AMENDMENTS TO LB730

Introduced by Revenue.

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

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

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

(1) Department means the Department of Revenue;

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

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

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

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

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

(5) Qualified apprentice means an individual working as an apprentice pursuant to an apprentice agreement registered with the Office of Apprenticeship of the Employment and Training Administration of the
United States Department of Labor; and

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

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

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

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

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

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

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

Sec. 7. The Legislature finds that:

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

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

(3) For parents and legal guardians who are paying taxes in support of public elementary and secondary schools, choosing privately operated
schools for their children can be a financial burden because typically
these parents and legal guardians will be paying twice for education
through tuition and taxes:

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

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

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

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

(1) Department means the Department of Revenue;

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

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

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

(b)(i) Is receiving an education scholarship for the first time and
is (A) entering kindergarten or ninth grade in a qualified school or (B)
transferring from a public school at which the student was enrolled for
at least one semester immediately preceding the first semester for which
the student receives an education scholarship to a qualified school and
is entering any of grades kindergarten through twelve;
(ii) Has previously received an education scholarship and is continuing education at a qualified school until such student graduates from high school or reaches twenty-one years of age, whichever comes first; or
(iii) Is the sibling of a student who is receiving an education scholarship and resides in the same household as such student;
(4) Qualified school means any nongovernmental, privately operated elementary or secondary school located in this state that (a) is operated not for profit, (b) complies with the antidiscrimination provisions of 42 U.S.C. 1981 as such section existed on January 1, 2022, (c) complies with all health and life safety laws or codes that apply to privately operated schools, and (d) fulfills the applicable accreditation or approval requirements established by the State Board of Education pursuant to section 79-318;
(5) Scholarship-granting organization means a charitable organization in this state that is (a) exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and (b) certified pursuant to section 9 of this act to provide tax-credit-supported education scholarships to eligible students to assist them in attending qualified schools; and
(6) Tuition means any amount charged by a qualified school for enrollment in its instructional program. Tuition shall not exceed the full cost of educating an eligible student at such qualified school.
Sec. 9. (1) An organization may apply to the department to become certified as a scholarship-granting organization under the Opportunity Scholarships Act. An organization shall obtain such certification prior to providing any education scholarships to eligible students under the act. The applicant shall provide the department with sufficient information to show:
(a) That the applicant is exempt from federal income taxation under
section 501(c)(3) of the Internal Revenue Code of 1986, as amended;

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

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

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

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

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

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

(2) If the applicant meets the requirements of this section, the department shall certify it as a scholarship-granting organization for tax-credit purposes under the Opportunity Scholarships Act. Such certification is subject to revocation by the department if the scholarship-granting organization subsequently fails to fulfill the requirements of this section or section 15 of this act.
Sec. 10. (1) An individual taxpayer who makes one or more cash contributions to one or more scholarship-granting organizations during a tax year shall be eligible for a credit against the income tax due under the Nebraska Revenue Act of 1967. The credit shall be equal to one hundred percent of the total amount of such contributions made during the tax year, except that the credit shall not exceed twenty-five thousand dollars or fifty percent of the taxpayer's state income tax liability for such tax year, whichever is less. A taxpayer may only claim a credit pursuant to this section for the portion of the contribution that was not claimed as a charitable contribution under the Internal Revenue Code.

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

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

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

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

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

Sec. 11. (1) Any partnership, limited liability company, or corporation having an election in effect under subchapter S of the Internal Revenue Code of 1986, as amended, that (a) is carrying on any trade or business for which deductions would be allowed under section 162
of the Internal Revenue Code of 1986, as amended, or is carrying on any
rental activity and (b) makes one or more cash contributions to one or
more scholarship-granting organizations during a tax year shall be
eligible for a credit against the income tax due under the Nebraska
Revenue Act of 1967. The credit shall be equal to one hundred percent of
the total amount of such contributions made during the tax year, except
that the credit shall not exceed twenty-five thousand dollars or fifty
percent of the taxpayer's state income tax liability for such tax year,
whichever is less. A taxpayer may only claim a credit pursuant to this
section for the portion of the contribution that was not claimed as a
charitable contribution under the Internal Revenue Code. The credit shall
be attributed to each partner, member, or shareholder in the same
proportion used to report the partnership's, limited liability company's,
or subchapter S corporation's income or loss for income tax purposes.

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

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

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

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

Sec. 12. (1) An estate or trust which makes one or more cash
contributions to one or more scholarship-granting organizations during a
tax year shall be eligible for a credit against the income tax due under
the Nebraska Revenue Act of 1967. The credit shall be equal to one
hundred percent of the total amount of such contributions made during the
tax year, except that the credit shall not exceed twenty-five thousand
dollars or fifty percent of the taxpayer's state income tax liability for
such tax year, whichever is less. A taxpayer may only claim a credit
pursuant to this section for the portion of the contribution that was not
claimed as a charitable contribution under the Internal Revenue Code. Any
credit not used by the estate or trust may be attributed to each
beneficiary of the estate or trust in the same proportion used to report
the beneficiary's income from the estate or trust for income tax
purposes.

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

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

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

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

Sec. 13. (1) A corporate taxpayer as defined in section 77-2734.04
which makes one or more cash contributions to one or more scholarship-
granting organizations during a tax year shall be eligible for a credit
against the income tax due under the Nebraska Revenue Act of 1967. The
credit shall be equal to one hundred percent of the total amount of such
contributions made during the tax year, except that the credit shall not
exceed twenty-five thousand dollars or fifty percent of the taxpayer's
state income tax liability for such tax year, whichever is less. A
taxpayer may only claim a credit pursuant to this section for the portion of the contribution that was not claimed as a charitable contribution under the Internal Revenue Code.

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

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

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

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

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

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

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

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

Sec. 15. (1) In order for a scholarship-granting organization to remain certified under the Opportunity Scholarships Act, the scholarship-granting organization shall allocate at least ninety percent of its revenue for education scholarships and no more than ten percent of its
(2) For purposes of this section, revenue is allocated when it is expended or otherwise irrevocably encumbered for expenditure. The percentage of funds allocated for education scholarships shall be measured as a monthly average over the most recent twenty-four-month period or, for a scholarship-granting organization that has been certified for less than twenty-four months, over the period of time that the scholarship-granting organization has been certified.

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

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

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

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

Sec. 18. The department may adopt and promulgate rules and
regulations to carry out the Opportunity Scholarships Act.

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

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

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

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

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

(3) Department means the Department of Revenue;

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

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

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

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

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

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

(7) Taxpayer means any person subject to the income tax imposed by
the Nebraska Revenue Act of 1986. The term includes resident and
nonresident individuals, estates, trusts, and corporations.

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

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

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

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

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

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

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

(b) For the establishment of a registered grant or loan program for parents requiring financial assistance for an eligible child care and
early childhood education program;

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

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

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

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

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

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

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

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

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

(b) Any other documentation required by the department.

(2) If the department determines that the taxpayer qualifies for tax
credits under the act, the department shall approve the application and
certify the amount of credits approved to the taxpayer. The department
shall accept applications on an annual basis and shall consider the
applications in the order in which they are received. The department may
approve credits under this section until the total amount of credits
approved for the year equals five million dollars.

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

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

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

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

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

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

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

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

(1) Business firm shall mean any business entity, including a
corporation, a fiduciary, a sole proprietorship, a partnership, a limited
liability company, a corporation having an election in effect under
Chapter 1, subchapter S of the Internal Revenue Code, as defined in section 49-801.01, subject to the state income tax imposed by section 77-2715 or 77-2734.02, an insurance company paying premium or related retaliatory taxes in this state pursuant to section 44-150 or 77-908, or a financial institution paying the tax imposed pursuant to sections 77-3801 to 77-3807;

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

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

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

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

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

(7) Community betterment organization shall mean (a) any organization performing community services or offering community assistance in a community development area and to which contributions are tax deductible under the provisions of the Internal Revenue Service of
the United States Department of the Treasury and (b) a county, city, or village performing community services or offering community assistance in a community development area; and

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

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

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

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

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

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

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

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

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

Sec. 29. No tax credits shall be granted under the Community
Development Assistance Act on or after July 1, 2027.

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

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

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

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

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

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

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

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

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

and

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

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

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

(b) A credit for contributions to certified community betterment
programs as provided in the Community Development Assistance Act. Each
partner, each shareholder of an electing subchapter S corporation, each
beneficiary of an estate or trust, or each member of a limited liability
corporation shall report his or her share of the credit in the same manner
and proportion as he or she reports the partnership, subchapter S
corporation, estate, trust, or limited liability company income;
(c) A credit for investment in a biodiesel facility as provided in
section 77-27,236;
(d) A credit as provided in the New Markets Job Growth Investment
Act;
(e) A credit as provided in the Nebraska Job Creation and Mainstreet
Revitalization Act;
(f) A credit to employers as provided in section 77-27,238; and
(g) A credit as provided in the Affordable Housing Tax Credit Act;
(h) A credit as provided in the Growing Our Workforce Investment Now
Act;
(i) A credit as provided in the Opportunity Scholarships Act; and
(j) A credit as provided in the Nebraska Child Care Contribution Tax
Credit Act.
(4) There shall be allowed as a credit against the income tax
imposed by the Nebraska Revenue Act of 1967:
(a) A credit to all resident estates and trusts for taxes paid to
another state as provided in section 77-2730;
(b) A credit to all estates and trusts for contributions to
certified community betterment programs as provided in the Community
Development Assistance Act; and
(c) A refundable credit for individuals who qualify for an income
tax credit as an owner of agricultural assets under the Beginning Farmer
Tax Credit Act for all taxable years beginning or deemed to begin on or
after January 1, 2009, under the Internal Revenue Code of 1986, as
amended. The credit allowed for each partner, shareholder, member, or
beneficiary of a partnership, corporation, limited liability company, or
estate or trust qualifying for an income tax credit as an owner of
agricultural assets under the Beginning Farmer Tax Credit Act shall be
equal to the partner's, shareholder's, member's, or beneficiary's portion
of the amount of tax credit distributed pursuant to subsection (6) of
section 77-5211.

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

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

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

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

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

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

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

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

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

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

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

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

(8) There shall be allowed to all individuals refundable credits against the income tax imposed by the Nebraska Revenue Act of 1967 as provided in the Nebraska Property Tax Incentive Act and the Renewable Chemical Production Tax Credit Act.
(9)(a) For taxable years beginning or deemed to begin on or after January 1, 2022, under the Internal Revenue Code of 1986, as amended, a refundable credit against the income tax imposed by the Nebraska Revenue Act of 1967 shall be allowed to the parent of a stillborn child if:

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

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

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

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

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

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

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

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

(b) The tax imposed on all nonresident estates and trusts shall be the portion of the tax imposed on resident estates and trusts which is attributable to the income derived from sources within this state. The tax which is attributable to income derived from sources within this state shall be determined by multiplying the liability to this state for
a resident estate or trust with the same total income by a fraction, the
numerator of which is the nonresident estate's or trust's Nebraska income
as determined by sections 77-2724 and 77-2725 and the denominator of
which is its total federal income after first adjusting each by the
amounts provided in section 77-2716. The federal credit for prior year
minimum tax, after the recomputations required by the Nebraska Revenue
Act of 1967, reduced by the percentage of the total income which is
attributable to income from sources outside this state, and the credits
provided in the Nebraska Advantage Microenterprise Tax Credit Act and the
Nebraska Advantage Research and Development Act shall be allowed as a
reduction in the income tax due. A refundable income tax credit shall be
allowed for all nonresident estates and trusts under the Angel Investment
Tax Credit Act, the Nebraska Advantage Microenterprise Tax Credit Act,
the Nebraska Advantage Research and Development Act, the Nebraska
Property Tax Incentive Act, and the Renewable Chemical Production Tax
Credit Act. A nonrefundable income tax credit shall be allowed for all
nonresident estates and trusts as provided in the Nebraska Job Creation
and Mainstreet Revitalization Act, the New Markets Job Growth Investment
Act, the School Readiness Tax Credit Act, the Affordable Housing Tax
Credit Act, the Growing Our Workforce Investment Now Act, the Opportunity
Scholarships Act, the Nebraska Child Care Contribution Tax Credit Act,
and section 77-27,238.

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

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

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

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

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

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

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

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

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

(b) For taxable years commencing on or after January 1, 1997, any
insurer paying a tax on premiums and assessments pursuant to section
77-908 or 81-523, any electric cooperative organized under the Joint
Public Power Authority Act, or any credit union shall be credited, in the
computation of the tax due under the Nebraska Revenue Act of 1967, with
the amount paid during the taxable year as (i) taxes on such premiums and
assessments included as Nebraska premiums and assessments under section
77-2734.05 and (ii) taxes in lieu of intangible tax.
For taxable years commencing or deemed to commence prior to, on, or after January 1, 1998, any insurer paying a tax on premiums and assessments pursuant to section 77-908 or 81-523 shall be credited, in the computation of the tax due under the Nebraska Revenue Act of 1967, with the amount paid during the taxable year as assessments allowed as an offset against premium and related retaliatory tax liability pursuant to section 44-4233.

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

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

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

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

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

(7) There shall be allowed to corporate taxpayers a nonrefundable income tax credit as provided in the Nebraska Job Creation and Mainstreet Revitalization Act, the New Markets Job Growth Investment Act, the School Readiness Tax Credit Act, the Affordable Housing Tax Credit Act, the Growing Our Workforce Investment Now Act, the Opportunity Scholarships
Act, the Nebraska Child Care Contribution Tax Credit Act, and section 77-27,238.

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

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

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

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

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

<table>
<thead>
<tr>
<th>Quality Scale Rating of Eligible Program</th>
<th>Tax Credit Per Child Attending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step Five</td>
<td>$750</td>
</tr>
<tr>
<td>Step Four</td>
<td>$500</td>
</tr>
<tr>
<td>Step Three</td>
<td>$250</td>
</tr>
<tr>
<td>Step Two</td>
<td>$0</td>
</tr>
<tr>
<td>Step One</td>
<td>$0</td>
</tr>
</tbody>
</table>

(3) A child care and education provider shall apply for the credit
provided in this section by submitting an application to the department with the following information:

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

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

(c) Any other documentation required by the department.

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

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

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

(7) The credit provided in this section shall be available for taxable years beginning or deemed to begin on or after January 1, 2017, and before January 1, 2027, under the Internal Revenue Code of 1986, as amended.
receive a refundable tax credit against the income tax imposed by the Nebraska Revenue Act of 1967. The amount of the credit shall be based on the eligible staff member’s classification under subsection (4) of section 71-1962 as follows:

<table>
<thead>
<tr>
<th>Eligible Staff Member's Classification</th>
<th>Tax Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level Four</td>
<td>$1,500</td>
</tr>
<tr>
<td>Level Three</td>
<td>$1,250</td>
</tr>
<tr>
<td>Level Two</td>
<td>$750</td>
</tr>
<tr>
<td>Level One</td>
<td>$500</td>
</tr>
</tbody>
</table>

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

(a) The eligible staff member’s name and place of employment;
(b) An attestation form provided by the Nebraska Early Childhood Professional Record System verifying the level at which the eligible staff member is classified under subsection (4) of section 71-1962; and
(c) Any other documentation required by the department.

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

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

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

(6) For taxable years beginning or deemed to begin on or after
January 1, 2018, and before January 1, 2027, under the Internal Revenue Code of 1986, as amended, the Tax Commissioner shall adjust the credit amounts provided for in subsection (1) of this section by the percentage change in the Consumer Price Index for All Urban Consumers, as prepared by the United States Department of Labor, Bureau of Labor Statistics, for the twelve-month period ending on August 31 of the year preceding the taxable year.

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

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

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

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

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

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

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

(6) Farming or livestock production means the active use, management, and operation of real and personal property for the production of a farm product;
Financial management program means a program for beginning farmers or livestock producers which includes, but is not limited to, assistance in the creation and proper use of record-keeping systems, periodic private consultations with licensed financial management personnel, year-end monthly cash flow analysis, and detailed enterprise analysis;

Owner of agricultural assets means:

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

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

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

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

Share-rent agreement means a rental agreement in which the principal consideration given to the owner of agricultural assets is a predetermined portion of the production of farm products from the rented agricultural assets.

Sec. 37. Section 77-5209, Revised Statutes Cumulative Supplement, 2020, is amended to read:
The board shall determine who is qualified as a beginning farmer or livestock producer based on the qualifications found in this section. A qualified beginning farmer or livestock producer shall be an individual who: (a) Has a net worth of not more than two hundred thousand dollars, including any holdings by a spouse or dependent, based on fair market value; (b) provides the majority of the day-to-day physical labor and management of his or her farming or livestock production operations; (c) has, by the judgment of the board, adequate farming or livestock production experience or demonstrates knowledge in the type of farming or livestock production for which he or she seeks assistance from the board; (d) demonstrates to the board a profit potential by submitting board-approved projected earnings statements and agrees that farming or livestock production is intended to become his or her principal source of income; (e) demonstrates to the board a need for assistance; (f) participates in a financial management program approved by the board; (g) submits a nutrient management plan and a soil conservation plan to the board on any applicable agricultural assets purchased or rented from an owner of agricultural assets; and (h) has such other qualifications as specified by the board. The qualified beginning farmer or livestock producer net worth thresholds in subdivision (a) of this subsection shall be adjusted annually beginning October 1, 2009, and each October 1 thereafter, by taking the average Producer Price Index for all commodities, published by the United States Department of Labor, Bureau of Labor Statistics, for the most recent twelve available periods divided by the Producer Price Index for 2008 and multiplying the result by the qualified beginning farmer's or livestock producer's net worth threshold. If the resulting amount is not a multiple of twenty-five thousand dollars, the amount shall be rounded to the next lowest twenty-five thousand dollars.

(2) When determining a qualified beginning farmer's or livestock producer's net worth, the board shall exclude from such determination any
pension, retirement, or other types of deferred benefit accounts owned by
the beginning farmer or livestock producer, including such accounts owned
by a spouse or dependent.

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

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

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

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

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