

AMENDMENTS TO LB730

Introduced by Revenue.

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

3 Section 1. Sections 1 to 5 of this act shall be known and may be
4 cited as the Growing Our Workforce Investment Now Act.

5 Sec. 2. For purposes of the Growing Our Workforce Investment Now
6 Act:

7 (1) Department means the Department of Revenue;

8 (2) Industry-recognized, when used with respect to a credential,
9 means a credential that:

10 (a) Is sought or accepted by businesses within the industry or
11 sector involved as a recognized, preferred, or required credential for
12 determining occupational proficiency; and

13 (b) Is endorsed by a nationally recognized industry association or
14 organization representing a significant part of the industry or sector,
15 if such an association or organization exists;

16 (3) Nationally portable, when used with respect to a credential,
17 means a credential that is sought or accepted in multiple states by
18 businesses within the industry or sector involved as a recognized,
19 preferred, or required credential for recruitment, screening, or hiring
20 purposes;

21 (4) Occupational skills training program means a program of training
22 that combines structured learning with on-the-job training and leads to
23 an industry-recognized and nationally portable postsecondary credential
24 upon completion;

25 (5) Qualified apprentice means an individual working as an
26 apprentice pursuant to an apprentice agreement registered with the Office
27 of Apprenticeship of the Employment and Training Administration of the

1 United States Department of Labor; and

2 (6) Qualified trainee means a trainee in an occupational skills
3 training program.

4 Sec. 3. (1) An employer that employs a qualified apprentice or
5 qualified trainee for at least seven months of the taxable year shall be
6 allowed a nonrefundable credit against the income tax imposed by the
7 Nebraska Revenue Act of 1967. The credit shall be equal to one thousand
8 dollars for each such qualified apprentice or qualified trainee employed
9 by the employer.

10 (2) The credit shall not be claimed with respect to the same
11 qualified apprentice or qualified trainee for more than four taxable
12 years.

13 Sec. 4. (1) The credit provided in section 3 of this act shall
14 apply to qualified apprentices and qualified trainees who begin their
15 apprenticeship or occupational skills training program on or after the
16 effective date of this act.

17 (2) The department shall prescribe a form for employers to use in
18 claiming the credit.

19 Sec. 5. The department may adopt and promulgate rules and
20 regulations to carry out the Growing Our Workforce Investment Now Act.

21 Sec. 6. Sections 6 to 18 of this act shall be known and may be
22 cited as the Opportunity Scholarships Act.

23 Sec. 7. The Legislature finds that:

24 (1) Enabling the greatest number of parents and legal guardians to
25 choose among quality educational opportunities for children will improve
26 the quality of education available to all children;

27 (2) Privately operated elementary and secondary schools in Nebraska
28 satisfy the state's requirements for legal operation and provide quality
29 educational opportunities for children;

30 (3) For parents and legal guardians who are paying taxes in support
31 of public elementary and secondary schools, choosing privately operated

1 schools for their children can be a financial burden because typically
2 these parents and legal guardians will be paying twice for education
3 through tuition and taxes;

4 (4) Parents and legal guardians of limited means are less able to
5 choose among quality educational opportunities for their children;

6 (5) Making it possible for more parents and legal guardians to be
7 able to choose privately operated schools reduces publicly funded
8 educational costs and benefits Nebraska taxpayers; and

9 (6) It is in the best interests of the State of Nebraska and its
10 citizens to encourage individuals and businesses to support organizations
11 that financially assist parents and legal guardians who want to enroll
12 their children in privately operated elementary and secondary schools,
13 and such encouragement can be accomplished through the use of tax
14 credits.

15 Sec. 8. For purposes of the Opportunity Scholarships Act:

16 (1) Department means the Department of Revenue;

17 (2) Education scholarship means a financial grant-in-aid to be used
18 to pay all or part of the tuition and fees for attending a qualified
19 school and includes any tuition grants;

20 (3) Eligible student means a resident of Nebraska who:

21 (a) Is a dependent member of a household that, for the most recently
22 concluded calendar year before the student receives an education
23 scholarship pursuant to the act, has a gross income which does not exceed
24 the income indicated in the income eligibility guidelines for reduced
25 price meals under the National School Lunch Program in 7 C.F.R. part 210,
26 as such part existed on January 1, 2022; and

27 (b)(i) Is receiving an education scholarship for the first time and
28 is (A) entering kindergarten or ninth grade in a qualified school or (B)
29 transferring from a public school at which the student was enrolled for
30 at least one semester immediately preceding the first semester for which
31 the student receives an education scholarship to a qualified school and

1 is entering any of grades kindergarten through twelve;

2 (ii) Has previously received an education scholarship and is
3 continuing education at a qualified school until such student graduates
4 from high school or reaches twenty-one years of age, whichever comes
5 first; or

6 (iii) Is the sibling of a student who is receiving an education
7 scholarship and resides in the same household as such student;

8 (4) Qualified school means any nongovernmental, privately operated
9 elementary or secondary school located in this state that (a) is operated
10 not for profit, (b) complies with the antidiscrimination provisions of 42
11 U.S.C. 1981 as such section existed on January 1, 2022, (c) complies with
12 all health and life safety laws or codes that apply to privately operated
13 schools, and (d) fulfills the applicable accreditation or approval
14 requirements established by the State Board of Education pursuant to
15 section 79-318;

16 (5) Scholarship-granting organization means a charitable
17 organization in this state that is (a) exempt from federal income
18 taxation pursuant to section 501(c)(3) of the Internal Revenue Code of
19 1986, as amended, and (b) certified pursuant to section 9 of this act to
20 provide tax-credit-supported education scholarships to eligible students
21 to assist them in attending qualified schools; and

22 (6) Tuition means any amount charged by a qualified school for
23 enrollment in its instructional program. Tuition shall not exceed the
24 full cost of educating an eligible student at such qualified school.

25 Sec. 9. (1) An organization may apply to the department to become
26 certified as a scholarship-granting organization under the Opportunity
27 Scholarships Act. An organization shall obtain such certification prior
28 to providing any education scholarships to eligible students under the
29 act. The applicant shall provide the department with sufficient
30 information to show:

31 (a) That the applicant is exempt from federal income taxation under

1 section 501(c)(3) of the Internal Revenue Code of 1986, as amended;

2 (b) That the applicant will offer one or more education scholarship
3 programs for eligible students;

4 (c) That the applicant will be able to comply with the requirements
5 of section 15 of this act;

6 (d) That the applicant will provide education scholarships for
7 eligible students without limiting education scholarship availability to
8 only one qualified school;

9 (e) That the applicant will give (i) first priority to eligible
10 students who received an education scholarship from an eligible
11 scholarship-granting organization during the previous school year, (ii)
12 second priority to students whose household income levels do not exceed
13 one hundred eighty-five percent of the federal poverty level, with higher
14 priority given to students whose household income levels are the lowest,
15 and (iii) third priority to students who are in foster care or out-of-
16 home care;

17 (f) That the applicant will limit the maximum scholarship amount
18 awarded to any student to the cost of tuition and fees at the qualified
19 school such student attends; and

20 (g) That the applicant will limit scholarship amounts awarded to
21 students in a manner that assures that the average of the scholarship
22 amounts awarded per student does not exceed seventy-five percent of the
23 statewide average general fund operating expenditures per formula student
24 for the most recently available complete data year as such terms are
25 defined in section 79-1003.

26 (2) If the applicant meets the requirements of this section, the
27 department shall certify it as a scholarship-granting organization for
28 tax-credit purposes under the Opportunity Scholarships Act. Such
29 certification is subject to revocation by the department if the
30 scholarship-granting organization subsequently fails to fulfill the
31 requirements of this section or section 15 of this act.

1 Sec. 10. (1) An individual taxpayer who makes one or more cash
2 contributions to one or more scholarship-granting organizations during a
3 tax year shall be eligible for a credit against the income tax due under
4 the Nebraska Revenue Act of 1967. The credit shall be equal to one
5 hundred percent of the total amount of such contributions made during the
6 tax year, except that the credit shall not exceed twenty-five thousand
7 dollars or fifty percent of the taxpayer's state income tax liability for
8 such tax year, whichever is less. A taxpayer may only claim a credit
9 pursuant to this section for the portion of the contribution that was not
10 claimed as a charitable contribution under the Internal Revenue Code.

11 (2) Taxpayers who are married but file separate returns for a tax
12 year in which they could have filed a joint return may each claim only
13 one-half of the tax credit that would otherwise have been allowed for a
14 joint return.

15 (3) The tax credit allowed under this section shall be a
16 nonrefundable credit. Any amount of the credit that is unused may be
17 carried forward and applied against the taxpayer's income tax liability
18 for the next five years immediately following the tax year in which the
19 credit is first allowed. The tax credit cannot be carried back.

20 (4) The taxpayer may not designate all or any part of the
21 contribution to a scholarship-granting organization for the benefit of
22 any eligible student specifically identified by the taxpayer.

23 (5) The tax credit allowed under this section is subject to section
24 14 of this act.

25 (6) The tax credit allowed under this section may be earned for tax
26 years beginning or deemed to begin on or after January 1, 2023, and
27 before January 1, 2028.

28 Sec. 11. (1) Any partnership, limited liability company, or
29 corporation having an election in effect under subchapter S of the
30 Internal Revenue Code of 1986, as amended, that (a) is carrying on any
31 trade or business for which deductions would be allowed under section 162

1 of the Internal Revenue Code of 1986, as amended, or is carrying on any
2 rental activity and (b) makes one or more cash contributions to one or
3 more scholarship-granting organizations during a tax year shall be
4 eligible for a credit against the income tax due under the Nebraska
5 Revenue Act of 1967. The credit shall be equal to one hundred percent of
6 the total amount of such contributions made during the tax year, except
7 that the credit shall not exceed twenty-five thousand dollars or fifty
8 percent of the taxpayer's state income tax liability for such tax year,
9 whichever is less. A taxpayer may only claim a credit pursuant to this
10 section for the portion of the contribution that was not claimed as a
11 charitable contribution under the Internal Revenue Code. The credit shall
12 be attributed to each partner, member, or shareholder in the same
13 proportion used to report the partnership's, limited liability company's,
14 or subchapter S corporation's income or loss for income tax purposes.

15 (2) The tax credit allowed under this section shall be a
16 nonrefundable credit. Any amount of the tax credit that is unused may be
17 carried forward and applied against the taxpayer's income tax liability
18 for the next five years immediately following the tax year in which the
19 credit is first allowed. The tax credit cannot be carried back.

20 (3) The taxpayer may not designate all or any part of the
21 contribution to a scholarship-granting organization for the benefit of
22 any eligible student specifically identified by the taxpayer.

23 (4) The tax credit allowed under this section is subject to section
24 14 of this act.

25 (5) The tax credit allowed under this section may be earned for tax
26 years beginning or deemed to begin on or after January 1, 2023, and
27 before January 1, 2028.

28 Sec. 12. (1) An estate or trust which makes one or more cash
29 contributions to one or more scholarship-granting organizations during a
30 tax year shall be eligible for a credit against the income tax due under
31 the Nebraska Revenue Act of 1967. The credit shall be equal to one

1 hundred percent of the total amount of such contributions made during the
2 tax year, except that the credit shall not exceed twenty-five thousand
3 dollars or fifty percent of the taxpayer's state income tax liability for
4 such tax year, whichever is less. A taxpayer may only claim a credit
5 pursuant to this section for the portion of the contribution that was not
6 claimed as a charitable contribution under the Internal Revenue Code. Any
7 credit not used by the estate or trust may be attributed to each
8 beneficiary of the estate or trust in the same proportion used to report
9 the beneficiary's income from the estate or trust for income tax
10 purposes.

11 (2) The tax credit allowed under this section shall be a
12 nonrefundable credit. Any amount of the tax credit that is unused may be
13 carried forward and applied against the taxpayer's income tax liability
14 for the next five years immediately following the tax year in which the
15 credit is first allowed. The tax credit cannot be carried back.

16 (3) The taxpayer may not designate all or any part of the
17 contribution to a scholarship-granting organization for the benefit of
18 any eligible student specifically identified by the taxpayer.

19 (4) The tax credit allowed under this section is subject to section
20 14 of this act.

21 (5) The tax credit allowed under this section may be earned for tax
22 years beginning or deemed to begin on or after January 1, 2023, and
23 before January 1, 2028.

24 Sec. 13. (1) A corporate taxpayer as defined in section 77-2734.04
25 which makes one or more cash contributions to one or more scholarship-
26 granting organizations during a tax year shall be eligible for a credit
27 against the income tax due under the Nebraska Revenue Act of 1967. The
28 credit shall be equal to one hundred percent of the total amount of such
29 contributions made during the tax year, except that the credit shall not
30 exceed twenty-five thousand dollars or fifty percent of the taxpayer's
31 state income tax liability for such tax year, whichever is less. A

1 taxpayer may only claim a credit pursuant to this section for the portion
2 of the contribution that was not claimed as a charitable contribution
3 under the Internal Revenue Code.

4 (2) The tax credit allowed under this section shall be a
5 nonrefundable credit. Any amount of the tax credit that is unused may be
6 carried forward and applied against the taxpayer's income tax liability
7 for the next five years immediately following the tax year in which the
8 credit is first allowed. The tax credit cannot be carried back.

9 (3) The taxpayer may not designate all or any part of the
10 contribution to a scholarship-granting organization for the benefit of
11 any eligible student specifically identified by the taxpayer.

12 (4) The tax credit allowed under this section is subject to section
13 14 of this act.

14 (5) The tax credit allowed under this section may be earned for tax
15 years beginning or deemed to begin on or after January 1, 2023, and
16 before January 1, 2028.

17 Sec. 14. (1) Prior to making a contribution to a scholarship-
18 granting organization, any taxpayer desiring to claim a tax credit under
19 the Opportunity Scholarships Act shall notify the scholarship-granting
20 organization of the taxpayer's intent to make a contribution and the
21 amount to be claimed as a tax credit. Upon receiving each such
22 notification, the scholarship-granting organization shall notify the
23 department of the intended tax credit amount. If the department
24 determines that the intended tax credit amount in the notification would
25 exceed the limit specified in subsection (3) of this section, the
26 department shall notify the scholarship-granting organization of its
27 determination within thirty days after receipt of the notification. The
28 scholarship-granting organization shall then promptly notify the taxpayer
29 of the department's determination that the intended tax credit amount in
30 the notification is not available. If an amount less than the amount
31 indicated in the notification is available for a tax credit, the

1 department shall notify the scholarship-granting organization of the
2 available amount and the scholarship-granting organization shall notify
3 the taxpayer of the available amount within three business days.

4 (2) In order to be allowed a tax credit as provided by the act, the
5 taxpayer shall make its contribution between thirty-one and sixty days
6 after notifying the scholarship-granting organization of the taxpayer's
7 intent to make a contribution. If the scholarship-granting organization
8 does not receive the contribution within the required time period, it
9 shall notify the department of such fact and the department shall no
10 longer include such amount when calculating whether the limit prescribed
11 in subsection (3) of this section has been exceeded. If the scholarship-
12 granting organization receives the contribution within the required time
13 period, it shall provide the taxpayer with a receipt for the
14 contribution. The receipt shall show the name and address of the
15 scholarship-granting organization, the date the scholarship-granting
16 organization was certified by the department in accordance with section 9
17 of this act, the name, address, and, if available, tax identification
18 number of the taxpayer making the contribution, the amount of the
19 contribution, and the date the contribution was received.

20 (3) The department shall consider notifications regarding intended
21 tax credit amounts in the order in which they are received to ascertain
22 whether the intended tax credit amounts are within the annual limit of
23 five million dollars.

24 (4) Once credits have reached the annual limit of five million
25 dollars for any calendar year, no additional credits shall be allowed for
26 such calendar year. Credits shall be prorated among the notifications
27 received on the day the annual limit is exceeded.

28 Sec. 15. (1) In order for a scholarship-granting organization to
29 remain certified under the Opportunity Scholarships Act, the scholarship-
30 granting organization shall allocate at least ninety percent of its
31 revenue for education scholarships and no more than ten percent of its

1 revenue shall be used or reserved for administrative costs.

2 (2) For purposes of this section, revenue is allocated when it is
3 expended or otherwise irrevocably encumbered for expenditure. The
4 percentage of funds allocated for education scholarships shall be
5 measured as a monthly average over the most recent twenty-four-month
6 period or, for a scholarship-granting organization that has been
7 certified for less than twenty-four months, over the period of time that
8 the scholarship-granting organization has been certified.

9 Sec. 16. (1) Each scholarship-granting organization shall annually
10 submit to the department no later than December 1 of each year an audited
11 financial information report for its most recent fiscal year certified by
12 an independent public accountant.

13 (2) Each scholarship-granting organization shall include with the
14 report submitted under subsection (1) of this section a summary
15 description of (a) its policies and procedures for awarding education
16 scholarships, (b) the number of eligible students receiving education
17 scholarships in the most recent fiscal year, (c) the total amount of
18 contributions received for education scholarships in the most recent
19 fiscal year, and (d) the total amount of education scholarships awarded
20 in the most recent fiscal year.

21 (3) The department shall electronically forward such reports and
22 summary descriptions to the Governor and the Legislature no later than
23 December 31 of each year.

24 Sec. 17. The Opportunity Scholarships Act shall not be construed as
25 granting any expanded or additional authority to the State of Nebraska to
26 control or influence the governance or policies of any qualified school
27 due to the fact that the qualified school admits and enrolls students who
28 receive education scholarships or as requiring any such qualified school
29 to admit or, once admitted, to continue the enrollment of any student
30 receiving an education scholarship.

31 Sec. 18. The department may adopt and promulgate rules and

1 regulations to carry out the Opportunity Scholarships Act.

2 Sec. 19. Sections 19 to 25 of this act shall be known and may be
3 cited as the Nebraska Child Care Contribution Tax Credit Act.

4 Sec. 20. The Legislature finds that COVID-19 has greatly impacted
5 the child care industry, and access to quality child care opportunities
6 is crucial to Nebraska's ongoing economic stability and growth.

7 Sec. 21. For purposes of the Nebraska Child Care Contribution Tax
8 Credit Act:

9 (1) Child means an individual who is twelve years of age or less;

10 (2) Child care and education provider means a person who owns or
11 operates an eligible child care and early childhood education program;

12 (3) Department means the Department of Revenue;

13 (4) Eligible child care and early childhood education program means
14 a program that:

15 (a) Is enrolled to participate in the quality rating and improvement
16 system developed under the Step Up to Quality Child Care Act;

17 (b) Is licensed as a family child care home I, family child care
18 home II, child care center, preschool, or school-age-only center; and

19 (c) Operates as a for-profit child care business or is a nonprofit
20 organization under the Internal Revenue Code of 1986;

21 (5) Intermediary means any organization that distributes funds for
22 the purpose of supporting an eligible child care and early childhood
23 education program;

24 (6) Qualifying contribution means a contribution in the form of
25 cash, check, cash equivalent, agricultural commodity, livestock, or
26 publicly traded security that is used for one or more of the purposes
27 described in subsection (4) of section 22 of this act. A contribution of
28 any other type of property or any service is not a qualifying
29 contribution; and

30 (7) Taxpayer means any person subject to the income tax imposed by
31 the Nebraska Revenue Act of 1986. The term includes resident and

1 nonresident individuals, estates, trusts, and corporations.

2 Sec. 22. (1) For taxable years beginning or deemed to begin on or
3 after January 1, 2023, and before January 1, 2028, under the Internal
4 Revenue Code of 1986, as amended, any taxpayer who makes a qualifying
5 contribution may apply to the department to receive a nonrefundable tax
6 credit against the income tax imposed by the Nebraska Revenue Act of
7 1967.

8 (2)(a) The credit shall be equal to either fifty percent or seventy-
9 five percent of the taxpayer's qualifying contribution made during the
10 taxable year, except that the credit for a taxpayer for any single
11 taxable year shall not exceed twenty-five thousand dollars or fifty
12 percent of the taxpayer's state income tax liability, whichever is less.

13 (b) The credit shall be equal to seventy-five percent of the
14 qualifying contribution if the eligible child care and early childhood
15 education program that receives the contribution has at least one child
16 enrolled in the child care subsidy program established pursuant to
17 section 68-1202 and the child care and education provider is actively
18 caring and billing for the child as verified by the Department of Health
19 and Human Services.

20 (c) The credit shall be equal to fifty percent of the qualifying
21 contribution if subdivision (2)(b) of this section does not apply.

22 (3) If a taxpayer does not use all of the credits earned for any
23 taxable year, the taxpayer may carry forward the unused credits for up to
24 five taxable years after the taxable year in which the credits were
25 earned. Credits shall not be carried back.

26 (4) In order to be considered a qualifying contribution, the
27 contribution must be:

28 (a) For the establishment or operation of an eligible child care and
29 early childhood education program;

30 (b) For the establishment of a registered grant or loan program for
31 parents requiring financial assistance for an eligible child care and

1 early childhood education program;

2 (c) To an early childhood collaborative or another intermediary for
3 the training, technical assistance, or mentorship of child care and
4 education providers;

5 (d) For the establishment or ongoing costs of an information
6 dissemination program that assists parents with information and referral
7 services for child care;

8 (e) To a for-profit child care business, including a family home
9 provider. The for-profit child care business must use the proceeds of a
10 qualifying contribution for (i) the acquisition or improvement of the
11 child care facilities or (ii) equipment; or

12 (f) To an intermediary for the establishment or operation of an
13 eligible child care and early childhood education program or a program
14 for parents requiring financial assistance for an eligible child care and
15 early childhood education program.

16 (5) A contribution shall not qualify for a credit under this section
17 if:

18 (a) The contribution is made to a child care provider in which the
19 taxpayer or a person related to the taxpayer has a financial interest
20 which would result in direct benefit to the taxpayer or related person;
21 or

22 (b) The contribution is made to a for-profit child care business and
23 is not directly invested in the acquisition or improvement of child care
24 facilities or equipment.

25 Sec. 23. (1) A taxpayer shall apply for the credit provided under
26 the Nebraska Child Care Contribution Tax Credit Act by submitting an
27 application to the department with the following information:

28 (a) Documentation to show that the contribution is a qualifying
29 contribution and meets the requirements provided in the act; and

30 (b) Any other documentation required by the department.

31 (2) If the department determines that the taxpayer qualifies for tax

1 credits under the act, the department shall approve the application and
2 certify the amount of credits approved to the taxpayer. The department
3 shall accept applications on an annual basis and shall consider the
4 applications in the order in which they are received. The department may
5 approve credits under this section until the total amount of credits
6 approved for the year equals five million dollars.

7 (3) The credits allowed under the act may be earned for taxable
8 years beginning or deemed to begin on or after January 1, 2023, and
9 before January 1, 2028.

10 Sec. 24. (1) If the department finds that a person has obtained a
11 credit by fraud or misrepresentation, the credits shall be disallowed and
12 the taxpayer's state income tax for the taxable year in which the credit
13 was claimed shall be increased by the amount necessary to recapture the
14 credit.

15 (2) Credits granted to a taxpayer, but later disallowed, may be
16 recovered by the department within three years after the end of the
17 taxable year in which the credit was claimed.

18 Sec. 25. The department may adopt and promulgate rules and
19 regulations to carry out the Nebraska Child Care Contribution Tax Credit
20 Act.

21 Sec. 26. Section 13-201, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 13-201 Sections 13-201 to 13-208 and section 29 of this act shall be
24 known and may be cited as the Community Development Assistance Act.

25 Sec. 27. Section 13-203, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 13-203 For purposes of the Community Development Assistance Act,
28 unless the context otherwise requires:

29 (1) Business firm shall mean any business entity, including a
30 corporation, a fiduciary, a sole proprietorship, a partnership, a limited
31 liability company, a corporation having an election in effect under

1 Chapter 1, subchapter S of the Internal Revenue Code, as defined in
2 section 49-801.01, subject to the state income tax imposed by section
3 77-2715 or 77-2734.02, an insurance company paying premium or related
4 retaliatory taxes in this state pursuant to section 44-150 or 77-908, or
5 a financial institution paying the tax imposed pursuant to sections
6 77-3801 to 77-3807;

7 (2) Community services shall mean any type of the following in a
8 community development area: (a) Employment training; (b) human services;
9 (c) medical services; (d) physical facility and neighborhood development
10 services; (e) recreational services or activities; (f) educational
11 services; or (g) crime prevention activities, including, but not limited
12 to, (i) the instruction of any individual in the community development
13 area that enables him or her to acquire vocational skills, (ii)
14 counseling and advice, (iii) emergency services, (iv) community, youth,
15 day care, and senior citizen centers, (v) in-home services, (vi) home
16 improvement services and programs, and (vii) any legal enterprise which
17 aids in the prevention or reduction of crime;

18 (3) Department shall mean the Department of Economic Development;

19 (4) Director shall mean the Director of Economic Development;

20 (5) Community development area shall mean (a) any village, city,
21 county, unincorporated area of a county, or census tract which has been
22 designated by the department as an area of chronic economic distress or
23 (b) any economic redevelopment area within a city of the metropolitan
24 class;

25 (6) Community assistance shall mean furnishing financial assistance,
26 labor, material, or technical advice to aid in the physical improvement
27 of any part or all of a community development area;

28 (7) Community betterment organization shall mean (a) any
29 organization performing community services or offering community
30 assistance in a community development area and to which contributions are
31 tax deductible under the provisions of the Internal Revenue Service of

1 the United States Department of the Treasury and (b) a county, city, or
2 village performing community services or offering community assistance in
3 a community development area;~~and~~

4 (8) Area of chronic economic distress shall mean an area of the
5 state which meets any of the following conditions:

6 (a) An unemployment rate which exceeds the statewide average
7 unemployment rate;

8 (b) A per capita income below the statewide average per capita
9 income; or

10 (c) A population loss between the two most recent federal decennial
11 censuses; and -

12 (9) Economic redevelopment area means an area in the State of
13 Nebraska in which:

14 (a) The average rate of unemployment in the area during the period
15 covered by the most recent federal decennial census or American Community
16 Survey 5-Year Estimate by the United States Bureau of the Census is at
17 least one hundred fifty percent of the average rate of unemployment in
18 the state during the same period; and

19 (b) The average poverty rate in the area is twenty percent or more
20 for the federal census tract in the area.

21 Sec. 28. Section 13-208, Revised Statutes Cumulative Supplement,
22 2020, is amended to read:

23 13-208 The total amount of tax credit granted for programs approved
24 and certified under the Community Development Assistance Act by the
25 department ~~for any fiscal year~~ shall not exceed (1) three hundred fifty
26 thousand dollars for fiscal years prior to fiscal year 2022-23 and (2)
27 five million dollars for fiscal year 2022-23 and each fiscal year
28 thereafter , ~~except that for fiscal year 2016-17, the total amount of tax~~
29 ~~credit granted under this section shall be reduced by seventy five~~
30 ~~thousand dollars.~~

31 Sec. 29. No tax credits shall be granted under the Community

1 Development Assistance Act on or after July 1, 2027.

2 Sec. 30. Section 77-2715.07, Revised Statutes Supplement, 2021, is
3 amended to read:

4 77-2715.07 (1) There shall be allowed to qualified resident
5 individuals as a nonrefundable credit against the income tax imposed by
6 the Nebraska Revenue Act of 1967:

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

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

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

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

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

1 dollars, except that for taxable years beginning or deemed to begin on or
2 after January 1, 2015, such refundable credit shall be allowed only if
3 the individual would have received the federal credit allowed under
4 section 21 of the code after adding back in any carryforward of a net
5 operating loss that was deducted pursuant to such section in determining
6 eligibility for the federal credit;

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

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

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

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

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

30 (b) A credit for contributions to certified community betterment
31 programs as provided in the Community Development Assistance Act. Each

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

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

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

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

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

13 (g) A credit as provided in the Affordable Housing Tax Credit Act; ~~and~~

14 (h) A credit as provided in the Growing Our Workforce Investment Now
15 Act;

16 (i) A credit as provided in the Opportunity Scholarships Act; and

17 (j) A credit as provided in the Nebraska Child Care Contribution Tax
18 Credit Act.

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

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

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

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

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

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

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

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

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

1 imposed by the Nebraska Revenue Act of 1967 as provided in section
2 77-3605.

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

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

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

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

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

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

20 (d) The credit provided in this subsection shall be subject to
21 recapture by the Department of Revenue if the individual claiming the
22 credit sells or otherwise transfers the residence or quits using the
23 residence as his or her primary residence within five years after the end
24 of the taxable year in which the credit was claimed.

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

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

1 (9)(a) For taxable years beginning or deemed to begin on or after
2 January 1, 2022, under the Internal Revenue Code of 1986, as amended, a
3 refundable credit against the income tax imposed by the Nebraska Revenue
4 Act of 1967 shall be allowed to the parent of a stillborn child if:

5 (i) A fetal death certificate is filed pursuant to subsection (1) of
6 section 71-606 for such child;

7 (ii) Such child had advanced to at least the twentieth week of
8 gestation; and

9 (iii) Such child would have been a dependent of the individual
10 claiming the credit.

11 (b) The amount of the credit shall be two thousand dollars.

12 (c) The credit shall be allowed for the taxable year in which the
13 stillbirth occurred.

14 Sec. 31. Section 77-2717, Revised Statutes Cumulative Supplement,
15 2020, is amended to read:

16 77-2717 (1)(a)(i) For taxable years beginning or deemed to begin
17 before January 1, 2014, the tax imposed on all resident estates and
18 trusts shall be a percentage of the federal taxable income of such
19 estates and trusts as modified in section 77-2716, plus a percentage of
20 the federal alternative minimum tax and the federal tax on premature or
21 lump-sum distributions from qualified retirement plans. The additional
22 taxes shall be recomputed by (A) substituting Nebraska taxable income for
23 federal taxable income, (B) calculating what the federal alternative
24 minimum tax would be on Nebraska taxable income and adjusting such
25 calculations for any items which are reflected differently in the
26 determination of federal taxable income, and (C) applying Nebraska rates
27 to the result. The federal credit for prior year minimum tax, after the
28 recomputations required by the Nebraska Revenue Act of 1967, and the
29 credits provided in the Nebraska Advantage Microenterprise Tax Credit Act
30 and the Nebraska Advantage Research and Development Act shall be allowed
31 as a reduction in the income tax due. A refundable income tax credit

1 shall be allowed for all resident estates and trusts under the Angel
2 Investment Tax Credit Act, the Nebraska Advantage Microenterprise Tax
3 Credit Act, and the Nebraska Advantage Research and Development Act. A
4 nonrefundable income tax credit shall be allowed for all resident estates
5 and trusts as provided in the New Markets Job Growth Investment Act.

6 (ii) For taxable years beginning or deemed to begin on or after
7 January 1, 2014, the tax imposed on all resident estates and trusts shall
8 be a percentage of the federal taxable income of such estates and trusts
9 as modified in section 77-2716, plus a percentage of the federal tax on
10 premature or lump-sum distributions from qualified retirement plans. The
11 additional taxes shall be recomputed by substituting Nebraska taxable
12 income for federal taxable income and applying Nebraska rates to the
13 result. The credits provided in the Nebraska Advantage Microenterprise
14 Tax Credit Act and the Nebraska Advantage Research and Development Act
15 shall be allowed as a reduction in the income tax due. A refundable
16 income tax credit shall be allowed for all resident estates and trusts
17 under the Angel Investment Tax Credit Act, the Nebraska Advantage
18 Microenterprise Tax Credit Act, the Nebraska Advantage Research and
19 Development Act, the Nebraska Property Tax Incentive Act, and the
20 Renewable Chemical Production Tax Credit Act. A nonrefundable income tax
21 credit shall be allowed for all resident estates and trusts as provided
22 in the Nebraska Job Creation and Mainstreet Revitalization Act, the New
23 Markets Job Growth Investment Act, the School Readiness Tax Credit Act,
24 the Affordable Housing Tax Credit Act, the Growing Our Workforce
25 Investment Now Act, the Opportunity Scholarships Act, the Nebraska Child
26 Care Contribution Tax Credit Act, and section 77-27,238.

27 (b) The tax imposed on all nonresident estates and trusts shall be
28 the portion of the tax imposed on resident estates and trusts which is
29 attributable to the income derived from sources within this state. The
30 tax which is attributable to income derived from sources within this
31 state shall be determined by multiplying the liability to this state for

1 a resident estate or trust with the same total income by a fraction, the
2 numerator of which is the nonresident estate's or trust's Nebraska income
3 as determined by sections 77-2724 and 77-2725 and the denominator of
4 which is its total federal income after first adjusting each by the
5 amounts provided in section 77-2716. The federal credit for prior year
6 minimum tax, after the recomputations required by the Nebraska Revenue
7 Act of 1967, reduced by the percentage of the total income which is
8 attributable to income from sources outside this state, and the credits
9 provided in the Nebraska Advantage Microenterprise Tax Credit Act and the
10 Nebraska Advantage Research and Development Act shall be allowed as a
11 reduction in the income tax due. A refundable income tax credit shall be
12 allowed for all nonresident estates and trusts under the Angel Investment
13 Tax Credit Act, the Nebraska Advantage Microenterprise Tax Credit Act,
14 the Nebraska Advantage Research and Development Act, the Nebraska
15 Property Tax Incentive Act, and the Renewable Chemical Production Tax
16 Credit Act. A nonrefundable income tax credit shall be allowed for all
17 nonresident estates and trusts as provided in the Nebraska Job Creation
18 and Mainstreet Revitalization Act, the New Markets Job Growth Investment
19 Act, the School Readiness Tax Credit Act, the Affordable Housing Tax
20 Credit Act, the Growing Our Workforce Investment Now Act, the Opportunity
21 Scholarships Act, the Nebraska Child Care Contribution Tax Credit Act,
22 and section 77-27,238.

23 (2) In all instances wherein a fiduciary income tax return is
24 required under the provisions of the Internal Revenue Code, a Nebraska
25 fiduciary return shall be filed, except that a fiduciary return shall not
26 be required to be filed regarding a simple trust if all of the trust's
27 beneficiaries are residents of the State of Nebraska, all of the trust's
28 income is derived from sources in this state, and the trust has no
29 federal tax liability. The fiduciary shall be responsible for making the
30 return for the estate or trust for which he or she acts, whether the
31 income be taxable to the estate or trust or to the beneficiaries thereof.

1 The fiduciary shall include in the return a statement of each
2 beneficiary's distributive share of net income when such income is
3 taxable to such beneficiaries.

4 (3) The beneficiaries of such estate or trust who are residents of
5 this state shall include in their income their proportionate share of
6 such estate's or trust's federal income and shall reduce their Nebraska
7 tax liability by their proportionate share of the credits as provided in
8 the Angel Investment Tax Credit Act, the Nebraska Advantage
9 Microenterprise Tax Credit Act, the Nebraska Advantage Research and
10 Development Act, the Nebraska Job Creation and Mainstreet Revitalization
11 Act, the New Markets Job Growth Investment Act, the School Readiness Tax
12 Credit Act, the Affordable Housing Tax Credit Act, the Nebraska Property
13 Tax Incentive Act, the Renewable Chemical Production Tax Credit Act, the
14 Growing Our Workforce Investment Now Act, the Opportunity Scholarships
15 Act, the Nebraska Child Care Contribution Tax Credit Act, and section
16 77-27,238. There shall be allowed to a beneficiary a refundable income
17 tax credit under the Beginning Farmer Tax Credit Act for all taxable
18 years beginning or deemed to begin on or after January 1, 2001, under the
19 Internal Revenue Code of 1986, as amended.

20 (4) If any beneficiary of such estate or trust is a nonresident
21 during any part of the estate's or trust's taxable year, he or she shall
22 file a Nebraska income tax return which shall include (a) in Nebraska
23 adjusted gross income that portion of the estate's or trust's Nebraska
24 income, as determined under sections 77-2724 and 77-2725, allocable to
25 his or her interest in the estate or trust and (b) a reduction of the
26 Nebraska tax liability by his or her proportionate share of the credits
27 as provided in the Angel Investment Tax Credit Act, the Nebraska
28 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
29 and Development Act, the Nebraska Job Creation and Mainstreet
30 Revitalization Act, the New Markets Job Growth Investment Act, the School
31 Readiness Tax Credit Act, the Affordable Housing Tax Credit Act, the

1 Nebraska Property Tax Incentive Act, the Renewable Chemical Production
2 Tax Credit Act, the Growing Our Workforce Investment Now Act, the
3 Opportunity Scholarships Act, the Nebraska Child Care Contribution Tax
4 Credit Act, and section 77-27,238 and shall execute and forward to the
5 fiduciary, on or before the original due date of the Nebraska fiduciary
6 return, an agreement which states that he or she will file a Nebraska
7 income tax return and pay income tax on all income derived from or
8 connected with sources in this state, and such agreement shall be
9 attached to the Nebraska fiduciary return for such taxable year.

10 (5) In the absence of the nonresident beneficiary's executed
11 agreement being attached to the Nebraska fiduciary return, the estate or
12 trust shall remit a portion of such beneficiary's income which was
13 derived from or attributable to Nebraska sources with its Nebraska return
14 for the taxable year. For taxable years beginning or deemed to begin
15 before January 1, 2013, the amount of remittance, in such instance, shall
16 be the highest individual income tax rate determined under section
17 77-2715.02 multiplied by the nonresident beneficiary's share of the
18 estate or trust income which was derived from or attributable to sources
19 within this state. For taxable years beginning or deemed to begin on or
20 after January 1, 2013, the amount of remittance, in such instance, shall
21 be the highest individual income tax rate determined under section
22 77-2715.03 multiplied by the nonresident beneficiary's share of the
23 estate or trust income which was derived from or attributable to sources
24 within this state. The amount remitted shall be allowed as a credit
25 against the Nebraska income tax liability of the beneficiary.

26 (6) The Tax Commissioner may allow a nonresident beneficiary to not
27 file a Nebraska income tax return if the nonresident beneficiary's only
28 source of Nebraska income was his or her share of the estate's or trust's
29 income which was derived from or attributable to sources within this
30 state, the nonresident did not file an agreement to file a Nebraska
31 income tax return, and the estate or trust has remitted the amount

1 required by subsection (5) of this section on behalf of such nonresident
2 beneficiary. The amount remitted shall be retained in satisfaction of the
3 Nebraska income tax liability of the nonresident beneficiary.

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

11 (8) For purposes of this section, any beneficiary of an estate or
12 trust that is a grantor trust of a nonresident shall be disregarded and
13 this section shall apply as though the nonresident grantor was the
14 beneficiary.

15 Sec. 32. Section 77-2734.03, Revised Statutes Cumulative Supplement,
16 2020, is amended to read:

17 77-2734.03 (1)(a) For taxable years commencing prior to January 1,
18 1997, any (i) insurer paying a tax on premiums and assessments pursuant
19 to section 77-908 or 81-523, (ii) electric cooperative organized under
20 the Joint Public Power Authority Act, or (iii) credit union shall be
21 credited, in the computation of the tax due under the Nebraska Revenue
22 Act of 1967, with the amount paid during the taxable year as taxes on
23 such premiums and assessments and taxes in lieu of intangible tax.

24 (b) For taxable years commencing on or after January 1, 1997, any
25 insurer paying a tax on premiums and assessments pursuant to section
26 77-908 or 81-523, any electric cooperative organized under the Joint
27 Public Power Authority Act, or any credit union shall be credited, in the
28 computation of the tax due under the Nebraska Revenue Act of 1967, with
29 the amount paid during the taxable year as (i) taxes on such premiums and
30 assessments included as Nebraska premiums and assessments under section
31 77-2734.05 and (ii) taxes in lieu of intangible tax.

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

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

11 (3) There shall be allowed to corporate taxpayers a refundable
12 income tax credit under the Beginning Farmer Tax Credit Act for all
13 taxable years beginning or deemed to begin on or after January 1, 2001,
14 under the Internal Revenue Code of 1986, as amended.

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

19 (5) There shall be allowed to corporate taxpayers refundable income
20 tax credits under the Nebraska Advantage Microenterprise Tax Credit Act,
21 the Nebraska Advantage Research and Development Act, the Nebraska
22 Property Tax Incentive Act, and the Renewable Chemical Production Tax
23 Credit Act.

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

27 (7) There shall be allowed to corporate taxpayers a nonrefundable
28 income tax credit as provided in the Nebraska Job Creation and Mainstreet
29 Revitalization Act, the New Markets Job Growth Investment Act, the School
30 Readiness Tax Credit Act, the Affordable Housing Tax Credit Act, the
31 Growing Our Workforce Investment Now Act, the Opportunity Scholarships

1 Act, the Nebraska Child Care Contribution Tax Credit Act, and section
2 77-27,238.

3 Sec. 33. Section 77-2912, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 77-2912 There shall be no new applications filed under the Nebraska
6 Job Creation and Mainstreet Revitalization Act after December 31, 2027
7 2022. All applications and all credits pending or approved before such
8 date shall continue in full force and effect, except that no credits
9 shall be allocated under section 77-2905, issued under section 77-2906,
10 or used on any tax return or similar filing after December 31, 2032 ~~2027~~.

11 Sec. 34. Section 77-3604, Revised Statutes Cumulative Supplement,
12 2020, is amended to read:

13 77-3604 (1) A child care and education provider whose eligible
14 program provides services to children who participate in the child care
15 subsidy program established pursuant to section 68-1202 may apply to the
16 department to receive a nonrefundable tax credit against the income tax
17 imposed by the Nebraska Revenue Act of 1967.

18 (2) The nonrefundable credit provided in this section shall be an
19 amount equal to the average monthly number of children described in
20 subsection (1) of this section who are attending the child care and
21 education provider's eligible program, multiplied by an amount based upon
22 the quality scale rating of such eligible program as follows:

23 Quality Scale Rating of Eligible Program	24 Tax Credit Per Child Attending Eligible Program
25 Step Five	\$750
26 Step Four	\$500
27 Step Three	\$250
28 Step Two	\$0
29 Step One	\$0

30 (3) A child care and education provider shall apply for the credit

1 provided in this section by submitting an application to the department
2 with the following information:

3 (a) The number of children described in subsection (1) of this
4 section who attended the child care and education provider's eligible
5 program during each month of the most recently completed taxable year;

6 (b) Documentation to show the quality scale rating of the child care
7 and education provider's eligible program; and

8 (c) Any other documentation required by the department.

9 (4) Subject to subsection (5) of this section, if the department
10 determines that the child care and education provider qualifies for tax
11 credits under this section, it shall approve the application and certify
12 the amount of credits approved to the child care and education provider.

13 (5) The department shall consider applications in the order in which
14 they are received and may approve tax credits under this section in any
15 taxable year until the aggregate limit allowed under subsection (1) of
16 section 77-3606 has been reached.

17 (6) If the child care and education provider is (a) a partnership,
18 (b) a limited liability company, (c) a corporation having an election in
19 effect under subchapter S of the Internal Revenue Code of 1986, as
20 amended, or (d) an estate or trust, the tax credit provided in this
21 section may be distributed in the same manner and proportion as the
22 partner, member, shareholder, or beneficiary reports the partnership,
23 limited liability company, subchapter S corporation, estate, or trust
24 income.

25 (7) The credit provided in this section shall be available for
26 taxable years beginning or deemed to begin on or after January 1, 2017,
27 and before January 1, 2027 ~~2022~~, under the Internal Revenue Code of 1986,
28 as amended.

29 Sec. 35. Section 77-3605, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 77-3605 (1) An eligible staff member may apply to the department to

1 receive a refundable tax credit against the income tax imposed by the
2 Nebraska Revenue Act of 1967. The amount of the credit shall be based on
3 the eligible staff member's classification under subsection (4) of
4 section 71-1962 as follows:

5 Eligible Staff Member's Classification	Tax Credit
6 Level Four	\$1,500
7 Level Three	\$1,250
8 Level Two	\$750
9 Level One	\$500

10 (2) An eligible staff member shall apply for the credit provided in
11 this section by submitting an application to the department with the
12 following information:

13 (a) The eligible staff member's name and place of employment;

14 (b) An attestation form provided by the Nebraska Early Childhood
15 Professional Record System verifying the level at which the eligible
16 staff member is classified under subsection (4) of section 71-1962; and

17 (c) Any other documentation required by the department.

18 (3) Subject to subsection (4) of this section, if the department
19 determines that the eligible staff member qualifies for tax credits under
20 this section, it shall approve the application and certify the amount of
21 credits approved to the eligible staff member.

22 (4) The department shall consider applications in the order in which
23 they are received and may approve tax credits under this section in any
24 taxable year until the aggregate limit allowed under subsection (1) of
25 section 77-3606 has been reached.

26 (5) The credit provided in this section shall be available for
27 taxable years beginning or deemed to begin on or after January 1, 2017,
28 and before January 1, 2027 ~~2022~~, under the Internal Revenue Code of 1986,
29 as amended.

30 (6) For taxable years beginning or deemed to begin on or after

1 January 1, 2018, and before January 1, 2027 ~~2022~~, under the Internal
2 Revenue Code of 1986, as amended, the Tax Commissioner shall adjust the
3 credit amounts provided for in subsection (1) of this section by the
4 percentage change in the Consumer Price Index for All Urban Consumers, as
5 prepared by the United States Department of Labor, Bureau of Labor
6 Statistics, for the twelve-month period ending on August 31 of the year
7 preceding the taxable year.

8 Sec. 36. Section 77-5203, Revised Statutes Cumulative Supplement,
9 2020, is amended to read:

10 77-5203 For purposes of the Beginning Farmer Tax Credit Act:

11 (1) Agricultural assets means agricultural land, livestock, farming,
12 or livestock production facilities or buildings and machinery used for
13 farming or livestock production located in Nebraska;

14 (2) Board means the Beginning Farmer Board created by section
15 77-5204;

16 (3) Cash rent agreement means a rental agreement in which the
17 principal consideration given to the owner of agricultural assets is a
18 predetermined amount of money. A flex or variable rent agreement is an
19 alternative form of a cash rent agreement in which a predetermined base
20 rent is adjusted for actual crop yield, crop price, or both according to
21 a predetermined formula;

22 (4) Farm means any improved or unimproved tract of land ~~over ten~~
23 ~~acres in an area~~ used for or devoted to the commercial production of farm
24 products;

25 (5) Farm product means those plants and animals useful to man and
26 includes, but is not limited to, forages and sod crops, grains and feed
27 crops, dairy and dairy products, poultry and poultry products, livestock,
28 including breeding and grazing livestock, fruits, and vegetables;

29 (6) Farming or livestock production means the active use,
30 management, and operation of real and personal property for the
31 production of a farm product;

1 (7) Financial management program means a program for beginning
2 farmers or livestock producers which includes, but is not limited to,
3 assistance in the creation and proper use of record-keeping systems,
4 periodic private consultations with licensed financial management
5 personnel, year-end monthly cash flow analysis, and detailed enterprise
6 analysis;

7 (8) Owner of agricultural assets means:

8 (a) An individual or a trustee having an ownership interest in an
9 agricultural asset located within the State of Nebraska who meets any
10 qualifications determined by the board;

11 (b) A spouse, child, or sibling who acquires an ownership interest
12 in agricultural assets as a joint tenant, heir, or devisee of an
13 individual or trustee who would qualify as an owner of agricultural
14 assets under subdivision (8)(a) of this section; or

15 (c) A partnership, corporation, limited liability company, or other
16 business entity having an ownership interest in an agricultural asset
17 located within the State of Nebraska which meets any additional
18 qualifications determined by the board;

19 (9) Qualified beginning farmer or livestock producer means an
20 individual who is a resident individual as defined in section 77-2714.01,
21 who has entered farming or livestock production or is seeking entry into
22 farming or livestock production, who intends to farm or raise crops or
23 livestock on land located within the state borders of Nebraska, and who
24 meets the eligibility guidelines established in section 77-5209 and such
25 other qualifications as determined by the board; and

26 (10) Share-rent agreement means a rental agreement in which the
27 principal consideration given to the owner of agricultural assets is a
28 predetermined portion of the production of farm products from the rented
29 agricultural assets.

30 Sec. 37. Section 77-5209, Revised Statutes Cumulative Supplement,
31 2020, is amended to read:

1 77-5209 (1) The board shall determine who is qualified as a
2 beginning farmer or livestock producer based on the qualifications found
3 in this section. A qualified beginning farmer or livestock producer shall
4 be an individual who: (a) Has a net worth of not more than five ~~two~~
5 hundred thousand dollars, including any holdings by a spouse or
6 dependent, based on fair market value; (b) provides the majority of the
7 day-to-day physical labor and management of his or her farming or
8 livestock production operations; (c) has, by the judgment of the board,
9 adequate farming or livestock production experience or demonstrates
10 knowledge in the type of farming or livestock production for which he or
11 she seeks assistance from the board; (d) demonstrates to the board a
12 profit potential by submitting board-approved projected earnings
13 statements and agrees that farming or livestock production is intended to
14 become his or her principal source of income; (e) demonstrates to the
15 board a need for assistance; (f) participates in a financial management
16 program approved by the board; (g) submits a nutrient management plan and
17 a soil conservation plan to the board on any applicable agricultural
18 assets purchased or rented from an owner of agricultural assets; and (h)
19 has such other qualifications as specified by the board. The qualified
20 beginning farmer or livestock producer net worth thresholds in
21 subdivision (a) of this subsection shall be adjusted annually beginning
22 October 1, 2009, and each October 1 thereafter, by taking the average
23 Producer Price Index for all commodities, published by the United States
24 Department of Labor, Bureau of Labor Statistics, for the most recent
25 twelve available periods divided by the Producer Price Index for 2008 and
26 multiplying the result by the qualified beginning farmer's or livestock
27 producer's net worth threshold. If the resulting amount is not a multiple
28 of twenty-five thousand dollars, the amount shall be rounded to the next
29 lowest twenty-five thousand dollars.

30 (2) When determining a qualified beginning farmer's or livestock
31 producer's net worth, the board shall exclude from such determination any

1 pension, retirement, or other types of deferred benefit accounts owned by
2 the beginning farmer or livestock producer, including such accounts owned
3 by a spouse or dependent.

4 (3) {2} A qualified beginning farmer or livestock producer who has
5 participated in a board approved and certified three-year rental
6 agreement with an owner of agricultural assets shall be eligible to file
7 subsequent applications for different assets.

8 Sec. 38. Section 77-5806, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 77-5806 The Nebraska Advantage Research and Development Act shall be
11 operative for all tax years beginning or deemed to begin on or after
12 January 1, 2006, under the Internal Revenue Code of 1986, as amended. No
13 business firm shall be allowed to first claim the credit for any tax year
14 beginning or deemed to begin after December 31, 2023 2022, under the
15 Internal Revenue Code of 1986, as amended.

16 Sec. 39. If any section in this act or any part of any section is
17 declared invalid or unconstitutional, the declaration shall not affect
18 the validity or constitutionality of the remaining portions.

19 Sec. 40. Original sections 13-201, 13-203, 77-2912, 77-3605, and
20 77-5806, Reissue Revised Statutes of Nebraska, sections 13-208, 77-2717,
21 77-2734.03, 77-3604, 77-5203, and 77-5209, Revised Statutes Cumulative
22 Supplement, 2020, and section 77-2715.07, Revised Statutes Supplement,
23 2021, are repealed.