LB272
2017

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 272

Introduced by Vargas, 7; Hilkemann, 4.
Read first time January 11, 2017
Committee: Revenue

1 A BILL FOR AN ACT relating to the Nebraska Job Creation and Mainstreet
2 Revitalization Act; to amend section 77-2906, Revised Statutes
3 Cumulative Supplement, 2016; to provide powers and duties for the
4 Department of Revenue; to establish a deadline for the determination
5 of the amount of tax credit; and to repeal the original section.
6 Be it enacted by the people of the State of Nebraska,
Section 1. Section 77-2906, Revised Statutes Cumulative Supplement, 2016, is amended to read:

77-2906  (1)(a) Within twelve months after the date on which the historically significant real property is placed in service, a person whose application was approved under section 77-2905 shall file a request for final approval containing all required information with the officer on a form prescribed by the officer and shall include a fee established by the officer pursuant to section 77-2907. The officer shall then determine whether the work substantially conforms to the application approved under section 77-2905. If the work substantially conforms and no other significant improvements have been made to the historically significant real property that do not substantially comply with the standards, the officer shall approve the request for final approval and refer the application to the department to determine the amount of eligible expenditures, calculate the amount of the credit, and issue a certificate to the person evidencing the credit. If the work does not substantially conform to the approved application or if other significant improvements have been made to the historically significant real property that do not substantially comply with the standards, the officer shall deny the request for final approval and provide the person with a written explanation of the decision. The officer shall make a determination on the request for final approval in writing within thirty days after the filing of the request. If the officer does not make a determination within thirty days after the filing of the request, the request shall be deemed approved and the person may petition the department directly to determine the amount of eligible expenditures, calculate the amount of the credit, and issue a certificate evidencing the credit.

(b) The department shall determine the amount of eligible expenditures, calculate the amount of the credit, and issue a certificate evidencing the credit within sixty days after referral of the application to the department by the officer or the filing of a petition pursuant to
subdivision (1)(a) of this section. The taxpayer and the department may
also agree to extend the sixty-day period, but such extension shall not
exceed an additional thirty days. If the department does not make a
determination within such period or agreed-upon longer period, the
credits shall be deemed approved in the amount requested, except that
such amount shall not exceed one hundred ten percent of the amount of
credits allocated by the officer for such historically significant real
property and such amount shall not increase the total amount of credits
that may be allocated by the officer under section 77-2905 in any
calendar year.

(c) Any denial of a request for final approval by the officer, any
calculation by the department of the amount of eligible expenditures or
the amount of the credit, or issuance of a certificate by the department
pursuant to this section may be appealed, and the appeal shall be in
accordance with the Administrative Procedure Act.

(2) The department shall divide the credit and issue multiple
certificates to a person who qualifies for the credit upon reasonable
request.

(3) In calculating the amount of the credits to be issued pursuant
to this section, the department may issue credits in an amount that
differs from the amount of credits allocated by the officer under section
77-2905 if such credits are supported by eligible expenditures as
determined by the department, except that the department shall not issue
credits in an amount exceeding one hundred ten percent of the amount of
credits allocated by the officer under section 77-2905. If the amount of
credits to be issued under this section is more than the amount of
credits allocated by the officer pursuant to section 77-2905, the
department shall notify the officer of the difference and such amount
shall be subtracted from the annual amount available for allocation under
section 77-2905. If the amount of credits to be issued under this section
is less than the amount of credits allocated by the officer pursuant to
(4) The department shall not issue any certificates for credits under this section until the recipient of the credit has paid to the department a fee equal to one-quarter of one percent of the credit amount. The department shall remit such fees to the State Treasurer for credit to the Civic and Community Center Financing Fund.

(5) If the recipient of the credit is (a) a corporation having an election in effect under subchapter S of the Internal Revenue Code of 1986, as amended, (b) a partnership, or (c) a limited liability company, the credit may be claimed by the shareholders of the corporation, the partners of the partnership, or the members of the limited liability company in the same manner as those shareholders, partners, or members account for their proportionate shares of the income or losses of the corporation, partnership, or limited liability company, or as provided in the bylaws or other executed agreement of the corporation, partnership, or limited liability company. Credits granted to a partnership, a limited liability company taxed as a partnership, or other multiple owners of property shall be passed through to the partners, members, or owners, respectively, on a pro rata basis or pursuant to an executed agreement among the partners, members, or owners documenting any alternate distribution method.

(6) Subject to section 77-2912, any credit amount that is unused may be carried forward to subsequent tax years until fully utilized.

(7) Credits allowed under this section may be claimed for taxable years beginning or deemed to begin on or after January 1, 2015, under the Internal Revenue Code of 1986, as amended.