

AMENDMENTS TO 1107

Introduced by Revenue.

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

3 Sec. 110. Sections 110 to 114 of this act shall be known and may be
4 cited as the Nebraska Property Tax Incentive Act.

5 Sec. 111. For purposes of the Nebraska Property Tax Incentive Act:

6 (1) Allowable growth amount means an amount equal to the total
7 assessed value for all real property in the state for the most recent
8 year for which such information is available minus the total assessed
9 value for all real property in the state for the preceding year, as
10 determined by the department. If such amount is a negative number, then
11 the allowable growth amount shall equal zero;

12 (2) Department means the Department of Revenue;

13 (3) Eligible taxpayer means any individual, corporation,
14 partnership, limited liability company, trust, estate, or other entity
15 that pays school district taxes during a taxable year; and

16 (4) School district taxes means property taxes levied on real
17 property in this state by a school district or multiple-district school
18 system, excluding any property taxes levied for bonded indebtedness and
19 any property taxes levied as a result of an override of limits on
20 property tax levies approved by voters pursuant to section 77-3444.

21 Sec. 112. (1) For taxable years beginning or deemed to begin on or
22 after January 1, 2020, under the Internal Revenue Code of 1986, as
23 amended, there shall be allowed to each eligible taxpayer a refundable
24 credit against the income tax imposed by the Nebraska Revenue Act of
25 1967. The credit shall be equal to the credit percentage for the taxable
26 year, as set by the department under subsection (2) of this section,
27 multiplied by the amount of school district taxes paid by the eligible

1 taxpayer during such taxable year.

2 (2)(a) For taxable years beginning or deemed to begin during
3 calendar year 2020, the department shall set the credit percentage so
4 that the total amount of credits for such taxable years shall be one
5 hundred twenty-five million dollars;

6 (b) For taxable years beginning or deemed to begin during calendar
7 year 2021, the department shall set the credit percentage so that the
8 total amount of credits for such taxable years shall be one hundred
9 twenty-five million dollars plus either (i) the amount certified during
10 such calendar year under subdivision (3)(b)(ii)(B) of section 77-4602 or
11 (ii) the amount certified during such calendar year under subdivision (3)
12 (c)(ii)(B) of section 77-4602, whichever is applicable;

13 (c) For taxable years beginning or deemed to begin during calendar
14 year 2022, the department shall set the credit percentage so that the
15 total amount of credits for such taxable years shall be the maximum
16 amount of credits allowed under subdivision (2)(b) of this section plus
17 either (i) the amount certified during such calendar year under
18 subdivision (3)(b)(ii)(B) of section 77-4602 or (ii) the amount certified
19 during such calendar year under subdivision (3)(c)(ii)(B) of section
20 77-4602, whichever is applicable;

21 (d) For taxable years beginning or deemed to begin during calendar
22 year 2023, the department shall set the credit percentage so that the
23 total amount of credits for such taxable years shall be the maximum
24 amount of credits allowed under subdivision (2)(c) of this section plus
25 either (i) the amount certified during such calendar year under
26 subdivision (3)(b)(ii)(B) of section 77-4602 or (ii) the amount certified
27 during such calendar year under subdivision (3)(c)(ii)(B) of section
28 77-4602, whichever is applicable;

29 (e) For taxable years beginning or deemed to begin during calendar
30 year 2024, the department shall set the credit percentage so that the
31 total amount of credits for such taxable years shall be three hundred

1 seventy-five million dollars; and

2 (f) For taxable years beginning or deemed to begin during calendar
3 year 2025 and each calendar year thereafter, the department shall set the
4 credit percentage so that the total amount of credits for such taxable
5 years shall be three hundred seventy-five million dollars plus the
6 allowable growth amount.

7 (3) If the school district taxes are paid by a corporation having an
8 election in effect under subchapter S of the Internal Revenue Code, a
9 partnership, a limited liability company, a trust, or an estate, the
10 amount of school district taxes paid during the taxable year shall be
11 allocated to the shareholders, partners, members, or beneficiaries in the
12 same proportion that income is distributed. The department shall provide
13 forms and schedules necessary for verifying eligibility for the credit
14 provided in this section and for allocating the school district taxes
15 paid.

16 Sec. 113. The department shall develop a procedure which will allow
17 eligible taxpayers who are not subject to Nebraska income tax to be able
18 to claim and receive the refundable credits allowed under the Nebraska
19 Property Tax Incentive Act.

20 Sec. 114. The department may adopt and promulgate rules and
21 regulations to carry out the Nebraska Property Tax Incentive Act.

22 Sec. 120. Section 77-202, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 77-202 (1) The following property shall be exempt from property
25 taxes:

26 (a) Property of the state and its governmental subdivisions to the
27 extent used or being developed for use by the state or governmental
28 subdivision for a public purpose. For purposes of this subdivision:

29 (i) Property of the state and its governmental subdivisions means
30 (A) property held in fee title by the state or a governmental subdivision
31 or (B) property beneficially owned by the state or a governmental

1 subdivision in that it is used for a public purpose and is being acquired
2 under a lease-purchase agreement, financing lease, or other instrument
3 which provides for transfer of legal title to the property to the state
4 or a governmental subdivision upon payment of all amounts due thereunder.
5 If the property to be beneficially owned by a governmental subdivision
6 has a total acquisition cost that exceeds the threshold amount or will be
7 used as the site of a public building with a total estimated construction
8 cost that exceeds the threshold amount, then such property shall qualify
9 for an exemption under this section only if the question of acquiring
10 such property or constructing such public building has been submitted at
11 a primary, general, or special election held within the governmental
12 subdivision and has been approved by the voters of the governmental
13 subdivision. For purposes of this subdivision, threshold amount means the
14 greater of fifty thousand dollars or six-tenths of one percent of the
15 total actual value of real and personal property of the governmental
16 subdivision that will beneficially own the property as of the end of the
17 governmental subdivision's prior fiscal year; and

18 (ii) Public purpose means use of the property (A) to provide public
19 services with or without cost to the recipient, including the general
20 operation of government, public education, public safety, transportation,
21 public works, civil and criminal justice, public health and welfare,
22 developments by a public housing authority, parks, culture, recreation,
23 community development, and cemetery purposes, or (B) to carry out the
24 duties and responsibilities conferred by law with or without
25 consideration. Public purpose does not include leasing of property to a
26 private party unless the lease of the property is at fair market value
27 for a public purpose. Leases of property by a public housing authority to
28 low-income individuals as a place of residence are for the authority's
29 public purpose;

30 (b) Unleased property of the state or its governmental subdivisions
31 which is not being used or developed for use for a public purpose but

1 upon which a payment in lieu of taxes is paid for public safety, rescue,
2 and emergency services and road or street construction or maintenance
3 services to all governmental units providing such services to the
4 property. Except as provided in Article VIII, section 11, of the
5 Constitution of Nebraska, the payment in lieu of taxes shall be based on
6 the proportionate share of the cost of providing public safety, rescue,
7 or emergency services and road or street construction or maintenance
8 services unless a general policy is adopted by the governing body of the
9 governmental subdivision providing such services which provides for a
10 different method of determining the amount of the payment in lieu of
11 taxes. The governing body may adopt a general policy by ordinance or
12 resolution for determining the amount of payment in lieu of taxes by
13 majority vote after a hearing on the ordinance or resolution. Such
14 ordinance or resolution shall nevertheless result in an equitable
15 contribution for the cost of providing such services to the exempt
16 property;

17 (c) Property owned by and used exclusively for agricultural and
18 horticultural societies;

19 (d) Property owned by educational, religious, charitable, or
20 cemetery organizations, or any organization for the exclusive benefit of
21 any such educational, religious, charitable, or cemetery organization,
22 and used exclusively for educational, religious, charitable, or cemetery
23 purposes, when such property is not (i) owned or used for financial gain
24 or profit to either the owner or user, (ii) used for the sale of
25 alcoholic liquors for more than twenty hours per week, or (iii) owned or
26 used by an organization which discriminates in membership or employment
27 based on race, color, or national origin. For purposes of this
28 subdivision, educational organization means (A) an institution operated
29 exclusively for the purpose of offering regular courses with systematic
30 instruction in academic, vocational, or technical subjects or assisting
31 students through services relating to the origination, processing, or

1 guarantying of federally reinsured student loans for higher education or
2 (B) a museum or historical society operated exclusively for the benefit
3 and education of the public. For purposes of this subdivision, charitable
4 organization includes an organization operated exclusively for the
5 purpose of the mental, social, or physical benefit of the public or an
6 indefinite number of persons and a fraternal benefit society organized
7 and licensed under sections 44-1072 to 44-10,109; and

8 (e) Household goods and personal effects not owned or used for
9 financial gain or profit to either the owner or user.

10 (2) The increased value of land by reason of shade and ornamental
11 trees planted along the highway shall not be taken into account in the
12 valuation of land.

13 (3) Tangible personal property which is not depreciable tangible
14 personal property as defined in section 77-119 shall be exempt from
15 property tax.

16 (4) Motor vehicles, trailers, and semitrailers required to be
17 registered for operation on the highways of this state shall be exempt
18 from payment of property taxes.

19 (5) Business and agricultural inventory shall be exempt from the
20 personal property tax. For purposes of this subsection, business
21 inventory includes personal property owned for purposes of leasing or
22 renting such property to others for financial gain only if the personal
23 property is of a type which in the ordinary course of business is leased
24 or rented thirty days or less and may be returned at the option of the
25 lessee or renter at any time and the personal property is of a type which
26 would be considered household goods or personal effects if owned by an
27 individual. All other personal property owned for purposes of leasing or
28 renting such property to others for financial gain shall not be
29 considered business inventory.

30 (6) Any personal property exempt pursuant to subsection (2) of
31 section 77-4105 or section 77-5209.02 shall be exempt from the personal

1 property tax.

2 (7) Livestock shall be exempt from the personal property tax.

3 (8) Any personal property exempt pursuant to the Nebraska Advantage
4 Act or the Imagine Nebraska Act shall be exempt from the personal
5 property tax.

6 (9) Any depreciable tangible personal property used directly in the
7 generation of electricity using wind as the fuel source shall be exempt
8 from the property tax levied on depreciable tangible personal property.
9 Any depreciable tangible personal property used directly in the
10 generation of electricity using solar, biomass, or landfill gas as the
11 fuel source shall be exempt from the property tax levied on depreciable
12 tangible personal property if such depreciable tangible personal property
13 was installed on or after January 1, 2016, and has a nameplate capacity
14 of one hundred kilowatts or more. Depreciable tangible personal property
15 used directly in the generation of electricity using wind, solar,
16 biomass, or landfill gas as the fuel source includes, but is not limited
17 to, wind turbines, rotors and blades, towers, solar panels, trackers,
18 generating equipment, transmission components, substations, supporting
19 structures or racks, inverters, and other system components such as
20 wiring, control systems, switchgears, and generator step-up transformers.

21 (10) Any tangible personal property that is acquired by a person
22 operating a data center located in this state, that is assembled,
23 engineered, processed, fabricated, manufactured into, attached to, or
24 incorporated into other tangible personal property, both in component
25 form or that of an assembled product, for the purpose of subsequent use
26 at a physical location outside this state by the person operating a data
27 center shall be exempt from the personal property tax. Such exemption
28 extends to keeping, retaining, or exercising any right or power over
29 tangible personal property in this state for the purpose of subsequently
30 transporting it outside this state for use thereafter outside this state.
31 For purposes of this subsection, data center means computers, supporting

1 equipment, and other organized assembly of hardware or software that are
2 designed to centralize the storage, management, or dissemination of data
3 and information, environmentally controlled structures or facilities or
4 interrelated structures or facilities that provide the infrastructure for
5 housing the equipment, such as raised flooring, electricity supply,
6 communication and data lines, Internet access, cooling, security, and
7 fire suppression, and any building housing the foregoing.

8 (11) For tax years prior to tax year 2020, each person who owns
9 property required to be reported to the county assessor under section
10 77-1201, ~~there~~ shall be allowed an exemption amount as provided in the
11 Personal Property Tax Relief Act. For tax years prior to tax year 2020,
12 each person who owns property required to be valued by the state as
13 provided in section 77-601, 77-682, 77-801, or 77-1248, ~~there~~ shall be
14 allowed a compensating exemption factor as provided in the Personal
15 Property Tax Relief Act.

16 Sec. 121. Section 77-693, Reissue Revised Statutes of Nebraska, is
17 amended to read:

18 77-693 (1) The Property Tax Administrator in determining the taxable
19 value of railroads and car lines shall determine the following ratios
20 involving railroad and car line property and commercial and industrial
21 property:

22 (a) The ratio of the taxable value of all commercial and industrial
23 personal property in the state actually subjected to property tax divided
24 by the market value of all commercial and industrial personal property in
25 the state;

26 (b) The ratio of the taxable value of all commercial and industrial
27 real property in the state actually subjected to property tax divided by
28 the market value of all commercial and industrial real property in the
29 state;

30 (c) The ratio of the taxable value of railroad personal property to
31 the market value of railroad personal property. The numerator of the

1 ratio shall be the taxable value of railroad personal property. The
2 denominator of the ratio shall be the railroad system value allocated to
3 Nebraska and multiplied by a factor representing the net book value of
4 rail transportation personal property divided by the net book value of
5 total rail transportation property;

6 (d) The ratio of the taxable value of railroad real property to the
7 market value of railroad real property. The numerator of the ratio shall
8 be the taxable value of railroad real property. The denominator of the
9 ratio shall be the railroad system value allocated to Nebraska and
10 multiplied by a factor representing the net book value of rail
11 transportation real property divided by the net book value of total rail
12 transportation property; and

13 (e) Similar calculations shall be made for car line taxable
14 properties.

15 (2) If the ratio of the taxable value of railroad and car line
16 personal or real property exceeds the ratio of the comparable taxable
17 commercial and industrial property by more than five percent, the
18 Property Tax Administrator may adjust the value of such railroad and car
19 line property to the percentage of the comparable taxable commercial and
20 industrial property pursuant to federal statute or Nebraska federal court
21 decisions applicable thereto.

22 (3) For purposes of this section, commercial and industrial property
23 shall mean all real and personal property which is devoted to commercial
24 or industrial use other than rail transportation property and land used
25 primarily for agricultural purposes.

26 (4) For tax years prior to tax year 2020, after ~~After~~ the adjustment
27 made pursuant to subsections (1) and (2) of this section, the Property
28 Tax Administrator shall multiply the value of the tangible personal
29 property of each railroad and car line by the compensating exemption
30 factor calculated in section 77-1238.

31 Sec. 122. Section 77-801, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 77-801 (1) All public service entities shall, on or before April 15
3 of each year, furnish a statement specifying such information as may be
4 required by the Property Tax Administrator on forms prescribed by the Tax
5 Commissioner to determine and distribute the entity's total taxable value
6 including the franchise value. All information reported by the public
7 service entities, not available from any other public source, and any
8 memorandum thereof shall be confidential and available to taxing
9 officials only. For good cause shown, the Property Tax Administrator may
10 allow an extension of time in which to file such statement. Such
11 extension shall not exceed fifteen days after April 15.

12 (2) The returns of public service entities shall not be held to be
13 conclusive as to the taxable value of the property, but the Property Tax
14 Administrator shall, from all the information which he or she is able to
15 obtain, find the taxable value of all such property, including tangible
16 property and franchises, and shall assess such property on the same basis
17 as other property is required to be assessed.

18 (3) The county assessor shall assess all nonoperating property of
19 any public service entity. A public service entity operating within the
20 State of Nebraska shall, on or before January 1 of each year, report to
21 the county assessor of each county in which it has situs all nonoperating
22 property belonging to such entity which is not subject to assessment and
23 assessed by the Property Tax Administrator under section 77-802.

24 (4) For tax years prior to tax year 2020, the The Property Tax
25 Administrator shall multiply the value of the tangible personal property
26 of each public service entity by the compensating exemption factor
27 calculated in section 77-1238.

28 Sec. 124. Section 77-1238, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 77-1238 (1) For tax years prior to tax year 2020, every Every person
31 who is required to list his or her taxable tangible personal property as

1 defined in section 77-105, as required under section 77-1229, shall
2 receive an exemption from taxation for the first ten thousand dollars of
3 valuation of his or her tangible personal property in each tax district
4 as defined in section 77-127 in which a personal property return is
5 required to be filed. Failure to report tangible personal property on the
6 personal property return required by section 77-1229 shall result in a
7 forfeiture of the exemption for any tangible personal property not timely
8 reported for that year.

9 (2) For tax years prior to tax year 2020, the The Property Tax
10 Administrator shall reduce the value of the tangible personal property
11 owned by each railroad, car line company, public service entity, and air
12 carrier by a compensating exemption factor to reflect the exemption
13 allowed in subsection (1) of this section for all other personal property
14 taxpayers. The compensating exemption factor is calculated by multiplying
15 the value of the tangible personal property of the railroad, car line
16 company, public service entity, or air carrier by a fraction, the
17 numerator of which is the total amount of locally assessed tangible
18 personal property that is actually subjected to property tax after the
19 exemption allowed in subsection (1) of this section, and the denominator
20 of which is the net book value of locally assessed tangible personal
21 property prior to the exemptions allowed in subsection (1) of this
22 section.

23 Sec. 125. Section 77-1239, Revised Statutes Supplement, 2019, is
24 amended to read:

25 77-1239 (1) For tax years prior to tax year 2020, reimbursement
26 ~~Reimbursement~~ to taxing subdivisions for tax revenue that will be lost
27 because of the personal property tax exemptions allowed in subsection (1)
28 of section 77-1238 shall be as provided in this subsection. The county
29 assessor and county treasurer shall, on or before November 30 of each
30 year, certify to the Tax Commissioner, on forms prescribed by the Tax
31 Commissioner, the total tax revenue that will be lost to all taxing

1 subdivisions within his or her county from taxes levied and assessed in
2 that year because of the personal property tax exemptions allowed in
3 subsection (1) of section 77-1238. The county assessor and county
4 treasurer may amend the certification to show any change or correction in
5 the total tax revenue that will be lost until May 30 of the next
6 succeeding year. The Tax Commissioner shall, on or before January 1 next
7 following the certification, notify the Director of Administrative
8 Services of the amount so certified to be reimbursed by the state.
9 Reimbursement of the tax revenue lost shall be made to each county
10 according to the certification and shall be distributed in two
11 approximately equal installments on the last business day of February and
12 the last business day of June. The State Treasurer shall, on the business
13 day preceding the last business day of February and the last business day
14 of June, notify the Director of Administrative Services of the amount of
15 funds available in the General Fund to pay the reimbursement. The
16 Director of Administrative Services shall, on the last business day of
17 February and the last business day of June, draw warrants against funds
18 appropriated. Out of the amount received, the county treasurer shall
19 distribute to each of the taxing subdivisions within his or her county
20 the full tax revenue lost by each subdivision, except that one percent of
21 such amount shall be deposited in the county general fund.

22 (2) For tax years prior to tax year 2020, reimbursement
23 ~~Reimbursement~~ to taxing subdivisions for tax revenue that will be lost
24 because of the compensating exemption factor in subsection (2) of section
25 77-1238 shall be as provided in this subsection. The Property Tax
26 Administrator shall establish the average tax rate that will be used for
27 purposes of reimbursing taxing subdivisions pursuant to this subsection.
28 The average tax rate shall be equal to the total property taxes levied in
29 the state divided by the total taxable value of all taxable property in
30 the state as certified pursuant to section 77-1613.01. The total
31 valuation that will be lost to all taxing subdivisions within each county

1 because of the compensating exemption factor in subsection (2) of section
2 77-1238, multiplied by the average tax rate calculated pursuant to this
3 subsection, shall be the tax revenue to be reimbursed to the taxing
4 subdivisions by the state. Reimbursement of the tax revenue lost for
5 public service entities shall be made to each county according to the
6 certification and shall be distributed among the taxing subdivisions
7 within each county in the same proportion as all public service entity
8 taxes levied by the taxing subdivisions. Reimbursement of the tax revenue
9 lost for railroads shall be made to each county according to the
10 certification and shall be distributed among the taxing subdivisions
11 within each county in the same proportion as all railroad taxes levied by
12 taxing subdivisions. Reimbursement of the tax revenue lost for car line
13 companies shall be distributed in the same manner as the taxes collected
14 pursuant to section 77-684. Reimbursement of the tax revenue lost for air
15 carriers shall be distributed in the same manner as the taxes collected
16 pursuant to section 77-1250.

17 (3) Each taxing subdivision shall, in preparing its annual or
18 biennial budget, take into account the amounts to be received under this
19 section.

20 Sec. 126. Section 77-1248, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 77-1248 (1) The Property Tax Administrator shall ascertain from the
23 reports made and from any other information obtained by him or her the
24 taxable value of the flight equipment of air carriers and the proportion
25 allocated to this state for the purposes of taxation as provided in
26 section 77-1245.

27 (2)(a) In determining the taxable value of the flight equipment of
28 air carriers pursuant to subsection (1) of this section, the Property Tax
29 Administrator shall determine the following ratios:

30 (i) The ratio of the taxable value of all commercial and industrial
31 depreciable tangible personal property in the state actually subjected to

1 property tax to the market value of all commercial and industrial
2 depreciable tangible personal property in the state; and

3 (ii) The ratio of the taxable value of flight equipment of air
4 carriers to the market value of flight equipment of air carriers.

5 (b) If the ratio of the taxable value of flight equipment of air
6 carriers exceeds the ratio of the taxable value of commercial and
7 industrial depreciable tangible personal property by more than five
8 percent, the Property Tax Administrator may adjust the value of such
9 flight equipment of air carriers to the percentage of the taxable
10 commercial and industrial depreciable tangible personal property pursuant
11 to federal law applicable to air carrier transportation property or
12 Nebraska federal court decisions applicable thereto.

13 (c) For purposes of this subsection, commercial and industrial
14 depreciable tangible personal property means all personal property which
15 is devoted to commercial or industrial use other than flight equipment of
16 air carriers.

17 (3) For tax years prior to tax year 2020, the The Property Tax
18 Administrator shall multiply the valuation of each air carrier by the
19 compensating exemption factor calculated in section 77-1238.

20 Sec. 127. Section 77-1514, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 77-1514 (1) The county assessor shall prepare an abstract of the
23 property assessment rolls of locally assessed real property of his or her
24 county on forms prescribed and furnished by the Tax Commissioner. The
25 county assessor shall file the abstract with the Property Tax
26 Administrator on or before March 19, except beginning January 1, 2014, in
27 any county with a population of at least one hundred fifty thousand
28 inhabitants according to the most recent federal decennial census, the
29 real property abstract shall be filed on or before March 25. The abstract
30 shall show the taxable value of real property in the county as determined
31 by the county assessor and any other information as required by the

1 Property Tax Administrator. The Property Tax Administrator, upon written
2 request from the county assessor, may for good cause shown extend the
3 final filing due date for the abstract and the statutory deadlines
4 provided in section 77-5027. The Property Tax Administrator may extend
5 the statutory deadline in section 77-5028 for a county if the deadline is
6 extended for that county. Beginning January 1, 2014, in any county with a
7 population of at least one hundred fifty thousand inhabitants according
8 to the most recent federal decennial census, the county assessor shall
9 request an extension of the final filing due date by March 22.

10 (2) For tax years prior to tax year 2020, ~~the~~ The county assessor
11 shall prepare an abstract of the property assessment rolls of locally
12 assessed personal property of his or her county on forms prescribed and
13 furnished by the Tax Commissioner. The county assessor shall
14 electronically file the abstract with the Property Tax Administrator on
15 or before July 20.

16 Sec. 129. Section 77-2715.07, Revised Statutes Supplement, 2019, is
17 amended to read:

18 77-2715.07 (1) There shall be allowed to qualified resident
19 individuals as a nonrefundable credit against the income tax imposed by
20 the Nebraska Revenue Act of 1967:

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

23 (b) A credit for taxes paid to another state as provided in section
24 77-2730.

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

27 (a) For returns filed reporting federal adjusted gross incomes of
28 greater than twenty-nine thousand dollars, a nonrefundable credit equal
29 to twenty-five percent of the federal credit allowed under section 21 of
30 the Internal Revenue Code of 1986, as amended, except that for taxable
31 years beginning or deemed to begin on or after January 1, 2015, such

1 nonrefundable credit shall be allowed only if the individual would have
2 received the federal credit allowed under section 21 of the code after
3 adding back in any carryforward of a net operating loss that was deducted
4 pursuant to such section in determining eligibility for the federal
5 credit;

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

21 (c) A refundable credit as provided in section 77-5209.01 for
22 individuals who qualify for an income tax credit as a qualified beginning
23 farmer or livestock producer under the Beginning Farmer Tax Credit Act
24 for all taxable years beginning or deemed to begin on or after January 1,
25 2006, under the Internal Revenue Code of 1986, as amended;

26 (d) A refundable credit for individuals who qualify for an income
27 tax credit under the Angel Investment Tax Credit Act, the Nebraska
28 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
29 and Development Act, or the Volunteer Emergency Responders Incentive Act;
30 and

31 (e) A refundable credit equal to ten percent of the federal credit

1 allowed under section 32 of the Internal Revenue Code of 1986, as
2 amended, except that for taxable years beginning or deemed to begin on or
3 after January 1, 2015, such refundable credit shall be allowed only if
4 the individual would have received the federal credit allowed under
5 section 32 of the code after adding back in any carryforward of a net
6 operating loss that was deducted pursuant to such section in determining
7 eligibility for the federal credit.

8 (3) There shall be allowed to all individuals as a nonrefundable
9 credit against the income tax imposed by the Nebraska Revenue Act of
10 1967:

11 (a) A credit for personal exemptions allowed under section
12 77-2716.01;

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

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

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

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

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

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

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

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

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

4 (c) A refundable credit for individuals who qualify for an income
5 tax credit as an owner of agricultural assets under the Beginning Farmer
6 Tax Credit Act for all taxable years beginning or deemed to begin on or
7 after January 1, 2009, under the Internal Revenue Code of 1986, as
8 amended. The credit allowed for each partner, shareholder, member, or
9 beneficiary of a partnership, corporation, limited liability company, or
10 estate or trust qualifying for an income tax credit as an owner of
11 agricultural assets under the Beginning Farmer Tax Credit Act shall be
12 equal to the partner's, shareholder's, member's, or beneficiary's portion
13 of the amount of tax credit distributed pursuant to subsection (6) of
14 section 77-5211.

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

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

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

7 (6) There shall be allowed to all individuals nonrefundable credits
8 against the income tax imposed by the Nebraska Revenue Act of 1967 as
9 provided in section 77-3604 and refundable credits against the income tax
10 imposed by the Nebraska Revenue Act of 1967 as provided in section
11 77-3605.

12 (7)(a) For taxable years beginning or deemed to begin on or after
13 January 1, 2020, and before January 1, 2026, under the Internal Revenue
14 Code of 1986, as amended, a nonrefundable credit against the income tax
15 imposed by the Nebraska Revenue Act of 1967 in the amount of five
16 thousand dollars shall be allowed to any individual who purchases a
17 residence during the taxable year if such residence:

18 (i) Is located within an area that has been declared an extremely
19 blighted area under section 18-2101.02;

20 (ii) Is the individual's primary residence; and

21 (iii) Was not purchased from a family member of the individual or a
22 family member of the individual's spouse.

23 (b) The credit provided in this subsection shall be claimed for the
24 taxable year in which the residence is purchased. If the individual
25 cannot fully utilize the credit for such year, the credit may be carried
26 forward to subsequent taxable years until fully utilized.

27 (c) No more than one credit may be claimed under this subsection
28 with respect to a single residence.

29 (d) The credit provided in this subsection shall be subject to
30 recapture by the Department of Revenue if the individual claiming the
31 credit sells or otherwise transfers the residence or quits using the

1 residence as his or her primary residence within five years after the end
2 of the taxable year in which the credit was claimed.

3 (e) For purposes of this subsection, family member means an
4 individual's spouse, child, parent, brother, sister, grandchild, or
5 grandparent, whether by blood, marriage, or adoption.

6 (8) There shall be allowed to all individuals refundable credits
7 against the income tax imposed by the Nebraska Revenue Act of 1967 as
8 provided in the Nebraska Property Tax Incentive Act and the Renewable
9 Chemical Production Tax Credit Act.

10 Sec. 130. Section 77-2717, Reissue Revised Statutes of Nebraska, is
11 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, the Nebraska Property Tax Incentive Act, and the
16 Renewable Chemical Production Tax Credit Act. A nonrefundable income tax
17 credit shall be allowed for all resident estates and trusts as provided
18 in the Nebraska Job Creation and Mainstreet Revitalization Act, the New
19 Markets Job Growth Investment Act, the School Readiness Tax Credit Act,
20 the Affordable Housing Tax Credit Act, and section 77-27,238.

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

1 Act of 1967, reduced by the percentage of the total income which is
2 attributable to income from sources outside this state, and the credits
3 provided in the Nebraska Advantage Microenterprise Tax Credit Act and the
4 Nebraska Advantage Research and Development Act shall be allowed as a
5 reduction in the income tax due. A refundable income tax credit shall be
6 allowed for all nonresident estates and trusts under the Angel Investment
7 Tax Credit Act, the Nebraska Advantage Microenterprise Tax Credit Act,
8 ~~and the Nebraska Advantage Research and Development Act, the Nebraska~~
9 Property Tax Incentive Act, and the Renewable Chemical Production Tax
10 Credit Act. A nonrefundable income tax credit shall be allowed for all
11 nonresident estates and trusts as provided in the Nebraska Job Creation
12 and Mainstreet Revitalization Act, the New Markets Job Growth Investment
13 Act, the School Readiness Tax Credit Act, the Affordable Housing Tax
14 Credit Act, and section 77-27,238.

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

27 (3) The beneficiaries of such estate or trust who are residents of
28 this state shall include in their income their proportionate share of
29 such estate's or trust's federal income and shall reduce their Nebraska
30 tax liability by their proportionate share of the credits as provided in
31 the Angel Investment Tax Credit Act, the Nebraska Advantage

1 Microenterprise Tax Credit Act, the Nebraska Advantage Research and
2 Development Act, the Nebraska Job Creation and Mainstreet Revitalization
3 Act, the New Markets Job Growth Investment Act, the School Readiness Tax
4 Credit Act, the Affordable Housing Tax Credit Act, the Nebraska Property
5 Tax Incentive Act, the Renewable Chemical Production Tax Credit Act, and
6 section 77-27,238. There shall be allowed to a beneficiary a refundable
7 income tax credit under the Beginning Farmer Tax Credit Act for all
8 taxable years beginning or deemed to begin on or after January 1, 2001,
9 under the Internal Revenue Code of 1986, as amended.

10 (4) If any beneficiary of such estate or trust is a nonresident
11 during any part of the estate's or trust's taxable year, he or she shall
12 file a Nebraska income tax return which shall include (a) in Nebraska
13 adjusted gross income that portion of the estate's or trust's Nebraska
14 income, as determined under sections 77-2724 and 77-2725, allocable to
15 his or her interest in the estate or trust and (b) a reduction of the
16 Nebraska tax liability by his or her proportionate share of the credits
17 as provided in the Angel Investment Tax Credit Act, the Nebraska
18 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
19 and Development Act, the Nebraska Job Creation and Mainstreet
20 Revitalization Act, the New Markets Job Growth Investment Act, the School
21 Readiness Tax Credit Act, the Affordable Housing Tax Credit Act, the
22 Nebraska Property Tax Incentive Act, the Renewable Chemical Production
23 Tax Credit Act, and section 77-27,238 and shall execute and forward to
24 the fiduciary, on or before the original due date of the Nebraska
25 fiduciary return, an agreement which states that he or she will file a
26 Nebraska income tax return and pay income tax on all income derived from
27 or connected with sources in this state, and such agreement shall be
28 attached to the Nebraska fiduciary return for such taxable year.

29 (5) In the absence of the nonresident beneficiary's executed
30 agreement being attached to the Nebraska fiduciary return, the estate or
31 trust shall remit a portion of such beneficiary's income which was

1 derived from or attributable to Nebraska sources with its Nebraska return
2 for the taxable year. For taxable years beginning or deemed to begin
3 before January 1, 2013, the amount of remittance, in such instance, shall
4 be the highest individual income tax rate determined under section
5 77-2715.02 multiplied by the nonresident beneficiary's share of the
6 estate or trust income which was derived from or attributable to sources
7 within this state. For taxable years beginning or deemed to begin on or
8 after January 1, 2013, the amount of remittance, in such instance, shall
9 be the highest individual income tax rate determined under section
10 77-2715.03 multiplied by the nonresident beneficiary's share of the
11 estate or trust income which was derived from or attributable to sources
12 within this state. The amount remitted shall be allowed as a credit
13 against the Nebraska income tax liability of the beneficiary.

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

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

30 (8) For purposes of this section, any beneficiary of an estate or
31 trust that is a grantor trust of a nonresident shall be disregarded and

1 this section shall apply as though the nonresident grantor was the
2 beneficiary.

3 Sec. 131. Section 77-2734.03, Reissue Revised Statutes of Nebraska,
4 is amended to read:

5 77-2734.03 (1)(a) For taxable years commencing prior to January 1,
6 1997, any (i) insurer paying a tax on premiums and assessments pursuant
7 to section 77-908 or 81-523, (ii) electric cooperative organized under
8 the Joint Public Power Authority Act, or (iii) credit union shall be
9 credited, in the computation of the tax due under the Nebraska Revenue
10 Act of 1967, with the amount paid during the taxable year as taxes on
11 such premiums and assessments and taxes in lieu of intangible tax.

12 (b) For taxable years commencing on or after January 1, 1997, any
13 insurer paying a tax on premiums and assessments pursuant to section
14 77-908 or 81-523, any electric cooperative organized under the Joint
15 Public Power Authority Act, or any credit union shall be credited, in the
16 computation of the tax due under the Nebraska Revenue Act of 1967, with
17 the amount paid during the taxable year as (i) taxes on such premiums and
18 assessments included as Nebraska premiums and assessments under section
19 77-2734.05 and (ii) taxes in lieu of intangible tax.

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

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

30 (3) There shall be allowed to corporate taxpayers a refundable
31 income tax credit under the Beginning Farmer Tax Credit Act for all

1 taxable years beginning or deemed to begin on or after January 1, 2001,
2 under the Internal Revenue Code of 1986, as amended.

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

7 (5) There shall be allowed to corporate taxpayers refundable income
8 tax credits under the Nebraska Advantage Microenterprise Tax Credit Act,
9 ~~and~~ the Nebraska Advantage Research and Development Act, the Nebraska
10 Property Tax Incentive Act, and the Renewable Chemical Production Tax
11 Credit Act.

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

15 (7) There shall be allowed to corporate taxpayers a nonrefundable
16 income tax credit as provided in the Nebraska Job Creation and Mainstreet
17 Revitalization Act, the New Markets Job Growth Investment Act, the School
18 Readiness Tax Credit Act, the Affordable Housing Tax Credit Act, and
19 section 77-27,238.

20 Sec. 134. Section 77-4212, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 77-4212 (1) For tax year 2007, the amount of relief granted under
23 the Property Tax Credit Act shall be one hundred five million dollars.
24 For tax year 2008, the amount of relief granted under the act shall be
25 one hundred fifteen million dollars. It is the intent of the Legislature
26 to fund the Property Tax Credit Act for tax years after tax year 2008
27 using available revenue. For tax year 2017, the amount of relief granted
28 under the act shall be two hundred twenty-four million dollars. For tax
29 year 2020 and each tax year thereafter, the minimum amount of relief
30 granted under the act shall be two hundred seventy-five million dollars.
31 If money is transferred or credited to the Property Tax Credit Cash Fund

1 pursuant to any other state law, such amount shall be added to the
2 minimum amount required under this subsection when determining the total
3 amount of relief granted under the act. The relief shall be in the form
4 of a property tax credit which appears on the property tax statement.

5 (2)(a) For tax years prior to tax year 2017, to determine the amount
6 of the property tax credit, the county treasurer shall multiply the
7 amount disbursed to the county under subdivision (4)(a) of this section
8 by the ratio of the real property valuation of the parcel to the total
9 real property valuation in the county. The amount determined shall be the
10 property tax credit for the property.

11 (b) Beginning with tax year 2017, to determine the amount of the
12 property tax credit, the county treasurer shall multiply the amount
13 disbursed to the county under subdivision (4)(b) of this section by the
14 ratio of the credit allocation valuation of the parcel to the total
15 credit allocation valuation in the county. The amount determined shall be
16 the property tax credit for the property.

17 (3) If the real property owner qualifies for a homestead exemption
18 under sections 77-3501 to 77-3529, the owner shall also be qualified for
19 the relief provided in the act to the extent of any remaining liability
20 after calculation of the relief provided by the homestead exemption. If
21 the credit results in a property tax liability on the homestead that is
22 less than zero, the amount of the credit which cannot be used by the
23 taxpayer shall be returned to the State Treasurer by July 1 of the year
24 the amount disbursed to the county was disbursed. The State Treasurer
25 shall immediately credit any funds returned under this subsection to the
26 Property Tax Credit Cash Fund. Upon the return of any funds under this
27 subsection, the county treasurer shall electronically file a report with
28 the Property Tax Administrator, on a form prescribed by the Tax
29 Commissioner, indicating the amount of funds distributed to each taxing
30 unit in the county in the year the funds were returned, any collection
31 fee retained by the county in such year, and the amount of unused credits

1 returned.

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

17 (b) Beginning with tax year 2017, the amount disbursed to each
18 county shall be equal to the amount available for disbursement determined
19 under subsection (1) of this section multiplied by the ratio of the
20 credit allocation valuation in the county to the credit allocation
21 valuation in the state. By September 15, the Property Tax Administrator
22 shall determine the amount to be disbursed under this subdivision to each
23 county and certify such amounts to the State Treasurer and to each
24 county. The disbursements to the counties shall occur in two equal
25 payments, the first on or before January 31 and the second on or before
26 April 1. After retaining one percent of the receipts for costs, the
27 county treasurer shall allocate the remaining receipts to each taxing
28 unit based on its share of the credits granted to all taxpayers in the
29 taxing unit.

30 (5) For purposes of this section, credit allocation valuation means
31 the taxable value for all real property except agricultural land and

1 horticultural land, one hundred twenty percent of taxable value for
2 agricultural land and horticultural land that is not subject to special
3 valuation, and one hundred twenty percent of taxable value for
4 agricultural land and horticultural land that is subject to special
5 valuation.

6 (6) The State Treasurer shall transfer from the General Fund to the
7 Property Tax Credit Cash Fund one hundred five million dollars by August
8 1, 2007, and one hundred fifteen million dollars by August 1, 2008.

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

11 Sec. 135. Section 77-4602, Revised Statutes Supplement, 2019, is
12 amended to read:

13 77-4602 (1) Within fifteen days after the end of each month, the Tax
14 Commissioner shall provide a public statement of actual General Fund net
15 receipts and a comparison of such actual net receipts to the monthly
16 estimate certified pursuant to section 77-4601.

17 (2) Within fifteen days after the end of each fiscal year, the
18 public statement shall also include a summary of actual General Fund net
19 receipts and estimated General Fund net receipts for the fiscal year.

20 (3)(a) Within fifteen days after the end of fiscal year 2020-21 and
21 each fiscal year thereafter through fiscal year 2022-23, the Tax
22 Commissioner shall determine the balance of the Cash Reserve Fund.

23 (b) If the balance of the Cash Reserve Fund is less than five
24 hundred million dollars:

25 (i) The Tax Commissioner shall determine:

26 (A) Actual General Fund net receipts for the most recently completed
27 fiscal year minus estimated General Fund net receipts for such fiscal
28 year; and

29 (B) Actual General Fund net receipts for the most recently completed
30 fiscal year minus one hundred three and one-half percent of estimated
31 General Fund net receipts for such fiscal year.

1 (ii) If the amounts calculated under subdivisions (3)(b)(i)(A) and
2 (3)(b)(i)(B) of this section are both positive numbers, the Tax
3 Commissioner shall certify (A) the amount determined under subdivision
4 (3)(b)(i)(A) of this section and (B) fifty percent of the amount
5 determined under subdivision (3)(b)(i)(B) of this section to the State
6 Treasurer. The State Treasurer shall transfer the difference between the
7 two certified amounts to the Cash Reserve Fund.

8 (iii) If the amount calculated under subdivision (3)(b)(i)(A) of
9 this section is a positive number but the amount calculated under
10 subdivision (3)(b)(i)(B) of this section is a negative number, the Tax
11 Commissioner shall certify the amount determined under subdivision (3)(b)
12 (i)(A) of this section to the State Treasurer and the State Treasurer
13 shall transfer such certified amount to the Cash Reserve Fund.

14 (c) If the balance of the Cash Reserve Fund is five hundred million
15 dollars or more:

16 (i) The Tax Commissioner shall determine:

17 (A) Actual General Fund net receipts for the most recently completed
18 fiscal year minus estimated General Fund net receipts for such fiscal
19 year; and

20 (B) Actual General Fund net receipts for the most recently completed
21 fiscal year minus one hundred three and one-half percent of estimated
22 General Fund net receipts for such fiscal year.

23 (ii) If the amounts calculated under subdivisions (3)(c)(i)(A) and
24 (3)(c)(i)(B) of this section are both positive numbers, the Tax
25 Commissioner shall certify (A) the amount determined under subdivision
26 (3)(c)(i)(A) of this section and (B) the amount determined under
27 subdivision (3)(c)(i)(B) of this section to the State Treasurer. The
28 State Treasurer shall transfer the difference between the two certified
29 amounts to the Cash Reserve Fund.

30 (iii) If the amount calculated under subdivision (3)(c)(i)(A) of
31 this section is a positive number but the amount calculated under

1 subdivision (3)(c)(i)(B) of this section is a negative number, the Tax
2 Commissioner shall certify the amount determined under subdivision (3)(c)
3 (i)(A) of this section to the State Treasurer and the State Treasurer
4 shall transfer such certified amount to the Cash Reserve Fund.

5 (4)(a) (3) Within fifteen days after the end of each fiscal year
6 2024-25 and each fiscal year thereafter, the Tax Commissioner shall
7 determine the following:

8 (i) (a) Actual General Fund net receipts for the most recently
9 completed fiscal year minus estimated General Fund net receipts for such
10 fiscal year; and

11 (ii) (b) Fifty percent of the product of actual General Fund net
12 receipts for the most recently completed fiscal year times the difference
13 between the annual percentage increase in the actual General Fund net
14 receipts for the most recently completed fiscal year and the average
15 annual percentage increase in the actual General Fund net receipts over
16 the twenty previous fiscal years, excluding the year in which the annual
17 percentage change in actual General Fund net receipts is the lowest.

18 (b) (4) If the number determined under subdivision (4)(a)(i) (3)(a)
19 of this section is a positive number, the Tax Commissioner shall
20 immediately certify the greater of the two numbers determined under
21 subdivision (4)(a) subsection (3) of this section to the director. The
22 State Treasurer shall transfer the certified amount from the General Fund
23 to the Cash Reserve Fund upon certification by the director of such
24 amount. The transfer shall be made according to the following schedule:

25 (i) (a) An amount equal to the amount determined under subdivision
26 (4)(a)(i) (3)(a) of this section shall be transferred immediately; and

27 (ii) (b) The remainder, if any, shall be transferred by the end of
28 the subsequent fiscal year.

29 (c) (5) If the transfer required under subdivision (4)(b) subsection
30 (4) of this section causes the balance in the Cash Reserve Fund to exceed
31 sixteen percent of the total budgeted General Fund expenditures for the

1 current fiscal year, such transfer shall be reduced so that the balance
2 of the Cash Reserve Fund does not exceed such amount.

3 (d) ~~(6)~~ Nothing in this subsection ~~section~~ prohibits the balance in
4 the Cash Reserve Fund from exceeding sixteen percent of the total
5 budgeted General Fund expenditures each fiscal year if the Legislature
6 determines it necessary to prepare for and respond to budgetary
7 requirements which may include, but are not limited to, capital
8 construction projects and responses to emergencies.

9 Sec. 139. Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14,
10 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32,
11 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50,
12 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68,
13 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86,
14 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103,
15 104, 105, 106, 107, 108, 109, 115, 116, 117, 118, 119, 123, 128, 132,
16 133, 136, 137, 138, and 141 of this act become operative on January 1,
17 2021. The other sections of this act become operative on their effective
18 date.

19 Sec. 140. If any section in this act or any part of any section is
20 declared invalid or unconstitutional, the declaration shall not affect
21 the validity or constitutionality of the remaining portions.

22 Sec. 141. Original sections 77-1229, 77-27,119, 77-27,144, 77-5905,
23 and 81-125, Reissue Revised Statutes of Nebraska, sections 18-2119,
24 18-2710.03, 49-801.01, and 84-602.03, Revised Statutes Cumulative
25 Supplement, 2018, and sections 50-1209, 66-1344, and 77-2711, Revised
26 Statutes Supplement, 2019, are repealed.

27 Sec. 142. Original sections 77-202, 77-693, 77-801, 77-1238,
28 77-1248, 77-1514, 77-2717, 77-2734.03, and 77-4212, Reissue Revised
29 Statutes of Nebraska, and sections 77-1239, 77-2715.07, and 77-4602,
30 Revised Statutes Supplement, 2019, are repealed.

31 Sec. 143. Since an emergency exists, this act takes effect when

1 passed and approved according to law.