

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 542

Introduced by Lowe, 37.

Read first time January 22, 2019

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend section
- 2 77-2715.07, Reissue Revised Statutes of Nebraska; to adopt the
- 3 Firearm Safety Act; to provide for a tax credit; to harmonize
- 4 provisions; and to repeal the original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 6 of this act shall be known and may be
2 cited as the Firearm Safety Act.

3 Sec. 2. The Legislature finds that:

4 (1) Firearm ownership is a right protected by the Constitution of
5 the United States and the Constitution of Nebraska;

6 (2) The right to own firearms is one of the most precious rights in
7 our Constitutions;

8 (3) Responsible firearm ownership is important to all Nebraskans;

9 (4) Responsible firearm ownership includes knowledge of how to
10 properly fire, clean, clear, and store firearms;

11 (5) Not all citizens are able to afford to take classes to learn
12 this knowledge; and

13 (6) It is in the best interests of the State of Nebraska and its
14 citizens to encourage individuals to take classes to learn basic firearm
15 knowledge to ensure they are responsible firearm owners.

16 Sec. 3. For purposes of the Firearm Safety Act:

17 (1) Approved firearm safety course means a firearm safety course
18 that has received a certificate of approval from the Nebraska State
19 Patrol pursuant to section 4 of this act;

20 (2) Eligible taxpayer means an individual taxpayer who:

21 (a) Is at least eighteen years old;

22 (b) Can lawfully purchase, own, and possess a firearm under local,
23 state, and federal law;

24 (c) Has not been convicted of a felony under the laws of this state
25 or under the laws of any other jurisdiction;

26 (d) Has not been convicted of a misdemeanor crime of violence under
27 the laws of this state or under the laws of any other jurisdiction within
28 the ten years immediately preceding the date on which the taxpayer filed
29 his or her income tax return;

30 (e) Has not been found in the ten years immediately preceding the
31 date on which the taxpayer filed his or her income tax return to be a

1 mentally ill and dangerous person under the Nebraska Mental Health
2 Commitment Act or a similar law of another jurisdiction;

3 (f) Is not, at the time of filing his or her income tax return,
4 adjudged to be mentally incompetent;

5 (g) Has not been convicted of a violation of any law of this state
6 relating to firearms, unlawful use of a weapon, or controlled substances
7 or of any similar laws of another jurisdiction within the ten years
8 immediately preceding the date on which the taxpayer filed his or her
9 income tax return. This subdivision does not apply to any conviction
10 under Chapter 37 or under any similar law of another jurisdiction, except
11 for a conviction under section 37-509, 37-513, or 37-522 or under any
12 similar law of another jurisdiction; and

13 (h) Is not, at the time of filing his or her income tax return, on
14 parole, probation, post-release supervision, house arrest, or work
15 release.

16 Sec. 4. (1) The Nebraska State Patrol shall prepare and publish
17 minimum training and safety requirements for and adopt and promulgate
18 rules and regulations governing approved firearm safety courses and
19 approved firearm safety course instructors. Minimum safety and training
20 requirements for an approved firearm safety course shall include, but not
21 be limited to:

22 (a) Knowledge and safe handling of a firearm and ammunition,
23 including how to properly and safely clean a firearm and clear a
24 malfunction in a loaded firearm;

25 (b) Safe firearm shooting fundamentals;

26 (c) A demonstration of competency with a firearm with respect to the
27 minimum safety and training requirements;

28 (d) Knowledge of federal, state, and local laws pertaining to the
29 purchase, ownership, transportation, and possession of firearms;

30 (e) Knowledge of federal, state, and local laws pertaining to the
31 use of a firearm, including, but not limited to, use of a firearm for

1 self-defense and laws relating to justifiable homicide and the various
2 degrees of assault;

3 (f) Knowledge of ways to avoid a criminal attack and to defuse or
4 control a violent confrontation;

5 (g) Knowledge of proper storage practices for firearms and
6 ammunition, including storage practices which would reduce the
7 possibility of theft and accidental injury to a child; and

8 (h) Information on how to contact mental health resources.

9 (2) A person or entity seeking to conduct an approved firearm safety
10 course and the course instructors shall be approved by the patrol before
11 operation. The patrol shall issue a certificate evidencing its approval.

12 (3) A certificate of completion of an approved firearm safety course
13 shall be issued by the person or entity conducting the course to persons
14 successfully completing the course. The certificate of completion shall
15 also include certification from the instructor that the person completing
16 the course does not suffer from a readily discernible physical infirmity
17 that prevents the person from safely handling a firearm.

18 (4) Completion of a course taken under the Firearm Safety Act shall
19 not be considered completion of a handgun training and safety course
20 approved by the Nebraska State Patrol pursuant to section 69-2432.

21 Sec. 5. (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, an eligible taxpayer who successfully completes an approved
24 firearm safety course shall be eligible for a credit against the income
25 tax due under the Nebraska Revenue Act of 1967. The amount of the credit
26 shall be the lesser of one hundred dollars or the cost paid by the
27 eligible taxpayer for the approved firearm safety course.

28 (2) The tax credit allowed under this section shall be a
29 nonrefundable credit. Any amount of the credit that is unused may not be
30 carried forward. An eligible taxpayer shall only be allowed the credit
31 once every five years.

1 Sec. 6. The Department of Revenue may adopt and promulgate rules
2 and regulations to carry out the Firearm Safety Act.

3 Sec. 7. Section 77-2715.07, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 77-2715.07 (1) There shall be allowed to qualified resident
6 individuals as a nonrefundable credit against the income tax imposed by
7 the Nebraska Revenue Act of 1967:

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

10 (b) A credit for taxes paid to another state as provided in section
11 77-2730.

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

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

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

1 reported federal adjusted gross income exceeds twenty-two thousand
2 dollars, 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 21 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 (c) A refundable credit as provided in section 77-5209.01 for
9 individuals who qualify for an income tax credit as a qualified beginning
10 farmer or livestock producer under the Beginning Farmer Tax Credit Act
11 for all taxable years beginning or deemed to begin on or after January 1,
12 2006, under the Internal Revenue Code of 1986, as amended;

13 (d) A refundable credit for individuals who qualify for an income
14 tax credit under the Angel Investment Tax Credit Act, the Nebraska
15 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
16 and Development Act, or the Volunteer Emergency Responders Incentive Act;
17 and

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

26 (3) There shall be allowed to all individuals as a nonrefundable
27 credit against the income tax imposed by the Nebraska Revenue Act of
28 1967:

29 (a) A credit for personal exemptions allowed under section
30 77-2716.01;

31 (b) A credit for contributions to certified community betterment

1 programs as provided in the Community Development Assistance Act. Each
2 partner, each shareholder of an electing subchapter S corporation, each
3 beneficiary of an estate or trust, or each member of a limited liability
4 company shall report his or her share of the credit in the same manner
5 and proportion as he or she reports the partnership, subchapter S
6 corporation, estate, trust, or limited liability company income;

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

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

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

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

14 (g) A credit as provided in the Affordable Housing Tax Credit Act;
15 and -

16 (h) A credit as provided in the Firearm Safety Act.

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

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

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

24 (c) A refundable credit for individuals who qualify for an income
25 tax credit as an owner of agricultural assets under the Beginning Farmer
26 Tax Credit Act for all taxable years beginning or deemed to begin on or
27 after January 1, 2009, under the Internal Revenue Code of 1986, as
28 amended. The credit allowed for each partner, shareholder, member, or
29 beneficiary of a partnership, corporation, limited liability company, or
30 estate or trust qualifying for an income tax credit as an owner of
31 agricultural assets under the Beginning Farmer Tax Credit Act shall be

1 equal to the partner's, shareholder's, member's, or beneficiary's portion
2 of the amount of tax credit distributed pursuant to subsection (4) of
3 section 77-5211.

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

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

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

27 (6) There shall be allowed to all individuals nonrefundable credits
28 against the income tax imposed by the Nebraska Revenue Act of 1967 as
29 provided in section 77-3604 and refundable credits against the income tax
30 imposed by the Nebraska Revenue Act of 1967 as provided in section
31 77-3605.

1 Sec. 8. Original section 77-2715.07, Reissue Revised Statutes of
2 Nebraska, is repealed.