

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 531

Introduced by Briese, 41.

Read first time January 19, 2021

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
- 2 77-2715.07, 77-2717, and 77-2734.03, Revised Statutes Cumulative
- 3 Supplement, 2020; to adopt the Nebraska Child Care Contribution Tax
- 4 Credit Act; to harmonize provisions; and to repeal the original
- 5 sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 8 of this act shall be known and may be
2 cited as the Nebraska Child Care Contribution Tax Credit Act.

3 Sec. 2. The Legislature finds that COVID-19 has greatly impacted
4 the child care industry, and access to quality child care opportunities
5 is crucial to Nebraska's ongoing economic stability and growth.

6 Sec. 3. For purposes of the Nebraska Child Care Contribution Tax
7 Credit Act:

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

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

11 (3) Department means the Department of Revenue;

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

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

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

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

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

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

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

31 Sec. 4. (1) For taxable years beginning or deemed to begin on or

1 after January 1, 2022, and before January 1, 2027, under the Internal
2 Revenue Code of 1986, as amended, any taxpayer who makes a qualifying
3 contribution may apply to the department to receive a nonrefundable tax
4 credit against the income tax imposed by the Nebraska Revenue Act of
5 1967.

6 (2)(a) The credit shall be equal to either fifty percent or seventy-
7 five percent of the taxpayer's qualifying contribution made during the
8 taxable year, except that the credit for a taxpayer shall not exceed one
9 hundred thousand dollars for any single taxable year.

10 (b) The credit shall be equal to seventy-five percent of the
11 qualifying contribution if:

12 (i) The eligible child care and early childhood education program
13 that receives the contribution has a physical presence in an opportunity
14 zone in this state designated pursuant to the federal Tax Cuts and Jobs
15 Act, Public Law 115-97; or

16 (ii) The eligible child care and early childhood education program
17 that receives the contribution has at least one child enrolled in the
18 child care subsidy program established pursuant to section 68-1202 and
19 the child care and education provider is actively caring and billing for
20 the child as verified by the Department of Health and Human Services.

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

23 (3) If a taxpayer's credit exceeds the total tax due, the taxpayer
24 may carry forward the excess credit for up to five taxable years after
25 the taxable year in which the credit was first allowed, but the taxpayer
26 must use the carryover credit in the earliest taxable year possible.

27 (4) A qualifying contribution shall be used for the purposes of
28 promoting or enhancing quality child care and early childhood education
29 programs. Such purposes include, but are not limited to, contributions:

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

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

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

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

10 (e) To a for-profit child care business, including family home
11 providers. The for-profit child care business must use the proceeds of a
12 qualifying contribution for the (i) acquisition or improvement of the
13 child care facilities, (ii) equipment, (iii) services, or (iv) employee
14 retention; and

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

19 (5) In no event shall credits be allowed for contributions that are
20 not directly related to promoting or enhancing quality child care and
21 early childhood education programs. A contribution shall not qualify for
22 a credit under this section if:

23 (a) The contribution is made to a child care provider in which the
24 taxpayer or a person related to the taxpayer has a financial interest
25 which would result in direct benefit to the taxpayer or related person,
26 unless the contribution is part of a bona fide arm's length transaction
27 where the contribution is to enhance or promote quality early childhood
28 education;

29 (b) The contribution is made to a for-profit child care business and
30 is not directly invested in the acquisition or improvement of child care
31 facilities, equipment, services, or employee retention; or

1 (c) The contribution is not directly related to promoting or
2 enhancing quality child care and early childhood education programs in
3 Nebraska.

4 Sec. 5. (1) A taxpayer shall apply for the credit provided under
5 the Nebraska Child Care Contribution Tax Credit Act by submitting an
6 application to the department with the following information:

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

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

10 (2) If the department determines that the taxpayer qualifies for tax
11 credits under the act, the department shall approve the application and
12 certify the amount of credits approved to the taxpayer. The department
13 shall consider applications in the order in which they are received and
14 may approve tax credits under this section in any year until the
15 aggregate limit allowed under section 6 of this act has been reached.

16 (3) The credits allowed under the act shall be available for taxable
17 years beginning or deemed to begin on or after January 1, 2022, and
18 before January 1, 2027.

19 Sec. 6. The department may approve tax credits under the Nebraska
20 Child Care Contribution Tax Credit Act each year until the total amount
21 of credits approved for the year reaches fifteen million dollars.

22 Sec. 7. (1) If the department finds that a person has obtained a
23 credit by fraud or misrepresentation, the credits shall be disallowed and
24 the taxpayer's state income tax for the taxable year in which the credit
25 was claimed shall be increased by the amount necessary to recapture the
26 credit.

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

30 Sec. 8. The department may adopt and promulgate rules and
31 regulations to carry out the Nebraska Child Care Contribution Tax Credit

1 Act.

2 Sec. 9. Section 77-2715.07, Revised Statutes Cumulative Supplement,
3 2020, is 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;
14 and -

15 (h) A credit as provided in the Nebraska Child Care Contribution Tax
16 Credit Act.

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

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

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

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

1 equal to the partner's, shareholder's, member's, or beneficiary's portion
2 of the amount of tax credit distributed pursuant to subsection (6) of
3 section 77-5211.

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

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

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

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

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

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

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

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

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

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

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

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

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

30 Sec. 10. Section 77-2717, Revised Statutes Cumulative Supplement,
31 2020, is amended to read:

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

22 (ii) For taxable years beginning or deemed to begin on or after
23 January 1, 2014, the tax imposed on all resident estates and trusts shall
24 be a percentage of the federal taxable income of such estates and trusts
25 as modified in section 77-2716, plus a percentage of the federal tax on
26 premature or lump-sum distributions from qualified retirement plans. The
27 additional taxes shall be recomputed by substituting Nebraska taxable
28 income for federal taxable income and applying Nebraska rates to the
29 result. The credits provided in the Nebraska Advantage Microenterprise
30 Tax Credit Act and the Nebraska Advantage Research and Development Act
31 shall be allowed as a reduction in the income tax due. A refundable

1 income tax credit shall be allowed for all resident estates and trusts
2 under the Angel Investment Tax Credit Act, the Nebraska Advantage
3 Microenterprise Tax Credit Act, the Nebraska Advantage Research and
4 Development Act, the Nebraska Property Tax Incentive Act, and the
5 Renewable Chemical Production Tax Credit Act. A nonrefundable income tax
6 credit shall be allowed for all resident estates and trusts as provided
7 in the Nebraska Job Creation and Mainstreet Revitalization Act, the New
8 Markets Job Growth Investment Act, the School Readiness Tax Credit Act,
9 the Affordable Housing Tax Credit Act, the Nebraska Child Care
10 Contribution Tax Credit Act, and section 77-27,238.

11 (b) The tax imposed on all nonresident estates and trusts shall be
12 the portion of the tax imposed on resident estates and trusts which is
13 attributable to the income derived from sources within this state. The
14 tax which is attributable to income derived from sources within this
15 state shall be determined by multiplying the liability to this state for
16 a resident estate or trust with the same total income by a fraction, the
17 numerator of which is the nonresident estate's or trust's Nebraska income
18 as determined by sections 77-2724 and 77-2725 and the denominator of
19 which is its total federal income after first adjusting each by the
20 amounts provided in section 77-2716. The federal credit for prior year
21 minimum tax, after the recomputations required by the Nebraska Revenue
22 Act of 1967, reduced by the percentage of the total income which is
23 attributable to income from sources outside this state, and the credits
24 provided in the Nebraska Advantage Microenterprise Tax Credit Act and the
25 Nebraska Advantage Research and Development Act shall be allowed as a
26 reduction in the income tax due. A refundable income tax credit shall be
27 allowed for all nonresident estates and trusts under the Angel Investment
28 Tax Credit Act, the Nebraska Advantage Microenterprise Tax Credit Act,
29 the Nebraska Advantage Research and Development Act, the Nebraska
30 Property Tax Incentive Act, and the Renewable Chemical Production Tax
31 Credit Act. A nonrefundable income tax credit shall be allowed for all

1 nonresident estates and trusts as provided in the Nebraska Job Creation
2 and Mainstreet Revitalization Act, the New Markets Job Growth Investment
3 Act, the School Readiness Tax Credit Act, the Affordable Housing Tax
4 Credit Act, the Nebraska Child Care Contribution Tax Credit Act, and
5 section 77-27,238.

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

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

1 Revenue Code of 1986, as amended.

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

22 (5) In the absence of the nonresident beneficiary's executed
23 agreement being attached to the Nebraska fiduciary return, the estate or
24 trust shall remit a portion of such beneficiary's income which was
25 derived from or attributable to Nebraska sources with its Nebraska return
26 for the taxable year. For taxable years beginning or deemed to begin
27 before January 1, 2013, the amount of remittance, in such instance, shall
28 be the highest individual income tax rate determined under section
29 77-2715.02 multiplied by the nonresident beneficiary's share of the
30 estate or trust income which was derived from or attributable to sources
31 within this state. For taxable years beginning or deemed to begin on or

1 after January 1, 2013, the amount of remittance, in such instance, shall
2 be the highest individual income tax rate determined under section
3 77-2715.03 multiplied by the nonresident beneficiary's share of the
4 estate or trust income which was derived from or attributable to sources
5 within this state. The amount remitted shall be allowed as a credit
6 against the Nebraska income tax liability of the beneficiary.

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

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

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

27 Sec. 11. Section 77-2734.03, Revised Statutes Cumulative Supplement,
28 2020, is amended to read:

29 77-2734.03 (1)(a) For taxable years commencing prior to January 1,
30 1997, any (i) insurer paying a tax on premiums and assessments pursuant
31 to section 77-908 or 81-523, (ii) electric cooperative organized under

1 the Joint Public Power Authority Act, or (iii) credit union shall be
2 credited, in the computation of the tax due under the Nebraska Revenue
3 Act of 1967, with the amount paid during the taxable year as taxes on
4 such premiums and assessments and taxes in lieu of intangible tax.

5 (b) For taxable years commencing on or after January 1, 1997, any
6 insurer paying a tax on premiums and assessments pursuant to section
7 77-908 or 81-523, any electric cooperative organized under the Joint
8 Public Power Authority Act, or any credit union shall be credited, in the
9 computation of the tax due under the Nebraska Revenue Act of 1967, with
10 the amount paid during the taxable year as (i) taxes on such premiums and
11 assessments included as Nebraska premiums and assessments under section
12 77-2734.05 and (ii) taxes in lieu of intangible tax.

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

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

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

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

31 (5) There shall be allowed to corporate taxpayers refundable income

1 tax credits under the Nebraska Advantage Microenterprise Tax Credit Act,
2 the Nebraska Advantage Research and Development Act, the Nebraska
3 Property Tax Incentive Act, and the Renewable Chemical Production Tax
4 Credit Act.

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

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

13 Sec. 12. Original sections 77-2715.07, 77-2717, and 77-2734.03,
14 Revised Statutes Cumulative Supplement, 2020, are repealed.