LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 49

Introduced by Schumacher, 22.

Read first time January 05, 2017

Committee: Revenue

A BILL FOR AN ACT relating to revenue and taxation; to amend section 77-2714, Reissue Revised Statutes of Nebraska, and section 77-2701, Revised Statutes Cumulative Supplement, 2016; to provide for the treatment of certain amendments to the Internal Revenue Code; to harmonize provisions; to provide an operative date; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,
Section 1. Section 77-2701, Revised Statutes Cumulative Supplement, 2016, is amended to read:

77-2701 Sections 77-2701 to 77-27,135.01, 77-27,235, 77-27,236, and 77-27,238 and section 3 of this act shall be known and may be cited as the Nebraska Revenue Act of 1967.

Sec. 2. Section 77-2714, Reissue Revised Statutes of Nebraska, is amended to read:

77-2714 Any term used in sections 77-2714 to 77-27,123 shall have the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes, unless a different meaning is clearly required. Any reference to the laws of the United States shall mean the provisions of the Internal Revenue Code of 1986, and amendments thereto, other provisions of the laws of the United States relating to federal income taxes, and the rules and regulations issued under such laws, as the same may be or become effective, at any time or from time to time, for the taxable year, except as otherwise provided in section 3 of this act. Any reference to either the Internal Revenue Code of 1954, the Internal Revenue Code of 1986, or the Internal Revenue Code shall mean and include a reference to the other, whenever appropriate. All other references to any tax contained within sections 77-2714 to 77-27,123 refer to income tax unless the contrary appears. Any organization to the extent that it is exempt from income taxes under the laws of the United States shall be exempt from income tax under the Nebraska Revenue Act of 1967.

Sec. 3. (1) Except as provided in subsection (3) of this section and unless expressly provided otherwise by law, an amendment of the Internal Revenue Code that, for a taxable year that begins in the calendar year in which the amendment is enacted, affects the determination of federal adjusted gross income or federal taxable income shall not affect the determination of Nebraska taxable income under the Nebraska Revenue Act of 1967 for any taxable year that begins in the
calendar year in which the amendment is enacted.

(2) Within sixty days after an amendment of the Internal Revenue Code is enacted, the Tax Commissioner shall prepare and submit to the Governor, the Legislative Fiscal Analyst, the Speaker of the Legislature, and the chairpersons of the Executive Board of the Legislative Council, the Revenue Committee of the Legislature, and the Appropriations Committee of the Legislature a report that outlines:

(a) The changes in the Internal Revenue Code; and
(b) The impact of those changes on state revenue and on various classes and types of taxpayers.

(3) Subsection (1) of this section does not apply to an amendment of the Internal Revenue Code if the Tax Commissioner determines that the impact of the amendment on state income tax revenue for the fiscal year that begins during the calendar year in which the amendment is enacted will be less than five million dollars.

Sec. 4. This act becomes operative on January 1, 2018.

Sec. 5. Original section 77-2714, Reissue Revised Statutes of Nebraska, and section 77-2701, Revised Statutes Cumulative Supplement, 2016, are repealed.