18 of the property tax credit, the county treasurer shall multiply the
19 amount disbursed to the county under subdivision (4)(a) of this section
20 by the ratio of the real property valuation of the parcel to the total
21 real property valuation in the county. The amount determined shall be the
22 property tax credit for the property.

23 (b) Beginning with tax year 2017, to determine the amount of the
24 property tax credit, the county treasurer shall multiply the amount
25 disbursed to the county under subdivision (4)(b) of this section by the
26 ratio of the credit allocation valuation of the parcel to the total
27 credit allocation valuation in the county. The amount determined shall be
28 the property tax credit for the property.

29 (3) If the real property owner qualifies for a homestead exemption
30 under sections 77-3501 to 77-3529, the owner shall also be qualified for
31 the relief provided in the act to the extent of any remaining liability

1 after calculation of the relief provided by the homestead exemption. If
2 the credit results in a property tax liability on the homestead that is
3 less than zero, the amount of the credit which cannot be used by the
4 taxpayer shall be returned to the State Treasurer by July 1 of the year
5 the amount disbursed to the county was disbursed. The State Treasurer
6 shall immediately credit any funds returned under this subsection to the
7 Property Tax Credit Cash Fund. Upon the return of any funds under this
8 subsection, the county treasurer shall electronically file a report with
9 the Property Tax Administrator, on a form prescribed by the Tax
10 Commissioner, indicating the amount of funds distributed to each taxing
11 unit in the county in the year the funds were returned, any collection
12 fee retained by the county in such year, and the amount of unused credits
13 returned.

14 (4)(a) For tax years prior to tax year 2017, the amount disbursed to
15 each county shall be equal to the amount available for disbursement
16 determined under subsection (1) of this section multiplied by the ratio
17 of the real property valuation in the county to the real property
18 valuation in the state. By September 15, the Property Tax Administrator
19 shall determine the amount to be disbursed under this subdivision to each
20 county and certify such amounts to the State Treasurer and to each
21 county. The disbursements to the counties shall occur in two equal
22 payments, the first on or before January 31 and the second on or before
23 April 1. After retaining one percent of the receipts for costs, the
24 county treasurer shall allocate the remaining receipts to each taxing
25 unit levying taxes on taxable property in the tax district in which the
26 real property is located in the same proportion that the levy of such
27 taxing unit bears to the total levy on taxable property of all the taxing
28 units in the tax district in which the real property is located.

29 (b) Beginning with tax year 2017, the amount disbursed to each
30 county shall be equal to the amount available for disbursement determined
31 under subsection (1) of this section multiplied by the ratio of the

1 credit allocation valuation in the county to the credit allocation
2 valuation in the state. By September 15, the Property Tax Administrator
3 shall determine the amount to be disbursed under this subdivision to each
4 county and certify such amounts to the State Treasurer and to each
5 county. The disbursements to the counties shall occur in two equal
6 payments, the first on or before January 31 and the second on or before
7 April 1. After retaining one percent of the receipts for costs, the
8 county treasurer shall allocate the remaining receipts to each taxing
9 unit based on its share of the credits granted to all taxpayers in the
10 taxing unit.

11 (5) For purposes of this section, credit allocation valuation means
12 the taxable value for all real property except agricultural land and
13 horticultural land, one hundred twenty percent of taxable value for
14 agricultural land and horticultural land that is not subject to special
15 valuation, and one hundred twenty percent of taxable value for
16 agricultural land and horticultural land that is subject to special
17 valuation.

18 (6) The State Treasurer shall transfer from the General Fund to the
19 Property Tax Credit Cash Fund one hundred five million dollars by August
20 1, 2007, and one hundred fifteen million dollars by August 1, 2008.

21 (7) The Legislature shall have the power to transfer funds from the
22 Property Tax Credit Cash Fund to the General Fund.

23 Sec. 8. Section 84-612, Revised Statutes Supplement, 2017, is
24 amended to read:

25 84-612 (1) There is hereby created within the state treasury a fund
26 known as the Cash Reserve Fund which shall be under the direction of the
27 State Treasurer. The fund shall only be used pursuant to this section.

28 (2) The State Treasurer shall transfer funds from the Cash Reserve
29 Fund to the General Fund upon certification by the Director of
30 Administrative Services that the current cash balance in the General Fund
31 is inadequate to meet current obligations. Such certification shall

1 include the dollar amount to be transferred. Any transfers made pursuant
2 to this subsection shall be reversed upon notification by the Director of
3 Administrative Services that sufficient funds are available.

4 (3) In addition to receiving transfers from other funds, the Cash
5 Reserve Fund shall receive federal funds received by the State of
6 Nebraska for undesignated general government purposes, federal revenue
7 sharing, or general fiscal relief of the state.

8 (4) The State Treasurer, at the direction of the budget
9 administrator of the budget division of the Department of Administrative
10 Services, shall transfer not to exceed forty-three million fifteen
11 thousand four hundred fifty-nine dollars in total from the Cash Reserve
12 Fund to the Nebraska Capital Construction Fund between July 1, 2013, and
13 June 30, 2018.

14 (5) The State Treasurer shall transfer the following amounts from
15 the Cash Reserve Fund to the Nebraska Capital Construction Fund on such
16 dates as directed by the budget administrator of the budget division of
17 the Department of Administrative Services:

18 (a) Seven million eight hundred four thousand two hundred ninety-two
19 dollars on or after June 15, 2016, but before June 30, 2016;

20 (b) Ten million five thousand one hundred twenty-nine dollars on or
21 after June 15, 2019, but before June 30, 2019; and

22 (c) Ten million four hundred thirty-one thousand five hundred
23 eighty-five dollars on or after June 15, 2021, but before June 30, 2021.

24 (6) The State Treasurer shall transfer seventy-five million two
25 hundred fifteen thousand three hundred thirteen dollars from the Cash
26 Reserve Fund to the Nebraska Capital Construction Fund on or before July
27 31, 2017, on such date as directed by the budget administrator of the
28 budget division of the Department of Administrative Services.

29 (7) The State Treasurer shall transfer thirty-one million dollars
30 from the Cash Reserve Fund to the General Fund after July 1, 2017, but
31 before July 15, 2017, on such date as directed by the budget

1 administrator of the budget division of the Department of Administrative
2 Services.

3 (8) The State Treasurer shall transfer thirty-one million dollars
4 from the Cash Reserve Fund to the General Fund after October 1, 2017, but
5 before October 15, 2017, on such date as directed by the budget
6 administrator of the budget division of the Department of Administrative
7 Services.

8 (9) The State Treasurer shall transfer thirty-one million dollars
9 from the Cash Reserve Fund to the General Fund after January 1, 2018, but
10 before January 15, 2018, on such date as directed by the budget
11 administrator of the budget division of the Department of Administrative
12 Services.

13 (10) The State Treasurer shall transfer thirty-two million dollars
14 from the Cash Reserve Fund to the General Fund after April 1, 2018, but
15 before April 15, 2018, on such date as directed by the budget
16 administrator of the budget division of the Department of Administrative
17 Services.

18 (11) The State Treasurer shall transfer forty-eight million dollars
19 from the Cash Reserve Fund to the General Fund after March 1, 2019, but
20 before March 15, 2019, on such date as directed by the budget
21 administrator of the budget division of the Department of Administrative
22 Services.

23 (12) The State Treasurer shall transfer five million dollars from
24 the Cash Reserve Fund to the Job Training Cash Fund after July 1, 2018,
25 but before July 1, 2019, on such date as directed by the budget
26 administrator of the budget division of the Department of Administrative
27 Services.

28 (13) The State Treasurer shall transfer two hundred twelve thousand
29 two hundred ninety-nine dollars from the Cash Reserve Fund to the General
30 Fund after July 1, 2018, but before July 1, 2019, on such date as
31 directed by the budget administrator of the budget division of the

1 Department of Administrative Services.

2 (14) The State Treasurer shall transfer thirty-four million four
3 hundred fifty thousand dollars from the Cash Reserve Fund to the General
4 Fund after January 1, 2019, but before April 1, 2019, on such date as
5 directed by the budget administrator of the budget division of the
6 Department of Administrative Services.

7 Sec. 9. Original sections 77-2715.07 and 77-2734.02, Revised
8 Statutes Cumulative Supplement, 2016, and sections 77-4212 and 84-612,
9 Revised Statutes Supplement, 2017, are repealed.

10 Sec. 10. Since an emergency exists, this act takes effect when
11 passed and approved according to law.