

AMENDMENTS TO LB727

Introduced by Revenue.

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

3           Section 1. Sections 1 to 8 of this act shall be known and may be  
4 cited as the Nebraska Biodiesel Tax Credit Act.

5           Sec. 2. For purposes of the Nebraska Biodiesel Tax Credit Act:

6           (1) Biodiesel means mono-alkyl esters of long chain fatty acids  
7 derived from vegetable oils or animal fats which conform to American  
8 Society for Testing and Materials D6751 specifications for use in diesel  
9 engines. Biodiesel refers to the pure fuel with less than one percent  
10 blended with diesel fuel;

11           (2) Department means the Department of Revenue;

12           (3) Motor fuel pump means a meter or similar commercial weighing and  
13 measuring device used to measure and dispense motor fuel originating from  
14 a motor fuel storage tank;

15           (4) Retail dealer means a person engaged in the business of storing  
16 and dispensing motor fuel from a motor fuel pump for sale on a retail  
17 basis;

18           (5) Retail motor fuel site means a geographic location in this state  
19 where a retail dealer sells and dispenses motor fuel from a motor fuel  
20 pump on a retail basis, including a permanent or mobile location; and

21           (6) Taxpayer means any natural person or any limited liability  
22 company, partnership, private domestic or private foreign corporation, or  
23 domestic or foreign nonprofit corporation certified pursuant to section  
24 501(c)(3) of the Internal Revenue Code of 1986, as amended.

25           Sec. 3. (1) Any taxpayer who is a retail dealer and who sold and  
26 dispensed biodiesel on a retail basis during the prior calendar year  
27 through a motor fuel pump located at the taxpayer's retail motor fuel

1 site shall be eligible to receive tax credits under the Nebraska  
2 Biodiesel Tax Credit Act.

3 (2) The tax credit shall be in an amount equal to fourteen cents  
4 multiplied by the total number of gallons of biodiesel sold by the  
5 taxpayer on a retail basis during the prior calendar year through a motor  
6 fuel pump located at the taxpayer's retail motor fuel site.

7 (3) The tax credit shall be a refundable credit that may be used  
8 against any income tax imposed by the Nebraska Revenue Act of 1967 or any  
9 tax imposed pursuant to sections 77-907 to 77-918 or 77-3801 to 77-3807.

10 (4) Tax credits allowed under this section may be claimed for  
11 taxable years beginning or deemed to begin on or after January 1, 2024,  
12 under the Internal Revenue Code of 1986, as amended.

13 (5) To receive tax credits, a taxpayer shall submit an application  
14 to the department on a form prescribed by the department. Applications  
15 may be submitted from January 1 to April 15 of each calendar year  
16 beginning in 2024. The application shall include the following  
17 information:

18 (a) The name and address of the taxpayer;

19 (b) The total number of gallons of biodiesel sold by the taxpayer on  
20 a retail basis during the prior calendar year through a motor fuel pump  
21 located at the taxpayer's retail motor fuel site; and

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

23 Sec. 4. (1) If the department determines that an application is  
24 complete and that the taxpayer qualifies for tax credits, the department  
25 shall approve the application within the limits set forth in this section  
26 and shall certify the amount of tax credits approved to the taxpayer.

27 (2) The department may approve up to five million dollars in tax  
28 credits in any calendar year. If the total amount of tax credits  
29 requested in any calendar year exceeds such limit, the department shall  
30 allocate the tax credits proportionally based upon amounts requested.

31 Sec. 5. (1) A taxpayer shall claim the tax credit by attaching the

1 tax credit certification received from the department under section 4 of  
2 this act to the taxpayer's tax return.

3 (2) Any credit in excess of the taxpayer's tax liability shall be  
4 refunded to the taxpayer. In lieu of claiming a refund, the taxpayer may  
5 elect to have the excess carried forward to subsequent taxable years. A  
6 taxpayer may carry forward the excess tax credits until fully utilized.

7 Sec. 6. Any tax credit allowable to a partnership, a limited  
8 liability company, a subchapter S corporation, a cooperative corporation,  
9 or an estate or trust may be distributed to the partners, limited  
10 liability company members, shareholders, cooperative members, or  
11 beneficiaries in the same manner as income is distributed.

12 Sec. 7. There shall be no new applications filed under the Nebraska  
13 Biodiesel Tax Credit Act after December 31, 2028. All applications and  
14 all tax credits pending or approved before such date shall continue in  
15 full force and effect.

16 Sec. 8. The department may adopt and promulgate rules and  
17 regulations to carry out the Nebraska Biodiesel Tax Credit Act.

18 Sec. 9. Sections 9 to 15 of this act shall be known and may be  
19 cited as the Good Life Transformational Projects Act.

20 Sec. 10. (1) The purpose of the Good Life Transformational Projects  
21 Act is to promote and develop the general and economic welfare of this  
22 state and its communities by providing support for unique Nebraska  
23 projects that will attract new industries and employment opportunities  
24 and further grow and strengthen Nebraska's retail, entertainment, and  
25 tourism industries.

26 (2) The Legislature finds that it will be beneficial to the economic  
27 well-being of the people of this state to encourage transformational  
28 development projects within the state that create jobs, infrastructure,  
29 and other improvements and attract and retain tourists and college  
30 graduates from around the state.

31 (3) The Legislature further finds that such projects will (a)

1 generate new economic activity, as well as additional state and local  
2 taxes from persons residing within and outside the state, (b) create new  
3 economic opportunities and jobs for residents, and (c) promote new-to-  
4 market retail, entertainment, and dining attractions.

5 Sec. 11. For purposes of the Good Life Transformational Projects  
6 Act:

7 (1) Department means the Department of Economic Development; and

8 (2) Good life district means a district established pursuant to  
9 section 13 of this act.

10 Sec. 12. (1) Until December 31, 2024, any person may apply to the  
11 department to create a good life district. All applications shall be in  
12 writing and shall contain:

13 (a) A description of the proposed project to be undertaken within  
14 the good life district, including a description of any existing  
15 development, an estimate of the total new development costs for the  
16 project, and an estimate of the number of new jobs to be created as a  
17 result of the project;

18 (b) A map identifying the good life district to be used for purposes  
19 of the project;

20 (c) A description of the proposed financing of the project;

21 (d) Documentation of local financial commitment to support the  
22 project, including all public and private resources pledged or committed  
23 to the project and including a copy of any operating agreement or lease  
24 with substantial users of the project area; and

25 (e) Sufficient documents, plans, and specifications as required by  
26 the department to define the project, including the following:

27 (i) A statement of how the jobs and taxes obtained from the project  
28 will contribute significantly to the economic development of the state  
29 and region;

30 (ii) Visitation expectations and a plan describing how the number of  
31 visitors to the good life district will be tracked and reported on an

1 annual basis;

2 (iii) Any unique qualities of the project;

3 (iv) An economic impact study, including the anticipated effect of  
4 the project on the regional and statewide economies;

5 (v) Project accountability, measured according to best industry  
6 practices;

7 (vi) The expected return on state and local investment the project  
8 is anticipated to produce; and

9 (vii) A summary of community involvement, participation, and support  
10 for the project.

11 (2) Upon receiving an application, the department shall review the  
12 application and notify the applicant of any additional information needed  
13 for a proper evaluation of the application.

14 (3) The application and all supporting information shall be  
15 confidential except for the location of the project, the total new  
16 development costs estimated for the project, and the number of new jobs  
17 estimated to be created as a result of the project.

18 Sec. 13. (1) If the department finds that the project described in  
19 the application meets the eligibility requirements of this section, the  
20 application shall be approved.

21 (2) A project is eligible if:

22 (a) The applicant demonstrates that the total new development costs  
23 of the project will exceed:

24 (i) One billion dollars if the project will be located in a city of  
25 the metropolitan class;

26 (ii) Seven hundred fifty million dollars if the project will be  
27 located in a city of the primary class;

28 (iii) Five hundred million dollars if the project will be located in  
29 a city of the first class, city of the second class, or village within a  
30 county with a population of one hundred thousand inhabitants or more; or

31 (iv) One hundred million dollars if the project will be located in a

1 city of the first class, city of the second class, or village within a  
2 county with a population of less than one hundred thousand inhabitants;

3 (b) The applicant demonstrates that the project will directly or  
4 indirectly result in the creation of:

5 (i) One thousand new jobs if the project will be located in a city  
6 of the metropolitan class;

7 (ii) Five hundred new jobs if the project will be located in a city  
8 of the primary class;

9 (iii) Two hundred fifty new jobs if the project will be located in a  
10 city of the first class, city of the second class, or village within a  
11 county with a population of one hundred thousand inhabitants or more; or

12 (iv) Fifty new jobs if the project will be located in a city of the  
13 first class, city of the second class, or village within a county with a  
14 population of less than one hundred thousand inhabitants; and

15 (c)(i) For a project that will be located in a county with a  
16 population of one hundred thousand inhabitants or more, the applicant  
17 demonstrates that, upon completion of the project, at least twenty  
18 percent of sales at the project will be made to persons residing outside  
19 the State of Nebraska and the project will attract new-to-market retail  
20 to the state and will generate a minimum of three million visitors per  
21 year; or

22 (ii) For a project that will be located in a county with a  
23 population of less than one hundred thousand inhabitants, the applicant  
24 demonstrates that, upon completion of the project, at least twenty  
25 percent of sales at the project will be made to persons residing outside  
26 the State of Nebraska.

27 (3) A project is not eligible if the project includes a licensed  
28 racetrack enclosure or an authorized gaming operator as such terms are  
29 defined in section 9-1103.

30 (4) Approval of an application under this section shall establish  
31 the good life district as that area depicted in the map accompanying the

1 application as submitted pursuant to subdivision (1)(b) of section 12 of  
2 this act. Such district shall last for twenty-five years and shall not  
3 exceed two thousand acres in size.

4 (5) Upon establishment of a good life district under this section,  
5 any transactions occurring within the district shall be subject to a  
6 reduced sales tax rate as provided in section 77-2701.02.

7 Sec. 14. The department shall terminate a good life district  
8 established pursuant to section 13 of this act if the applicant has not  
9 met seventy-five percent of the investment threshold required under  
10 subdivision (2)(a) of section 13 of this act within ten years after  
11 establishment of such district.

12 Sec. 15. No provision in the Good Life Transformational Projects  
13 Act shall be construed to limit the existing statutory authority of any  
14 political subdivision.

15 Sec. 16. Section 13-2602, Reissue Revised Statutes of Nebraska, is  
16 amended to read:

17 13-2602 (1) The Legislature finds that it will be beneficial to the  
18 economic well-being of the people of this state that there be convention  
19 and meeting center facilities and sports arena facilities of appropriate  
20 size and quality to host regional, national, or international events.  
21 Regional refers to states that border Nebraska; national refers to states  
22 other than those that border Nebraska; and international refers to  
23 nations other than the United States.

24 (2) The Legislature further finds that such facilities may (a)  
25 generate new economic activity as well as additional state and local  
26 taxes from persons residing within and outside the state and (b) create  
27 new economic opportunities for residents.

28 (3) In order that the state may receive any long-term economic and  
29 fiscal benefits from such facilities, a need exists to provide some state  
30 assistance to political subdivisions endeavoring to construct, acquire,  
31 substantially reconstruct, expand, operate, improve, or equip such

1 facilities.

2 (4) ~~Therefore~~ ~~Therefor~~, it is deemed to be in the best interest of  
3 both the state and its political subdivisions that the state assist  
4 political subdivisions in financing the construction, acquisition,  
5 substantial reconstruction, expansion, operation, improvement, or  
6 equipping of such facilities.

7 (5) The amount of state assistance provided under the Convention  
8 Center Facility Financing Assistance Act shall be limited to a designated  
9 portion of state sales tax revenue collected by retailers and operators  
10 doing business at such facilities on sales at such facilities, state  
11 sales tax revenue collected on primary and secondary box office sales of  
12 admissions to such facilities, and state sales tax revenue collected by  
13 associated hotels and nearby retailers.

14 Sec. 17. Section 13-2603, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 13-2603 For purposes of the Convention Center Facility Financing  
17 Assistance Act:

18 (1) Associated hotel means any publicly or privately owned facility  
19 in which the public may, for a consideration, obtain sleeping  
20 accommodations and which (a) is located, in whole or in part, within six  
21 hundred yards of an eligible facility, measured from any point of the  
22 exterior perimeter of the eligible facility but not from any parking  
23 facility or other structure and (b) is depicted on a map submitted  
24 pursuant to section 13-2605;

25 (2) Board means a board consisting of the Governor, the State  
26 Treasurer, the chairperson of the Nebraska Investment Council, the  
27 chairperson of the Nebraska State Board of Public Accountancy, and a  
28 professor of economics on the faculty of a state postsecondary  
29 educational institution appointed to a two-year term on the board by the  
30 Coordinating Commission for Postsecondary Education. For administrative  
31 and budget purposes only, the board shall be considered part of the



1 Department of Revenue;

2 (3) Bond means a general obligation bond, redevelopment bond, lease-  
3 purchase bond, revenue bond, or combination of any such bonds;

4 (4) Convention and meeting center facility means a temperature-  
5 controlled building and personal property primarily used as a convention  
6 and meeting center, including an auditorium, an exhibition hall, a  
7 facility for onsite food preparation and serving, an onsite, directly  
8 connected parking facility for the use of the convention and meeting  
9 center facility, a nearby parking facility for the use of the convention  
10 and meeting center facility, and an onsite administrative office of the  
11 convention and meeting center facility;

12 (5)(a) Eligible facility means any publicly owned convention and  
13 meeting center facility approved for state assistance on or before June  
14 1, 2007, any publicly owned sports arena facility attached to such  
15 convention and meeting center facility, or any publicly ~~or privately~~  
16 owned convention and meeting center facility or publicly ~~or privately~~  
17 owned sports arena facility acquired, constructed, improved, or equipped  
18 after June 1, 2007; and

19 (b) Beginning with applications for financial assistance received on  
20 or after February 1, 2008, eligible facility does not include any  
21 publicly ~~or privately~~ owned sports arena facility with a seating capacity  
22 greater than sixteen thousand seats;

23 (6) General obligation bond means any bond or refunding bond issued  
24 by a political subdivision and which is payable exclusively from the  
25 proceeds of an ad valorem tax;

26 (7) Nearby parking facility means any parking lot, parking garage,  
27 or other parking structure that is not directly connected to a convention  
28 and meeting center facility but which is located, in whole or in part,  
29 within six hundred yards of a convention and meeting center facility,  
30 measured from any point of the exterior perimeter of such facility but  
31 not from any other parking facility or other structure;

1        (8) Nearby retailer means a retailer as defined in section  
2 77-2701.32 that (a) is located, in whole or in part, within six hundred  
3 yards of an eligible facility, measured from any point of the exterior  
4 perimeter of the eligible facility but not from any parking facility or  
5 other structure and (b) is depicted on a map submitted pursuant to  
6 section 13-2605;

7        (9) (8) Political subdivision means any local governmental body  
8 formed and organized under state law and any joint entity or joint public  
9 agency created under state law to act on behalf of political subdivisions  
10 which has statutory authority to issue general obligation bonds;

11        (10) (9) Revenue bond means any bond or refunding bond issued by a  
12 political subdivision which is limited or special rather than a general  
13 obligation bond of the political subdivision and which is not payable  
14 from the proceeds of an ad valorem tax; and

15        (11) (10) Sports arena facility means any enclosed temperature-  
16 controlled building primarily used for competitive sports, including  
17 arenas, dressing and locker facilities, concession areas, parking  
18 facilities, and onsite administrative offices connected with operating  
19 the facilities.

20        Sec. 18. Section 13-2604, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22        13-2604 Any political subdivision that has acquired, constructed,  
23 improved, or equipped or has approved a ~~general obligation~~ bond issue to  
24 acquire, construct, improve, or equip eligible facilities may apply to  
25 the board for state assistance. The state assistance shall be used:

26        (1) To pay back amounts expended or borrowed through one or more  
27 issues of bonds to be expended by the political subdivision to acquire,  
28 construct, improve, and equip any eligible facilities until repayment in  
29 full of the amounts expended or borrowed by the political subdivision,  
30 including the principal of and interest on bonds, for all of its eligible  
31 facilities;

- 1           (2) To pay for capital improvements to any eligible facilities; and
- 2           (3) To acquire, construct, improve, and equip nearby parking
- 3 facilities.

4           Sec. 19. Section 13-2605, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6           13-2605 (1) All applications for state assistance under the  
7 Convention Center Facility Financing Assistance Act shall be in writing  
8 and shall include a certified copy of the approving action of the  
9 governing body of the applicant describing the proposed eligible facility  
10 and the anticipated financing.

11           (2) The application shall contain:

12           (a) A description of the proposed financing of the eligible  
13 facility, including the estimated principal and interest requirements for  
14 the bonds proposed to be issued in connection with the eligible facility  
15 or the amounts necessary to repay the original investment by the  
16 applicant in the eligible facility;

17           (b) Documentation of local financial commitment to support the  
18 project, including all public and private resources pledged or committed  
19 to the project;~~and~~

20           (c) A map identifying the area to be used in determining associated  
21 hotels and nearby retailers; and

22           (d) ~~(e)~~ Any other project information deemed appropriate by the  
23 board.

24           (3) Upon receiving an application for state assistance, the board  
25 shall review the application and notify the applicant of any additional  
26 information needed for a proper evaluation of the application.

27           (4) Any state assistance received pursuant to the act shall be used  
28 only for public purposes.

29           (5) Approval of an application for state assistance by the board  
30 after the operative date of this section pursuant to section 13-2607  
31 shall establish the area to be used for determining associated hotels and

1 nearby retailers as the aggregate area depicted in the map accompanying  
2 the application for state assistance as submitted pursuant to subdivision  
3 (2)(c) of this section.

4 (6) ~~(5)~~ Each political subdivision that had an application for state  
5 assistance approved prior to the operative date of this section ~~October~~  
6 ~~1, 2016,~~ shall submit a map to the Department of Revenue showing the area  
7 that lies within six hundred yards of the eligible facility as such area  
8 is described in subdivisions ~~subdivision~~ (1) and (8) of section 13-2603.  
9 The department shall approve such area if it satisfies the requirements  
10 of subdivisions ~~subdivision~~ (1) and (8) of section 13-2603.

11 Sec. 20. Section 13-2609, Reissue Revised Statutes of Nebraska, is  
12 amended to read:

13 13-2609 (1) If an application is approved, the Tax Commissioner  
14 shall:

15 (a) Audit or review audits of the approved convention and meeting  
16 center facility, sports arena facility, ~~or~~ associated hotel, or nearby  
17 retailer to determine the state sales tax revenue collected by retailers  
18 and operators doing business at such facilities on sales at such  
19 facilities, state sales tax revenue collected on primary and secondary  
20 box office sales of admissions to such facilities, and state sales tax  
21 revenue collected by associated hotels and nearby retailers; and

22 (b) Certify annually the amount of state sales tax revenue collected  
23 by retailers and operators doing business at such facilities on sales at  
24 such facilities, state sales tax revenue collected on primary and  
25 secondary box office sales of admissions to such facilities, and state  
26 sales tax revenue collected by associated hotels and nearby retailers, to  
27 the State Treasurer.

28 (2) State sales tax revenue collected by retailers and operators  
29 that are not eligible facilities but are doing business at eligible  
30 facilities shall be reported on informational returns developed by the  
31 Department of Revenue and provided to any such retailers and operators by

1 the eligible facility. The informational returns shall be submitted to  
2 the department by the retailer or operator by the twentieth day of the  
3 month following the month the sales taxes are collected. The Tax  
4 Commissioner shall use the data from the informational returns and sales  
5 tax returns of eligible facilities, ~~and~~ associated hotels, and nearby  
6 retailers to determine the appropriate amount of state sales tax revenue.

7 (3) Changes made to the Convention Center Facility Financing  
8 Assistance Act by Laws 2007, LB 551, shall apply to state sales tax  
9 revenue collected commencing on July 1, 2006. Changes made to the  
10 Convention Center Facility Financing Assistance Act by this legislative  
11 bill shall apply to state sales tax revenue collected commencing on July  
12 1, 2023.

13 Sec. 21. Section 13-2610, Reissue Revised Statutes of Nebraska, is  
14 amended to read:

15 13-2610 (1) Upon the annual certification under section 13-2609, the  
16 State Treasurer shall transfer after the audit the amount certified to  
17 the Convention Center Support Fund. The Convention Center Support Fund is  
18 created. Transfers may be made from the fund to the General Fund at the  
19 direction of the Legislature. Any money in the Convention Center Support  
20 Fund available for investment shall be invested by the state investment  
21 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska  
22 State Funds Investment Act.

23 (2)(a) It is the intent of the Legislature to appropriate from the  
24 fund to any political subdivision for which an application for state  
25 assistance under the Convention Center Facility Financing Assistance Act  
26 has been approved an amount not to exceed (i) seventy percent of the  
27 state sales tax revenue collected by retailers and operators doing  
28 business at such facilities on sales at such facilities, state sales tax  
29 revenue collected on primary and secondary box office sales of admissions  
30 to such facilities, and state sales tax revenue collected by associated  
31 hotels and nearby retailers, (ii) one hundred fifty million dollars for

1 any one approved project, or (iii) the total cost of acquiring,  
2 constructing, improving, or equipping the eligible facilities of the  
3 political subdivision facility. State assistance shall not be used for an  
4 operating subsidy.

5 (b) It is further the intent of the Legislature to appropriate from  
6 the fund to any city of the metropolitan class for which an application  
7 for state assistance under the Convention Center Facility Financing  
8 Assistance Act has been approved an amount not to exceed the amount of  
9 money transferred to the fund pursuant to subdivision (9)(a) of section  
10 13-3108.

11 (3)(a) Ten percent of the funds appropriated to a city of the  
12 metropolitan class under subdivision (2)(a) of this section and all of  
13 the funds appropriated to a city of the metropolitan class under  
14 subdivision (2)(b) of this section shall be equally distributed to areas  
15 with a high concentration of poverty. Fifty-five percent of such funds  
16 shall be used to showcase important historical aspects of such areas or  
17 areas within close geographic proximity of the area with a high  
18 concentration of poverty and to assist with the reduction of street and  
19 gang violence in such areas. Forty-five percent of such funds shall be  
20 used to assist with small business and entrepreneurship growth in such  
21 areas.

22 (b) Each area with a high concentration of poverty that has been  
23 distributed funds under subdivision (3)(a) of this section shall  
24 establish a development fund and form a committee which shall identify  
25 and research potential projects to be completed in the area with a high  
26 concentration of poverty or in an area within close geographic proximity  
27 of such area if the project would have a significant or demonstrable  
28 impact on such area and make final determinations on the use of the funds  
29 received for such projects.

30 (c) A committee formed under subdivision (3)(b) of this section  
31 shall include the following members:

1 (i) The member of the city council whose district includes a  
2 majority of the census tracts which each contain a percentage of persons  
3 below the poverty line of greater than thirty percent, as determined by  
4 the most recent federal decennial census, within the area with a high  
5 concentration of poverty;

6 (ii) The commissioner of the county whose district includes a  
7 majority of the census tracts which each contain a percentage of persons  
8 below the poverty line of greater than thirty percent, as determined by  
9 the most recent federal decennial census, within the area with a high  
10 concentration of poverty;

11 (iii) Two residents of the area with a high concentration of  
12 poverty, appointed by the two members of the committee described in  
13 subdivisions (3)(c)(i) and (ii) of this section. Such resident members  
14 shall be appointed for four-year terms. Each time a resident member is to  
15 be appointed pursuant to this subdivision, the committee shall solicit  
16 applications from interested individuals by posting notice of the open  
17 position on the city's website and on the city's official social media  
18 accounts, if any, and by publishing the notice in a legal newspaper in or  
19 of general circulation in the area with a high concentration of poverty.  
20 Applications may be submitted to either of the committee members  
21 described in subdivisions (3)(c)(i) and (ii) of this section. Prior to  
22 making any appointment, the committee shall hold a public hearing in the  
23 area with a high concentration of poverty. Notice of the hearing shall be  
24 provided, at least seven days prior to the hearing, by posting the notice  
25 on the city's website and on the city's official social media accounts,  
26 if any, and by publishing the notice in a legal newspaper in or of  
27 general circulation in the area with a high concentration of poverty; and

28 (iv) The member of the Legislature whose district includes a  
29 majority of the census tracts which each contain a percentage of persons  
30 below the poverty line of greater than thirty percent, as determined by  
31 the most recent federal decennial census, within the area with a high

1 concentration of poverty. The member described in this subdivision shall  
2 be a nonvoting member of the committee.

3 (d) A committee formed under subdivision (3)(b) of this section  
4 shall solicit project ideas from the public and shall hold a public  
5 hearing in the area with a high concentration of poverty. Notice of a  
6 proposed hearing shall be provided in accordance with the procedures for  
7 notice of a public hearing pursuant to section 18-2115.01. The committee  
8 shall research potential projects and make the final determination  
9 regarding the annual distribution of funding to such projects.

10 (e) For any committee formed under subdivision (3)(b) of this  
11 section:

12 (i) The two committee members described in subdivisions (3)(c)(i)  
13 and (ii) of this section shall share joint responsibility of all  
14 committee operations and meetings. Applications for funding may be  
15 submitted to either of such members; and

16 (ii) All applications, reports, and other records of the committee  
17 shall be accessible to any member of the committee.

18 (f) Each recipient of funding from a committee formed under  
19 subdivision (3)(b) of this section shall submit an itemized report to  
20 such committee on the use of such funds. A recipient shall not be  
21 eligible to receive funding for more than three consecutive years unless  
22 such recipient is able to justify continued funding based on the  
23 following criteria:

24 (i) The number of people served by the project;

25 (ii) The relevance and scale of the project;

26 (iii) The desirability of the social or environmental outcomes of  
27 the project and how such outcomes will be achievable and measurable;

28 (iv) The economic impact on the area with a high concentration of  
29 poverty; and

30 (v) The recipient's sustainability plan.

31 (g) On or before July 1, 2022, and on or before July 1 of each year



1 thereafter, a committee formed under subdivision (3)(b) of this section  
2 shall electronically submit a report to the Legislature which includes:

3 (i) A description of the projects that were funded during the most  
4 recently completed calendar year;

5 (ii) A description of where such projects were located;

6 (iii) A description of the outcomes of such projects; and

7 (iv) A ten-year strategic plan on how the committee plans to meet  
8 the goals described in subdivision (3)(a) of this section.

9 (h) For purposes of this subsection, an area with a high  
10 concentration of poverty means an area within the corporate limits of a  
11 city of the metropolitan class consisting of one or more contiguous  
12 census tracts, as determined by the most recent federal decennial census,  
13 which contain a percentage of persons below the poverty line of greater  
14 than thirty percent, and all census tracts contiguous to such tract or  
15 tracts, as determined by the most recent federal decennial census.

16 (4)(a) Ten percent of the funds appropriated to a city of the  
17 primary class under subdivision (2)(a) of this section may, if the city  
18 determines by consent of the city council that such funds are not  
19 currently needed for the purposes described in section 13-2604, be used  
20 as follows:

21 (i) For investment in the construction of qualified low-income  
22 housing projects as defined in 26 U.S.C. 42, including qualified projects  
23 receiving Nebraska affordable housing tax credits under the Affordable  
24 Housing Tax Credit Act; or

25 (ii) If there are no such qualified low-income housing projects as  
26 defined in 26 U.S.C. 42 being constructed or expected to be constructed  
27 within the political subdivision, for investment in areas with a high  
28 concentration of poverty to assist with low-income housing needs.

29 (b) For purposes of this subsection, an area with a high  
30 concentration of poverty means an area within the corporate limits of a  
31 city of the primary class consisting of one or more contiguous census

1 tracts, as determined by the most recent American Community Survey 5-Year  
2 Estimate, which contain a percentage of persons below the poverty line of  
3 greater than thirty percent, and all census tracts contiguous to such  
4 tract or tracts, as determined by the most recent American Community  
5 Survey 5-Year Estimate.

6 (5) State assistance to the political subdivision shall no longer be  
7 available upon the retirement of the bonds issued to acquire, construct,  
8 improve, or equip all of the political subdivision's facilities ~~facility~~  
9 or any subsequent bonds that refunded the original issue or when state  
10 assistance reaches the amount determined under subdivision (2)(a) of this  
11 section, whichever comes first.

12 (6) The remaining thirty percent of state sales tax revenue  
13 collected by retailers and operators doing business at such facilities on  
14 sales at such facilities, state sales tax revenue collected on primary  
15 and secondary box office sales of admissions to such facilities, and  
16 state sales tax revenue collected by associated hotels and nearby  
17 retailers, shall be appropriated by the Legislature to the Civic and  
18 Community Center Financing Fund. Upon the annual certification required  
19 pursuant to section 13-2609 and following the transfer to the Convention  
20 Center Support Fund required pursuant to subsection (1) of this section,  
21 the State Treasurer shall transfer an amount equal to the remaining  
22 thirty percent from the Convention Center Support Fund to the Civic and  
23 Community Center Financing Fund.

24 (7) Any municipality that has applied for and received a grant of  
25 assistance under the Civic and Community Center Financing Act may not  
26 receive state assistance under the Convention Center Facility Financing  
27 Assistance Act.

28 Sec. 22. Section 13-2611, Reissue Revised Statutes of Nebraska, is  
29 amended to read:

30 13-2611 (1) The applicant political subdivision may issue from time  
31 to time its bonds and refunding bonds to finance and refinance the

1 acquisition, construction, improving, and equipping of eligible  
2 facilities and appurtenant public facilities that are a part of the same  
3 project or projects. The bonds may be sold by the applicant in such  
4 manner and for such price as the applicant determines, at a discount, at  
5 par, or at a premium, at private negotiated sale or at public sale, after  
6 notice published prior to the sale in a legal newspaper having general  
7 circulation in the political subdivision or in such other medium of  
8 publication of notice of sale as the applicant deems appropriate. The  
9 bonds shall have a stated maturity of thirty years or less and shall bear  
10 interest at such rate or rates and otherwise be issued in accordance with  
11 the respective procedures and with such other terms and provisions as are  
12 established, permitted, or authorized by applicable state laws and home  
13 rule charters for the type of bonds to be issued. Such bonds may be  
14 secured as to payment in whole or in part by a pledge, as shall be  
15 determined by the applicant, from the income, proceeds, and revenue of  
16 the eligible facilities financed with proceeds of such bonds, from the  
17 income, proceeds, and revenue of any of its eligible facilities, or from  
18 its revenue and income, including its sales, use, or occupation tax  
19 revenue, fees, appropriations, or receipts, as may be determined by the  
20 applicant. The applicant may further secure the bonds by a mortgage or  
21 deed of trust encumbering all or any portion of the eligible facilities  
22 and by a bond insurance policy or other credit support facility. No  
23 general obligation bonds, except refunding bonds, shall be issued until  
24 authorized by greater than fifty percent of the applicant's electors  
25 voting on the question as to their issuance at any election as defined in  
26 section 32-108. The face of the bonds shall plainly state that the bonds  
27 and the interest thereon shall not constitute nor give rise to an  
28 indebtedness, obligation, or pecuniary liability of the state nor a  
29 charge against the general credit, revenue, or taxing power of the state.  
30 Bonds of the applicant are declared to be issued for an essential public  
31 and governmental purpose and, together with interest thereon and income

1 therefrom, shall be exempt from all state income taxes.

2 (2) All payments to political subdivisions under the Convention  
3 Center Facility Financing Assistance Act are made subject to specific  
4 appropriation for such purpose. Nothing in the act precludes the  
5 Legislature from amending or repealing the act at any time.

6 Sec. 23. Section 13-2612, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8 13-2612 The board shall not accept applications for assistance under  
9 the Convention Center Facility Financing Assistance Act after December  
10 31, 2030 ~~2012~~.

11 Sec. 24. The Legislature finds that safe and modern highway  
12 infrastructure is of great importance to Nebraska's residents,  
13 agricultural economy, business economy, and future economic growth.  
14 Furthermore, the Legislature finds that it is in the interest of Nebraska  
15 taxpayers to leverage historically low interest rates to offset the  
16 challenges that construction inflation and uncertain federal highway  
17 funding pose to adequately financing the state's infrastructure needs. It  
18 is the intent of the Legislature to conservatively utilize bond financing  
19 by issuing bonds, not to exceed four hundred fifty million dollars in  
20 principal and thirty-five million dollars in annual debt service for a  
21 period of not more than nineteen years, in order to accelerate completion  
22 of the highway construction projects identified and to be identified for  
23 funding under the Build Nebraska Act.

24 Sec. 25. Upon the written recommendation of the Department of  
25 Transportation, the commission, acting for and on behalf of the state,  
26 may issue from time to time bonds under the Nebraska Highway Bond Act by  
27 resolution as described in section 39-2209 in such principal amounts as  
28 determined by the commission for the purpose of accelerating completion  
29 of the highway construction projects identified and to be identified for  
30 funding under the Build Nebraska Act. The principal amounts, interest  
31 rates, maturities, redemption provisions, sale prices, and other terms of

1 the bonds so authorized to be issued shall be in accordance with terms or  
2 conditions established by the commission. No bonds shall be issued after  
3 June 30, 2029, except for refunding bonds issued in accordance with the  
4 Nebraska Highway Bond Act. The proceeds from the sale of any bonds  
5 issued, net of costs of issuance, capitalized interest, and necessary or  
6 appropriate reserve funds, shall be deposited in the State Highway  
7 Capital Improvement Fund for use pursuant to the Build Nebraska Act. The  
8 commission is hereby granted all powers necessary or convenient to carry  
9 out the purposes and exercise the powers granted by the Nebraska Highway  
10 Bond Act. Bonds shall be paid off by June 30, 2042.

11       Sec. 26. The bonds issued pursuant to section 25 of this act shall  
12 be special obligations of the state payable solely and only from the  
13 State Highway Capital Improvement Fund and any other funds specifically  
14 pledged by the commission for such purpose, and neither the members of  
15 the commission nor any person executing the bonds shall be liable  
16 thereon. Such bonds shall not be a general obligation or debt of the  
17 state, and they shall contain on the face thereof a statement to such  
18 effect. Such bonds, and the transfer of and the income from any such  
19 bonds, shall be exempt from all taxation and assessments in this state.  
20 In the resolution authorizing the bonds, the commission may waive the  
21 exemption from federal income taxation for interest on the bonds.

22       Sec. 27. Section 39-2205, Reissue Revised Statutes of Nebraska, is  
23 amended to read:

24       39-2205 Bonds may be issued under the Nebraska Highway Bond Act only  
25 to the extent that the annual aggregate principal and interest  
26 requirements, in the calendar year in which such bonds are issued and in  
27 each calendar year thereafter until the scheduled maturity of such bonds,  
28 on such bonds and on all other bonds theretofore issued and to be  
29 outstanding and unpaid upon the issuance of such bonds shall not exceed  
30 the amount which is equal to fifty percent of the money deposited in the  
31 fund, the State Highway Capital Improvement Fund, or the bond fund, as

1 the case may be, from which such bonds shall be paid during the calendar  
2 year preceding the issuance of the bonds proposed to be issued. This  
3 section shall not apply to the first issuance of each series of bonds  
4 authorized by the Legislature.

5 If short-term bonds are issued in anticipation of the issuance of  
6 long-term refunding bonds and such short-term bonds are secured by  
7 insurance or a letter of credit or similar guarantee issued by a  
8 financial institution rated by a national rating agency in one of the two  
9 highest categories of bond ratings, then, for the purposes of the  
10 Nebraska Highway Bond Act, when determining the amount of short-term  
11 bonds that may be issued and the amount of taxes, fees, or other money to  
12 be deposited in any fund for the payment of bonds issued under the act,  
13 the annual aggregate principal and interest payments on the short-term  
14 bonds shall be deemed to be such payments thereon, except that the final  
15 principal payment shall not be that specified in the short-term bonds but  
16 shall be the principal and all interest payments required to reimburse  
17 the issuer of the insurance policy or letter of credit or similar  
18 guarantee pursuant to the reimbursement agreement between the commission  
19 and such issuer.

20 Sec. 28. Section 39-2209, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22 39-2209 Any resolution or resolutions of the commission authorizing  
23 any bonds or any issue thereof may contain provisions, consistent with  
24 the Nebraska Highway Bond Act and not in derogation or limitation of such  
25 act, which shall be a part of the contract with the holders thereof, as  
26 to:

27 (1) Pledging all or any part of the money in the fund, the State  
28 Highway Capital Improvement Fund, or the ~~or~~ bond fund, as the case may  
29 be, to secure the payment of the bonds, subject to such agreements with  
30 the bondholders as may then prevail;

31 (2) The use and disposition of money in the fund, the State Highway

1 Capital Improvement Fund, or the ~~of~~ bond fund;

2 (3) The setting aside of reserves, sinking funds, or arbitrage  
3 rebate funds and the funding, regulation, and disposition thereof;

4 (4) Limitations on the purpose to which the proceeds from the sale  
5 of bonds may be applied;

6 (5) Limitations on the issuance of additional bonds and on the  
7 retirement of outstanding or other bonds pursuant to the Nebraska Highway  
8 Bond Act;

9 (6) The procedure by which the terms of any agreement with  
10 bondholders may be amended or abrogated, the amount of bonds the holders  
11 of which must consent thereto, and the manner in which such consent may  
12 be given;

13 (7) Vesting in a bank or trust company as paying agent such rights,  
14 powers, and duties as the commission may determine, vesting in a trustee  
15 appointed by the bondholders pursuant to the Nebraska Highway Bond Act  
16 such rights, powers, and duties as the commission may determine, and  
17 limiting or abrogating the right of the bondholders to appoint a trustee  
18 under such act or limiting the rights, powers, and duties of such  
19 trustee;

20 (8) Providing for a municipal bond insurance policy, surety bond,  
21 letter of credit, or other credit support facility or liquidity facility;  
22 and

23 (9) Any other matters, of like or different character, which in any  
24 way affect the security or protection of the bonds.

25 Sec. 29. Section 39-2211, Reissue Revised Statutes of Nebraska, is  
26 amended to read:

27 39-2211 In addition to the powers conferred upon the commission to  
28 secure the bonds in the Nebraska Highway Bond Act, the commission shall  
29 have power in connection with the issuance of bonds to enter into such  
30 agreements, consistent with the act and not in derogation or limitation  
31 of the act, as it may deem necessary, convenient, or desirable concerning

1 the use or disposition of the money in the fund, the State Highway  
2 Capital Improvement Fund, or the ~~or~~ bond fund including the pledging or  
3 creation of any security interest in such money and the doing of or  
4 refraining from doing any act which the commission would have the right  
5 to do to secure the bonds in the absence of such agreements. The  
6 commission shall have the power to enter into amendments of any such  
7 agreements, consistent with the Nebraska Highway Bond Act and not in  
8 derogation or limitation of the act, within the powers granted to the  
9 commission by the act and to perform such agreements. The provisions of  
10 any such agreements may be made a part of the contract with the holders  
11 of the bonds.

12 Sec. 30. Section 39-2212, Reissue Revised Statutes of Nebraska, is  
13 amended to read:

14 39-2212 Any pledge or security instrument made by the commission  
15 shall be valid and binding from the time when the pledge or security  
16 instrument is made. The money in the fund, the State Highway Capital  
17 Improvement Fund, or the ~~or~~ bond fund so pledged and entrusted shall  
18 immediately be subject to the lien of such pledge or security instrument  
19 upon the deposit thereof in the fund without any physical delivery  
20 thereof or further act. The lien of any such pledge or security  
21 instrument shall be valid and binding as against all parties having  
22 subsequently arising claims of any kind in tort, contract, or otherwise,  
23 irrespective of whether such parties have notice thereof. Neither the  
24 resolution nor any security instrument or other instrument by which a  
25 pledge or other security is created need be recorded or filed and the  
26 commission shall not be required to comply with any of the provisions of  
27 the Uniform Commercial Code.

28 Sec. 31. Section 39-2213, Reissue Revised Statutes of Nebraska, is  
29 amended to read:

30 39-2213 The bonds shall be special obligations of the state payable  
31 solely and only from the fund, the State Highway Capital Improvement



1 Fund, or the ~~or~~ bond fund, as the case may be, and neither the members of  
2 the commission nor any person executing the bonds shall be liable  
3 thereon. Such bonds shall not be a general obligation debt of this state  
4 and they shall contain on the face thereof a statement to such effect.

5       Sec. 32. (1) If bonds are issued pursuant to subsection (3) of  
6 section 39-2223, all sales and use taxes which are retained by the state  
7 and allocated to the State Highway Capital Improvement Fund pursuant to  
8 section 77-27,132 shall be hereby irrevocably pledged for the terms of  
9 the bonds to the payment of the principal, interest, and redemption  
10 premium, if any, of such bonds as they mature and become due at maturity  
11 or prior redemption and for any reserves therefor and shall, as received  
12 by the State Treasurer, be deposited directly in the State Highway  
13 Capital Improvement Fund for such purpose. Of the money in the State  
14 Highway Capital Improvement Fund not required for such purpose, such  
15 remaining money may be used as prescribed in section 39-2704.

16       (2) The State Treasurer shall disburse the money in the State  
17 Highway Capital Improvement Fund as directed by resolution of the  
18 commission. All disbursements from the State Highway Capital Improvement  
19 Fund shall be made upon warrants drawn by the Director of Administrative  
20 Services. Any money in the State Highway Capital Improvement Fund  
21 available for investment shall be invested by the state investment  
22 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska  
23 State Funds Investment Act.

24       Sec. 33. Section 39-2216, Reissue Revised Statutes of Nebraska, is  
25 amended to read:

26       39-2216 The Legislature hereby irrevocably pledges and agrees with  
27 the holders of the bonds issued under the Nebraska Highway Bond Act that  
28 so long as such bonds remain outstanding and unpaid it shall not repeal,  
29 diminish, or apply to any other purposes the motor vehicle fuel taxes,  
30 diesel fuel taxes, compressed fuel taxes, and alternative fuel fees  
31 related to highway use, motor vehicle registration fees, sales and use

1 taxes credited to the State Highway Capital Improvement Fund pursuant to  
2 section 77-27,132, and such other highway-user taxes which may be imposed  
3 by state law and allocated to the fund, the State Highway Capital  
4 Improvement Fund, or the ~~or~~ bond fund, as the case may be, if to do so  
5 would result in fifty percent of the amount deposited in the fund, the  
6 State Highway Capital Improvement Fund, or the ~~or~~ bond fund in each year  
7 being less than the amount equal to the maximum annual principal and  
8 interest requirements of such bonds.

9       Sec. 34. Section 39-2222, Reissue Revised Statutes of Nebraska, is  
10 amended to read:

11       39-2222 Sections 39-2201 to 39-2226 and sections 24 to 26 and 32 of  
12 this act shall be known and may be cited as the Nebraska Highway Bond  
13 Act.

14       Sec. 35. Section 39-2223, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16       39-2223 (1) Under the authority granted by Article XIII, section 1,  
17 of the Constitution of Nebraska, the Legislature hereby authorizes the  
18 issuance of bonds in the principal amount of twenty million dollars in  
19 1969 and in the principal amount of twenty million dollars on or before  
20 June 30, 1977, with the proceeds thereof to be used for the construction  
21 of highways in this state, the Legislature expressly finding that the  
22 need for such construction requires such action. Such bonds shall in all  
23 respects comply with the provisions of Article XIII, section 1, of the  
24 Constitution of Nebraska.

25       (2) Under the authority granted by Article XIII, section 1, of the  
26 Constitution of Nebraska, the Legislature hereby authorizes after July 1,  
27 1988, the issuance of bonds in a principal amount to be determined by the  
28 commission, not to exceed fifty million dollars. The outstanding  
29 principal amount of such bonds may exceed such limit if and to the extent  
30 that the commission determines that the issuance of advance refunding  
31 bonds under section 39-2226 in a principal amount greater than the bonds

1 to be refunded would reduce the aggregate bond principal and interest  
2 requirements payable from the bond fund. The proceeds of such issues  
3 shall be used exclusively (a) for the construction, resurfacing,  
4 reconstruction, rehabilitation, and restoration of highways in this  
5 state, the Legislature expressly finding that the need for such  
6 construction and reconstruction work and the vital importance of the  
7 highway system to the welfare and safety of all Nebraskans requires such  
8 action, or (b) to eliminate or alleviate cash-flow problems resulting  
9 from the receipt of federal funds. Such bonds shall in all respects  
10 comply with the provisions of Article XIII, section 1, of the  
11 Constitution of Nebraska.

12 (3) Under the authority granted by Article XIII, section 1, of the  
13 Constitution of Nebraska, the Legislature hereby authorizes after July 1,  
14 2023, in addition to the authority granted in subsections (1) and (2) of  
15 this section, the issuance of bonds in one or more series in an aggregate  
16 principal amount to be determined by the commission, not to exceed four  
17 hundred fifty million dollars. The outstanding principal amount of such  
18 bonds may exceed such limit if and to the extent that the commission  
19 determines that the issuance of advance refunding bonds under section  
20 39-2226 in a principal amount greater than the bonds to be refunded would  
21 reduce the aggregate bond principal and interest requirements payable  
22 from the State Highway Capital Improvement Fund. The proceeds of such  
23 issues shall be used exclusively for purposes of the Build Nebraska Act,  
24 the Legislature expressly finding that the need for such construction and  
25 reconstruction work and the vital importance of the highway system to the  
26 welfare and safety of all Nebraskans requires such action. Such bonds  
27 shall in all respects comply with the provisions of Article XIII, section  
28 1, of the Constitution of Nebraska.

29 Sec. 36. Section 39-2224, Revised Statutes Cumulative Supplement,  
30 2022, is amended to read:

31 39-2224 (1) The proceeds of the sale of bonds authorized by

1 subsection (1) of section 39-2223 are hereby appropriated to the Highway  
2 Cash Fund of the Department of Transportation, for the biennium ending  
3 June 30, 1977, for expenditure for the construction of highways.

4 (2) The proceeds of the sale of bonds authorized by subsection (2)  
5 of section 39-2223 are hereby appropriated to the Highway Cash Fund of  
6 the Department of Transportation for expenditure for highway  
7 construction, resurfacing, reconstruction, rehabilitation, and  
8 restoration and for the elimination or alleviation of cash-flow problems  
9 resulting from the receipt of federal funds.

10 (3) The proceeds of the sale of bonds authorized by subsection (3)  
11 of section 39-2223 are hereby appropriated to the State Highway Capital  
12 Improvement Fund of the Department of Transportation for use pursuant to  
13 the Build Nebraska Act.

14 Sec. 37. Section 39-2703, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 39-2703 (1) The State Highway Capital Improvement Fund is created.  
17 The fund shall consist of money credited to the fund pursuant to section  
18 77-27,132, proceeds of bonds issued pursuant to subsection (3) of section  
19 39-2223, and any other money as determined by the Legislature.

20 (2) The department may create or direct the creation of accounts  
21 within the fund as the department determines to be appropriate and useful  
22 in administering the fund.

23 (3) Any money in the fund available for investment shall be invested  
24 by the state investment officer pursuant to the Nebraska Capital  
25 Expansion Act and the Nebraska State Funds Investment Act. Investment  
26 earnings from investment of money in the fund shall be credited to the  
27 fund.

28 Sec. 38. Section 39-2704, Reissue Revised Statutes of Nebraska, is  
29 amended to read:

30 39-2704 (1) The money credited to the fund pursuant to section  
31 77-27,132 shall be used for repayment of bonds issued pursuant to

1 subsection (3) of section 39-2223. If any of the money credited to the  
2 fund pursuant to section 77-27,132 exceeds the amount of the annual  
3 principal and interest requirements for such bonds which are issued, such  
4 money shall be used as follows:

5 (a) (1) At least twenty-five percent of the money credited to the  
6 fund pursuant to section 77-27,132 each fiscal year shall be used, as  
7 determined by the department, for construction of the expressway system  
8 and federally designated high priority corridors; and

9 (b) (2) The remaining money credited to the fund pursuant to section  
10 77-27,132 each fiscal year shall be used to pay for surface  
11 transportation projects of the highest priority as determined by the  
12 department.

13 (2) The proceeds of bonds issued pursuant to subsection (3) of  
14 section 39-2223 which are credited to the fund shall be used as follows:

15 (a) At least seventy-five percent of the proceeds from such bonds  
16 shall be used, as determined by the department, for construction of the  
17 expressway system and federally designated high priority corridors; and

18 (b) The remaining proceeds shall be used to pay for surface  
19 transportation projects of the highest priority as determined by the  
20 department.

21 Sec. 39. Section 68-1201, Revised Statutes Cumulative Supplement,  
22 2022, is amended to read:

23 68-1201 In determining eligibility for the program for aid to  
24 dependent children pursuant to section 43-512 as administered by the  
25 State of Nebraska pursuant to the federal Temporary Assistance for Needy  
26 Families program, 42 U.S.C. 601 et seq., for the low-income home energy  
27 assistance program administered by the State of Nebraska pursuant to the  
28 federal Energy Policy Act of 2005, 42 U.S.C. 8621 to 8630, for the  
29 Supplemental Nutrition Assistance Program administered by the State of  
30 Nebraska pursuant to the federal Food and Nutrition Act of 2008, 7 U.S.C.  
31 2011 et seq., and for the child care subsidy program established pursuant

1 to section 68-1202, the following shall not be included in determining  
2 assets or income:

3 (1) Assets in or income from an educational savings account, a  
4 Coverdell educational savings account described in 26 U.S.C. 530, a  
5 qualified tuition program established pursuant to 26 U.S.C. 529, or any  
6 similar savings account or plan established to save for qualified higher  
7 education expenses as defined in section 84 of this act ~~85-1802~~;

8 (2) Income from scholarships or grants related to postsecondary  
9 education, whether merit-based, need-based, or a combination thereof;

10 (3) Income from postsecondary educational work-study programs,  
11 whether federally funded, funded by a postsecondary educational  
12 institution, or funded from any other source;

13 (4) Assets in or income from an account under a qualified program as  
14 provided in section 77-1402;

15 (5) Income received for participation in grant-funded research on  
16 the impact that income has on the development of children in low-income  
17 families, except that such exclusion of income must not exceed four  
18 thousand dollars per year for a maximum of eight years and such exclusion  
19 shall only be made if the exclusion is permissible under federal law for  
20 each program referenced in this section. No such exclusion shall be made  
21 for such income on or after December 31, 2026; and

22 (6) Income from any tax credits received pursuant to the School  
23 Readiness Tax Credit Act.

24 Sec. 40. Section 72-1239.01, Revised Statutes Cumulative Supplement,  
25 2022, is amended to read:

26 72-1239.01 (1)(a) The appointed members of the council shall have  
27 the responsibility for the investment management of the assets of the  
28 retirement systems administered by the Public Employees Retirement Board  
29 as provided in section 84-1503, the assets of the Nebraska educational  
30 savings plan trust as provided in section 88 of this act ~~created pursuant~~  
31 ~~to sections 85-1801 to 85-1817~~, the assets of the achieving a better life

1 experience program pursuant to sections 77-1401 to 77-1409, and beginning  
2 January 1, 2017, the assets of each retirement system provided for under  
3 the Class V School Employees Retirement Act. Except as provided in  
4 subsection (4) of this section, the appointed members shall be deemed  
5 fiduciaries with respect to the investment of the assets of the  
6 retirement systems, of the Nebraska educational savings plan trust, and  
7 of the achieving a better life experience program and shall be held to  
8 the standard of conduct of a fiduciary specified in subsection (3) of  
9 this section. The nonvoting, ex officio members of the council shall not  
10 be deemed fiduciaries.

11 (b) As fiduciaries, the appointed members of the council and the  
12 state investment officer shall discharge their duties with respect to the  
13 assets of the retirement systems, of the Nebraska educational savings  
14 plan trust, and of the achieving a better life experience program solely  
15 in the interests of the members and beneficiaries of the retirement  
16 systems or the interests of the participants and beneficiaries of the  
17 Nebraska educational savings plan trust and the achieving a better life  
18 experience program, as the case may be, for the exclusive purposes of  
19 providing benefits to members, members' beneficiaries, participants, and  
20 participants' beneficiaries and defraying reasonable expenses incurred  
21 within the limitations and according to the powers, duties, and purposes  
22 prescribed by law.

23 (2)(a) The appointed members of the council shall have the  
24 responsibility for the investment management of the assets of state  
25 funds. The appointed members shall be deemed fiduciaries with respect to  
26 the investment of the assets of state funds and shall be held to the  
27 standard of conduct of a fiduciary specified in subsection (3) of this  
28 section. The nonvoting, ex officio members of the council shall not be  
29 deemed fiduciaries.

30 (b) As fiduciaries, the appointed members of the council and the  
31 state investment officer shall discharge their duties with respect to the

1 assets of state funds solely in the interests of the citizens of the  
2 state within the limitations and according to the powers, duties, and  
3 purposes prescribed by law.

4 (3) The appointed members of the council shall act with the care,  
5 skill, prudence, and diligence under the circumstances then prevailing  
6 that a prudent person acting in like capacity and familiar with such  
7 matters would use in the conduct of an enterprise of a like character and  
8 with like aims by diversifying the investments of the assets of the  
9 retirement systems, the Nebraska educational savings plan trust, the  
10 achieving a better life experience program, and state funds so as to  
11 minimize risk of large losses, unless in light of such circumstances it  
12 is clearly prudent not to do so. No assets of the retirement systems, the  
13 Nebraska educational savings plan trust, or the achieving a better life  
14 experience program shall be invested or reinvested if the sole or primary  
15 investment objective is for economic development or social purposes or  
16 objectives.

17 (4) Neither the appointed members of the council nor the state  
18 investment officer shall be deemed fiduciaries with respect to  
19 investments of the assets of a retirement system provided for under the  
20 Class V School Employees Retirement Act made by or on behalf of the board  
21 of education as defined in section 79-978 or the board of trustees  
22 provided for in section 79-980. Neither the council nor any member  
23 thereof nor the state investment officer shall be liable for the action  
24 or inaction of the board of education or the board of trustees with  
25 respect to the investment of the assets of a retirement system provided  
26 for under the Class V School Employees Retirement Act, the consequences  
27 of any such action or inaction of the board of education or the board of  
28 trustees, and any claims, suits, losses, damages, fees, and costs related  
29 to such action or inaction or consequences thereof.

30 Sec. 41. Section 77-3,110, Revised Statutes Cumulative Supplement,  
31 2022, is amended to read:



1           77-3,110 (1) All funds received pursuant to sections 77-3,109 and  
2 77-3,118 shall be remitted to the State Treasurer for credit to the  
3 Department of Revenue Miscellaneous Receipts Fund which is hereby  
4 created.

5           ~~(2) On or before September 1, 2020, the State Treasurer shall~~  
6 ~~transfer fifty-nine thousand five hundred dollars from the College~~  
7 ~~Savings Plan Expense Fund to the Department of Revenue Miscellaneous~~  
8 ~~Receipts Fund.~~

9           (2) ~~(3)~~ All money in the Department of Revenue Miscellaneous  
10 Receipts Fund shall be administered by the Department of Revenue and  
11 shall be used as follows: ~~(a) Any money transferred to the fund under~~  
12 ~~subsection (2) of this section shall be used by the Department of Revenue~~  
13 ~~to defray the costs incurred to implement Laws 2020, LB1042; and (b) All~~  
14 ~~other funds shall be used to defray the cost of production of the~~  
15 ~~publications listed in section 77-3,109 or of the listings described in~~  
16 ~~section 77-3,118 and to carry out any administrative responsibilities of~~  
17 ~~the department.~~

18           (3) ~~(4)~~ Transfers may be made from the fund to the General Fund at  
19 the direction of the Legislature. Any money in the Department of Revenue  
20 Miscellaneous Receipts Fund available for investment shall be invested by  
21 the state investment officer pursuant to the Nebraska Capital Expansion  
22 Act and the Nebraska State Funds Investment Act.

23           Sec. 42. Section 77-908, Revised Statutes Cumulative Supplement,  
24 2022, is amended to read:

25           77-908 Every insurance company organized under the stock, mutual,  
26 assessment, or reciprocal plan, except fraternal benefit societies, which  
27 is transacting business in this state shall, on or before March 1 of each  
28 year, pay a tax to the director of one percent of the gross amount of  
29 direct writing premiums received by it during the preceding calendar year  
30 for business done in this state, except that (1) for group sickness and  
31 accident insurance the rate of such tax shall be five-tenths of one

1 percent and (2) for property and casualty insurance, excluding individual  
2 sickness and accident insurance, the rate of such tax shall be one  
3 percent. A captive insurer authorized under the Captive Insurers Act that  
4 is transacting business in this state shall, on or before March 1 of each  
5 year, pay to the director a tax of one-fourth of one percent of the gross  
6 amount of direct writing premiums received by such insurer during the  
7 preceding calendar year for business transacted in the state. The taxable  
8 premiums shall include premiums paid on the lives of persons residing in  
9 this state and premiums paid for risks located in this state whether the  
10 insurance was written in this state or not, including that portion of a  
11 group premium paid which represents the premium for insurance on Nebraska  
12 residents or risks located in Nebraska included within the group when the  
13 number of lives in the group exceeds five hundred. The tax shall also  
14 apply to premiums received by domestic companies for insurance written on  
15 individuals residing outside this state or risks located outside this  
16 state if no comparable tax is paid by the direct writing domestic company  
17 to any other appropriate taxing authority. Companies whose scheme of  
18 operation contemplates the return of a portion of premiums to  
19 policyholders, without such policyholders being claimants under the terms  
20 of their policies, may deduct such return premiums or dividends from  
21 their gross premiums for the purpose of tax calculations. Any such  
22 insurance company shall receive a credit on the tax imposed as provided  
23 in the Community Development Assistance Act, the Nebraska Job Creation  
24 and Mainstreet Revitalization Act, the New Markets Job Growth Investment  
25 Act, the Nebraska Biodiesel Tax Credit Act, the Nebraska Higher Blend Tax  
26 Credit Act, and the Affordable Housing Tax Credit Act.

27 Sec. 43. Section 77-1344, Revised Statutes Cumulative Supplement,  
28 2022, is amended to read:

29 77-1344 (1) Agricultural or horticultural land which has an actual  
30 value as defined in section 77-112 reflecting purposes or uses other than  
31 agricultural or horticultural purposes or uses shall be assessed as

1 provided in subsection (3) of section 77-201 if the land meets the  
2 qualifications of this subsection and an application for such special  
3 valuation is filed and approved pursuant to section 77-1345. In order for  
4 the land to qualify for special valuation, ~~all of the following criteria~~  
5 ~~shall be met: (a) The land must be located outside the corporate~~  
6 ~~boundaries of any sanitary and improvement district, city, or village~~  
7 ~~except as provided in subsection (2) of this section; and (b) the land~~  
8 ~~must be agricultural or horticultural land and must consist of five acres~~  
9 ~~or more. If the land consists of five contiguous acres or less, the owner~~  
10 ~~or lessee of the land must also provide an Internal Revenue Service~~  
11 ~~Schedule F documenting a profit or loss from farming for two out of the~~  
12 ~~last three years in order for such land to qualify for special valuation.~~

13 ~~(2) Special valuation may be applicable to agricultural or~~  
14 ~~horticultural land included within the corporate boundaries of a city or~~  
15 ~~village if:~~

16 ~~(a) The land is subject to a conservation or preservation easement~~  
17 ~~as provided in the Conservation and Preservation Easements Act and the~~  
18 ~~governing body of the city or village approves the agreement creating the~~  
19 ~~easement;~~

20 ~~(b) The land is subject to air installation compatible use zone~~  
21 ~~regulations; or~~

22 ~~(c) The land is within a flood plain.~~

23 ~~(2) (3) The eligibility of land for the special valuation provisions~~  
24 ~~of this section shall be determined each year as of January 1. If the~~  
25 ~~land so qualified becomes disqualified on or before December 31 of that~~  
26 ~~year, it shall continue to receive the special valuation until January 1~~  
27 ~~of the year following.~~

28 ~~(3) (4) The special valuation placed on such land by the county~~  
29 ~~assessor under this section shall be subject to equalization by the~~  
30 ~~county board of equalization and the Tax Equalization and Review~~  
31 ~~Commission.~~

1           Sec. 44. Section 77-1347, Revised Statutes Cumulative Supplement,  
2 2022, is amended to read:

3           77-1347 Upon approval of an application, the county assessor shall  
4 value the land as provided in section 77-1344 until the land becomes  
5 disqualified for such valuation by:

6           (1) Written notification by the applicant or his or her successor in  
7 interest to the county assessor to remove such special valuation;

8           (2) Inclusion ~~Except as provided in subsection (2) of section~~  
9 ~~77-1344, inclusion~~ of the land within the corporate boundaries of any  
10 sanitary and improvement district, city, or village, except that this  
11 subdivision shall not apply on or after January 1, 2023; or

12           (3) The land no longer qualifying as agricultural or horticultural  
13 land. ~~;~~

14           ~~(4) For land that consists of five contiguous acres or less, the~~  
15 ~~owner or lessee of the land not being able to provide an Internal Revenue~~  
16 ~~Service Schedule F documenting a profit or loss from farming for two out~~  
17 ~~of the last three years.~~

18           Sec. 45. Section 77-1403, Revised Statutes Cumulative Supplement,  
19 2022, is amended to read:

20           77-1403 (1) Unless otherwise permitted under section 529A, the owner  
21 of an account shall be the designated beneficiary of the account, except  
22 that if the designated beneficiary of the account is a minor or has a  
23 custodian or other fiduciary appointed for the purposes of managing such  
24 beneficiary's financial affairs, a custodian or fiduciary for such  
25 designated beneficiary may serve as the account owner if such form of  
26 ownership is permitted or not prohibited under section 529A.

27           (2) Unless otherwise permitted under section 529A, the designated  
28 beneficiary of an account shall be a resident of the state or of a  
29 contracting state. The State Treasurer shall determine residency of  
30 Nebraska residents for such purpose in such manner as may be required or  
31 permissible under section 529A or, in the absence of any guidance under

1 section 529A, by such other means as the State Treasurer shall consider  
2 advisable for purposes of satisfying the requirements of section 529A.

3 (3) To the extent permitted by federal law, upon the death of a  
4 designated beneficiary of an account, the owner of the account or the  
5 personal representative of the designated beneficiary may have the  
6 balance of the account transferred to another account under the program  
7 specified by the owner of the account, the designated beneficiary, or the  
8 estate of the designated beneficiary. If the balance of the account on  
9 the date of death is less than or equal to five thousand dollars, the  
10 owner of the account or the personal representative of the designated  
11 beneficiary may also have the balance of the account distributed to an  
12 individual or individuals specified by the designated beneficiary, the  
13 owner of the account, or the personal representative of the designated  
14 beneficiary.

15 (4) At the time an account is established under the program and  
16 prior to any transfer or distribution pursuant to subsection (3) of this  
17 section, the State Treasurer shall notify the owner of the account, the  
18 designated beneficiary, and the estate of the designated beneficiary, if  
19 applicable, of the potential tax consequences of transferring or  
20 distributing funds pursuant to subsection (3) of this section.

21 (5) Upon the death of a designated beneficiary and after the  
22 Department of Health and Human Services has received approval from the  
23 Centers for Medicare and Medicaid Services of the United States  
24 Department of Health and Human Services:

25 (a) The state shall not seek recovery of any amount remaining in the  
26 account of the designated beneficiary for any amount of medical  
27 assistance received by the designated beneficiary or his or her spouse or  
28 dependent under the medical assistance program pursuant to the Medical  
29 Assistance Act after the establishment of the account; and

30 (b) The state shall not file a claim for the payment under  
31 subdivision (f) of section 529A of the Internal Revenue Code, as amended.

1           Sec. 46. Section 77-2701, Revised Statutes Cumulative Supplement,  
2 2022, is amended to read:

3           77-2701 Sections 77-2701 to 77-27,135.01, 77-27,222, 77-27,235,  
4 77-27,236, and 77-27,238 to 77-27,240 and sections 50 and 54 of this act  
5 shall be known and may be cited as the Nebraska Revenue Act of 1967.

6           Sec. 47. Section 77-2701.02, Reissue Revised Statutes of Nebraska,  
7 is amended to read:

8           77-2701.02 Pursuant to section 77-2715.01:

9           (1) Until July 1, 1998, the rate of the sales tax levied pursuant to  
10 section 77-2703 shall be five percent;

11           (2) Commencing July 1, 1998, and until July 1, 1999, the rate of the  
12 sales tax levied pursuant to section 77-2703 shall be four and one-half  
13 percent;

14           (3) Commencing July 1, 1999, and until the start of the first  
15 calendar quarter after July 20, 2002, the rate of the sales tax levied  
16 pursuant to section 77-2703 shall be five percent;~~and~~

17           (4) Commencing on the start of the first calendar quarter after July  
18 20, 2002, the rate of the sales tax levied pursuant to section 77-2703  
19 shall be five and one-half percent; and -

20           (5) Commencing July 1, 2023, the rate of the sales tax levied  
21 pursuant to section 77-2703 shall be five and one-half percent, except  
22 that such rate shall be two and three-quarters percent on transactions  
23 occurring within a good life district as defined in section 11 of this  
24 act.

25           Sec. 48. Section 77-2701.04, Revised Statutes Cumulative Supplement,  
26 2022, is amended to read:

27           77-2701.04 For purposes of sections 77-2701.04 to 77-2713 and  
28 77-27,239 and sections 50 and 54 of this act, unless the context  
29 otherwise requires, the definitions found in sections 77-2701.05 to  
30 77-2701.55 and section 50 of this act shall be used.

31           Sec. 49. Section 77-2701.41, Revised Statutes Cumulative Supplement,

1 2022, is amended to read:

2 77-2701.41 Taxpayer means any person subject to a tax imposed by  
3 sections 77-2701 to 77-2713 and sections 50 and 54 of this act.

4 Sec. 50. Buyer-based exemption means an exemption based on who  
5 purchases the product. An exemption that is available to all individuals  
6 shall not be considered a buyer-based exemption.

7 Sec. 51. Section 77-2704.12, Revised Statutes Cumulative Supplement,  
8 2022, is amended to read:

9 77-2704.12 (1) Sales and use taxes shall not be imposed on the gross  
10 receipts from the sale, lease, or rental of and the storage, use, or  
11 other consumption in this state of purchases by (a) any nonprofit  
12 organization created exclusively for religious purposes, (b) any  
13 nonprofit organization providing services exclusively to the blind, (c)  
14 any nonprofit private educational institution established under sections  
15 79-1601 to 79-1607, (d) any accredited, nonprofit, privately controlled  
16 college or university with its primary campus physically located in  
17 Nebraska, (e) any nonprofit (i) hospital, (ii) health clinic when one or  
18 more hospitals or the parent corporations of the hospitals own or control  
19 the health clinic for the purpose of reducing the cost of health services  
20 or when the health clinic receives federal funds through the United  
21 States Public Health Service for the purpose of serving populations that  
22 are medically underserved, (iii) skilled nursing facility, (iv)  
23 intermediate care facility, (v) assisted-living facility, (vi)  
24 intermediate care facility for persons with developmental disabilities,  
25 (vii) nursing facility, (viii) home health agency, (ix) hospice or  
26 hospice service, (x) respite care service, (xi) mental health substance  
27 use treatment center licensed under the Health Care Facility Licensure  
28 Act, or (xii) center for independent living as defined in 29 U.S.C. 796a,  
29 (f) any nonprofit licensed residential child-caring agency, (g) any  
30 nonprofit licensed child-placing agency, ~~or~~ (h) any nonprofit  
31 organization certified by the Department of Health and Human Services to

1 provide community-based services for persons with developmental  
2 disabilities, or (i) any nonprofit organization certified or contracted  
3 by a regional behavioral health authority or the Division of Behavioral  
4 Health of the Department of Health and Human Services to provide  
5 community-based mental health or substance use services.

6 (2) Any organization listed in subsection (1) of this section shall  
7 apply for an exemption on forms provided by the Tax Commissioner. The  
8 application shall be approved and a numbered certificate of exemption  
9 received by the applicant organization in order to be exempt from the  
10 sales and use tax.

11 (3) The appointment of purchasing agents shall be recognized for the  
12 purpose of altering the status of the construction contractor as the  
13 ultimate consumer of building materials which are physically annexed to  
14 the structure and which subsequently belong to the owner of the  
15 organization or institution. The appointment of purchasing agents shall  
16 be in writing and occur prior to having any building materials annexed to  
17 real estate in the construction, improvement, or repair. The contractor  
18 who has been appointed as a purchasing agent may apply for a refund of or  
19 use as a credit against a future use tax liability the tax paid on  
20 inventory items annexed to real estate in the construction, improvement,  
21 or repair of a project for a licensed not-for-profit institution.

22 (4) Any organization listed in subsection (1) of this section which  
23 enters into a contract of construction, improvement, or repair upon  
24 property annexed to real estate without first issuing a purchasing agent  
25 authorization to a contractor or repairperson prior to the building  
26 materials being annexed to real estate in the project may apply to the  
27 Tax Commissioner for a refund of any sales and use tax paid by the  
28 contractor or repairperson on the building materials physically annexed  
29 to real estate in the construction, improvement, or repair.

30 (5) Any person purchasing, storing, using, or otherwise consuming  
31 building materials in the performance of any construction, improvement,



1 or repair by or for any institution enumerated in subsection (1) of this  
2 section which is licensed upon completion although not licensed at the  
3 time of construction or improvement, which building materials are annexed  
4 to real estate and which subsequently belong to the owner of the  
5 institution, shall pay any applicable sales or use tax thereon. Upon  
6 becoming licensed and receiving a numbered certificate of exemption, the  
7 institution organized not for profit shall be entitled to a refund of the  
8 amount of taxes so paid in the performance of such construction,  
9 improvement, or repair and shall submit whatever evidence is required by  
10 the Tax Commissioner sufficient to establish the total sales and use tax  
11 paid upon the building materials physically annexed to real estate in the  
12 construction, improvement, or repair.

13 Sec. 52. Section 77-2704.15, Revised Statutes Cumulative Supplement,  
14 2022, is amended to read:

15 77-2704.15 (1)(a) Sales and use taxes shall not be imposed on the  
16 gross receipts from the sale, lease, or rental of and the storage, use,  
17 or other consumption in this state of purchases by the state, including  
18 public educational institutions recognized or established under the  
19 provisions of Chapter 85, or by any county, township, city, village,  
20 rural or suburban fire protection district, city airport authority,  
21 county airport authority, joint airport authority, drainage district  
22 organized under sections 31-401 to 31-450, sanitary drainage district  
23 organized under sections 31-501 to 31-553, land bank created under the  
24 Nebraska Municipal Land Bank Act, natural resources district, county  
25 agricultural society, elected county fair board, housing agency as  
26 defined in section 71-1575 except for purchases for any commercial  
27 operation that does not exclusively benefit the residents of an  
28 affordable housing project, cemetery created under section 12-101, or  
29 joint entity or agency formed by any combination of two or more counties,  
30 townships, cities, villages, or other exempt governmental units pursuant  
31 to the Interlocal Cooperation Act, the Integrated Solid Waste Management

1 Act, or the Joint Public Agency Act, except for purchases for use in the  
2 business of furnishing gas, water, electricity, or heat, or by any  
3 irrigation or reclamation district, the irrigation division of any public  
4 power and irrigation district, or public schools or learning communities  
5 established under Chapter 79.

6 (b) For purposes of this subsection, purchases by the state or by a  
7 governmental unit listed in subdivision (a) of this subsection include  
8 purchases by any a nonprofit corporation under a lease-purchase  
9 agreement, financing lease, or other instrument which provides for  
10 transfer of title to the property to the state or governmental unit upon  
11 payment of all amounts due thereunder. If any a nonprofit corporation  
12 will be making purchases under a lease-purchase agreement, financing  
13 lease, or other instrument as part of a project with a total estimated  
14 cost that exceeds the threshold amount, then such purchases shall qualify  
15 for an exemption under this section only if the question of proceeding  
16 with such project has been submitted at a primary, general, or special  
17 election held within the governmental unit that will be a party to the  
18 lease-purchase agreement, financing lease, or other instrument and has  
19 been approved by the voters of such governmental unit or the governmental  
20 unit's expenditure towards the project is paid in whole or in part with  
21 redevelopment bonds. For purposes of this subdivision, (i) project means  
22 the acquisition of real property or the construction of a public building  
23 and (ii) threshold amount means the greater of fifty thousand dollars or  
24 six-tenths of one percent of the total actual value of real and personal  
25 property of the governmental unit that will be a party to the lease-  
26 purchase agreement, financing lease, or other instrument as of the end of  
27 the governmental unit's prior fiscal year.

28 (2) The appointment of purchasing agents shall be recognized for the  
29 purpose of altering the status of the construction contractor as the  
30 ultimate consumer of building materials which are physically annexed to  
31 the structure and which subsequently belong to the state or the

1 governmental unit. The appointment of purchasing agents shall be in  
2 writing and occur prior to having any building materials annexed to real  
3 estate in the construction, improvement, or repair. The contractor who  
4 has been appointed as a purchasing agent may apply for a refund of or use  
5 as a credit against a future use tax liability the tax paid on inventory  
6 items annexed to real estate in the construction, improvement, or repair  
7 of a project for the state or a governmental unit.

8 (3) Any governmental unit listed in subsection (1) of this section,  
9 except the state, which enters into a contract of construction,  
10 improvement, or repair upon property annexed to real estate without first  
11 issuing a purchasing agent authorization to a contractor or repairperson  
12 prior to the building materials being annexed to real estate in the  
13 project may apply to the Tax Commissioner for a refund of any sales and  
14 use tax paid by the contractor or repairperson on the building materials  
15 physically annexed to real estate in the construction, improvement, or  
16 repair.

17 Sec. 53. Section 77-2704.36, Revised Statutes Cumulative Supplement,  
18 2022, is amended to read:

19 77-2704.36 (1) Sales and use tax shall not be imposed on the gross  
20 receipts from the sale, lease, or rental of:

21 (a) Depreciable agricultural machinery and equipment purchased,  
22 leased, or rented on or after January 1, 1993, for use in commercial  
23 agriculture; or

24 (b) Net wrap, baling wire, and twine purchased for use in commercial  
25 agriculture.

26 (2) For purposes of this section:

27 (a)(i) Agricultural machinery and equipment means tangible personal  
28 property that is used directly in (A) cultivating or harvesting a crop,  
29 (B) raising or caring for animal life, (C) protecting the health and  
30 welfare of animal life, including fans, curtains, and climate control  
31 equipment within livestock buildings, or (D) collecting or processing an

1 agricultural product on a farm or ranch, regardless of the degree of  
2 attachment to any real property; and

3 (ii) Agricultural machinery and equipment includes, but is not  
4 limited to, header trailers, head haulers, header transports, and seed  
5 tender trailers and excludes any current tractor model as defined in  
6 section 2-2701.01 not permitted for sale in Nebraska pursuant to sections  
7 2-2701 to 2-2711;~~and~~

8 (b) Baling wire means wire used in the baling of livestock feed or  
9 bedding;

10 (c) ~~(b)~~ Net wrap means plastic wrap used in the baling of livestock  
11 feed or bedding; and hay-

12 (d) Twine means a strong string of two or more strands twisted  
13 together used in the baling of livestock feed or bedding.

14 Sec. 54. (1) The appointment of purchasing agents shall be  
15 recognized for the purpose of permitting a construction contractor to  
16 purchase materials tax free based on the buyer-based exemption of the  
17 contractor's client for items that are physically annexed to the  
18 structure and which subsequently belong to the client who is eligible for  
19 the buyer-based exemption. The appointment of purchasing agents shall be  
20 in writing and occur prior to having any buyer-based tax-exempt items  
21 annexed to real estate in the construction, improvement, or repair. The  
22 contractor who has been appointed as a purchasing agent may purchase the  
23 materials tax free or may apply for a refund of or use as a credit  
24 against a future use tax liability the tax paid on inventory items  
25 annexed to real estate in the construction, improvement, or repair of a  
26 project that belongs to the client who is eligible for the buyer-based  
27 exemption.

28 (2) A client described in subsection (1) of this section which  
29 enters into a contract of construction, improvement, or repair with  
30 respect to buyer-based tax-exempt items annexed to real estate without  
31 first issuing a purchasing agent authorization to a construction

1 contractor prior to such items being annexed to real estate in the  
2 project may apply to the Tax Commissioner for a refund of any sales and  
3 use tax paid by the contractor on such items physically annexed to real  
4 estate in the construction, improvement, or repair.

5 Sec. 55. Section 77-2711, Revised Statutes Cumulative Supplement,  
6 2022, is amended to read:

7 77-2711 (1)(a) The Tax Commissioner shall enforce sections  
8 77-2701.04 to 77-2713 and sections 50 and 54 of this act and may  
9 prescribe, adopt, and enforce rules and regulations relating to the  
10 administration and enforcement of such sections.

11 (b) The Tax Commissioner may prescribe the extent to which any  
12 ruling or regulation shall be applied without retroactive effect.

13 (2) The Tax Commissioner may employ accountants, auditors,  
14 investigators, assistants, and clerks necessary for the efficient  
15 administration of the Nebraska Revenue Act of 1967 and may delegate  
16 authority to his or her representatives to conduct hearings, prescribe  
17 regulations, or perform any other duties imposed by such act.

18 (3)(a) Every seller, every retailer, and every person storing,  
19 using, or otherwise consuming in this state property purchased from a  
20 retailer shall keep such records, receipts, invoices, and other pertinent  
21 papers in such form as the Tax Commissioner may reasonably require.

22 (b) Every such seller, retailer, or person shall keep such records  
23 for not less than three years from the making of such records unless the  
24 Tax Commissioner in writing sooner authorized their destruction.

25 (4) The Tax Commissioner or any person authorized in writing by him  
26 or her may examine the books, papers, records, and equipment of any  
27 person selling property and any person liable for the use tax and may  
28 investigate the character of the business of the person in order to  
29 verify the accuracy of any return made or, if no return is made by the  
30 person, to ascertain and determine the amount required to be paid. In the  
31 examination of any person selling property or of any person liable for

1 the use tax, an inquiry shall be made as to the accuracy of the reporting  
2 of city and county sales and use taxes for which the person is liable  
3 under the Local Option Revenue Act or sections 13-319, 13-324, 13-2813,  
4 and 77-6403 and the accuracy of the allocation made between the various  
5 counties, cities, villages, and municipal counties of the tax due. The  
6 Tax Commissioner may make or cause to be made copies of resale or  
7 exemption certificates and may pay a reasonable amount to the person  
8 having custody of the records for providing such copies.

9 (5) The taxpayer shall have the right to keep or store his or her  
10 records at a point outside this state and shall make his or her records  
11 available to the Tax Commissioner at all times.

12 (6) In administration of the use tax, the Tax Commissioner may  
13 require the filing of reports by any person or class of persons having in  
14 his, her, or their possession or custody information relating to sales of  
15 property, the storage, use, or other consumption of which is subject to  
16 the tax. The report shall be filed when the Tax Commissioner requires and  
17 shall set forth the names and addresses of purchasers of the property,  
18 the sales price of the property, the date of sale, and such other  
19 information as the Tax Commissioner may require.

20 (7) It shall be a Class I misdemeanor for the Tax Commissioner or  
21 any official or employee of the Tax Commissioner, the State Treasurer, or  
22 the Department of Administrative Services to make known in any manner  
23 whatever the business affairs, operations, or information obtained by an  
24 investigation of records and activities of any retailer or any other  
25 person visited or examined in the discharge of official duty or the  
26 amount or source of income, profits, losses, expenditures, or any  
27 particular thereof, set forth or disclosed in any return, or to permit  
28 any return or copy thereof, or any book containing any abstract or  
29 particulars thereof to be seen or examined by any person not connected  
30 with the Tax Commissioner. Nothing in this section shall be construed to  
31 prohibit (a) the delivery to a taxpayer, his or her duly authorized

1 representative, or his or her successors, receivers, trustees, executors,  
2 administrators, assignees, or guarantors, if directly interested, of a  
3 certified copy of any return or report in connection with his or her tax,  
4 (b) the publication of statistics so classified as to prevent the  
5 identification of particular reports or returns and the items thereof,  
6 (c) the inspection by the Attorney General, other legal representative of  
7 the state, or county attorney of the reports or returns of any taxpayer  
8 when either (i) information on the reports or returns is considered by  
9 the Attorney General to be relevant to any action or proceeding  
10 instituted by the taxpayer or against whom an action or proceeding is  
11 being considered or has been commenced by any state agency or the county  
12 or (ii) the taxpayer has instituted an action to review the tax based  
13 thereon or an action or proceeding against the taxpayer for collection of  
14 tax or failure to comply with the Nebraska Revenue Act of 1967 is being  
15 considered or has been commenced, (d) the furnishing of any information  
16 to the United States Government or to states allowing similar privileges  
17 to the Tax Commissioner, (e) the disclosure of information and records to  
18 a collection agency contracting with the Tax Commissioner pursuant to  
19 sections 77-377.01 to 77-377.04, (f) the disclosure to another party to a  
20 transaction of information and records concerning the transaction between  
21 the taxpayer and the other party, (g) the disclosure of information  
22 pursuant to section 77-27,195, 77-5731, 77-6837, 77-6839, or 77-6928, or  
23 (h) the disclosure of information to the Department of Labor necessary  
24 for the administration of the Employment Security Law, the Contractor  
25 Registration Act, or the Employee Classification Act.

26 (8) Notwithstanding the provisions of subsection (7) of this  
27 section, the Tax Commissioner may permit the Postal Inspector of the  
28 United States Postal Service or his or her delegates to inspect the  
29 reports or returns of any person filed pursuant to the Nebraska Revenue  
30 Act of 1967 when information on the reports or returns is relevant to any  
31 action or proceeding instituted or being considered by the United States

1 Postal Service against such person for the fraudulent use of the mails to  
2 carry and deliver false and fraudulent tax returns to the Tax  
3 Commissioner with the intent to defraud the State of Nebraska or to evade  
4 the payment of Nebraska state taxes.

5 (9) Notwithstanding the provisions of subsection (7) of this  
6 section, the Tax Commissioner may permit other tax officials of this  
7 state to inspect the tax returns, reports, and applications filed under  
8 sections 77-2701.04 to 77-2713 and sections 50 and 54 of this act, but  
9 such inspection shall be permitted only for purposes of enforcing a tax  
10 law and only to the extent and under the conditions prescribed by the  
11 rules and regulations of the Tax Commissioner.

12 (10) Notwithstanding the provisions of subsection (7) of this  
13 section, the Tax Commissioner may, upon request, provide the county board  
14 of any county which has exercised the authority granted by section  
15 81-3716 with a list of the names and addresses of the hotels located  
16 within the county for which lodging sales tax returns have been filed or  
17 for which lodging sales taxes have been remitted for the county's County  
18 Visitors Promotion Fund under the Nebraska Visitors Development Act.

19 The information provided by the Tax Commissioner shall indicate only  
20 the names and addresses of the hotels located within the requesting  
21 county for which lodging sales tax returns have been filed for a  
22 specified period and the fact that lodging sales taxes remitted by or on  
23 behalf of the hotel have constituted a portion of the total sum remitted  
24 by the state to the county for a specified period under the provisions of  
25 the Nebraska Visitors Development Act. No additional information shall be  
26 revealed.

27 (11)(a) Notwithstanding the provisions of subsection (7) of this  
28 section, the Tax Commissioner shall, upon written request by the Auditor  
29 of Public Accounts or the office of Legislative Audit, make tax returns  
30 and tax return information open to inspection by or disclosure to the  
31 Auditor of Public Accounts or employees of the office of Legislative



1 Audit for the purpose of and to the extent necessary in making an audit  
2 of the Department of Revenue pursuant to section 50-1205 or 84-304.  
3 Confidential tax returns and tax return information shall be audited only  
4 upon the premises of the Department of Revenue. All audit workpapers  
5 pertaining to the audit of the Department of Revenue shall be stored in a  
6 secure place in the Department of Revenue.

7 (b) No employee of the Auditor of Public Accounts or the office of  
8 Legislative Audit shall disclose to any person, other than another  
9 Auditor of Public Accounts or office employee whose official duties  
10 require such disclosure, any return or return information described in  
11 the Nebraska Revenue Act of 1967 in a form which can be associated with  
12 or otherwise identify, directly or indirectly, a particular taxpayer.

13 (c) Any person who violates the provisions of this subsection shall  
14 be guilty of a Class I misdemeanor. For purposes of this subsection,  
15 employee includes a former Auditor of Public Accounts or office of  
16 Legislative Audit employee.

17 (12) For purposes of this subsection and subsections (11) and (14)  
18 of this section:

19 (a) Disclosure means the making known to any person in any manner a  
20 tax return or return information;

21 (b) Return information means:

22 (i) A taxpayer's identification number and (A) the nature, source,  
23 or amount of his or her income, payments, receipts, deductions,  
24 exemptions, credits, assets, liabilities, net worth, tax liability, tax  
25 withheld, deficiencies, overassessments, or tax payments, whether the  
26 taxpayer's return was, is being, or will be examined or subject to other  
27 investigation or processing or (B) any other data received by, recorded  
28 by, prepared by, furnished to, or collected by the Tax Commissioner with  
29 respect to a return or the determination of the existence or possible  
30 existence of liability or the amount of liability of any person for any  
31 tax, penalty, interest, fine, forfeiture, or other imposition or offense;

1 and

2 (ii) Any part of any written determination or any background file  
3 document relating to such written determination; and

4 (c) Tax return or return means any tax or information return or  
5 claim for refund required by, provided for, or permitted under sections  
6 77-2701 to 77-2713 and sections 50 and 54 of this act which is filed with  
7 the Tax Commissioner by, on behalf of, or with respect to any person and  
8 any amendment or supplement thereto, including supporting schedules,  
9 attachments, or lists which are supplemental to or part of the filed  
10 return.

11 (13) Notwithstanding the provisions of subsection (7) of this  
12 section, the Tax Commissioner shall, upon request, provide any  
13 municipality which has adopted the local option sales tax under the Local  
14 Option Revenue Act with a list of the names and addresses of the  
15 retailers which have collected the local option sales tax for the  
16 municipality. The request may be made annually and shall be submitted to  
17 the Tax Commissioner on or before June 30 of each year. The information  
18 provided by the Tax Commissioner shall indicate only the names and  
19 addresses of the retailers. The Tax Commissioner may provide additional  
20 information to a municipality so long as the information does not include  
21 any data detailing the specific revenue, expenses, or operations of any  
22 particular business.

23 (14)(a) Notwithstanding the provisions of subsection (7) of this  
24 section, the Tax Commissioner shall, upon written request, provide an  
25 individual certified under subdivision (b) of this subsection  
26 representing a municipality which has adopted the local option sales and  
27 use tax under the Local Option Revenue Act with confidential sales and  
28 use tax returns and sales and use tax return information regarding  
29 taxpayers that possess a sales tax permit and the amounts remitted by  
30 such permitholders at locations within the boundaries of the requesting  
31 municipality or with confidential business use tax returns and business

1 use tax return information regarding taxpayers that file a Nebraska and  
2 Local Business Use Tax Return and the amounts remitted by such taxpayers  
3 at locations within the boundaries of the requesting municipality. Any  
4 written request pursuant to this subsection shall provide the Department  
5 of Revenue with no less than ten business days to prepare the sales and  
6 use tax returns and sales and use tax return information requested. The  
7 individual certified under subdivision (b) of this subsection shall  
8 review such returns and return information only upon the premises of the  
9 department, except that such limitation shall not apply if the certifying  
10 municipality has an agreement in effect under the Nebraska Advantage  
11 Transformational Tourism and Redevelopment Act. In such case, the  
12 individual certified under subdivision (b) of this subsection may request  
13 that copies of such returns and return information be sent to him or her  
14 by electronic transmission, secured in a manner as determined by the Tax  
15 Commissioner.

16 (b) Each municipality that seeks to request information under  
17 subdivision (a) of this subsection shall certify to the Department of  
18 Revenue one individual who is authorized by such municipality to make  
19 such request and review the documents described in subdivision (a) of  
20 this subsection. The individual may be a municipal employee or an  
21 individual who contracts with the requesting municipality to provide  
22 financial, accounting, or other administrative services.

23 (c) No individual certified by a municipality pursuant to  
24 subdivision (b) of this subsection shall disclose to any person any  
25 information obtained pursuant to a review under this subsection. An  
26 individual certified by a municipality pursuant to subdivision (b) of  
27 this subsection shall remain subject to this subsection after he or she  
28 (i) is no longer certified or (ii) is no longer in the employment of or  
29 under contract with the certifying municipality.

30 (d) Any person who violates the provisions of this subsection shall  
31 be guilty of a Class I misdemeanor.

1 (e) The Department of Revenue shall not be held liable by any person  
2 for an impermissible disclosure by a municipality or any agent or  
3 employee thereof of any information obtained pursuant to a review under  
4 this subsection.

5 (15) In all proceedings under the Nebraska Revenue Act of 1967, the  
6 Tax Commissioner may act for and on behalf of the people of the State of  
7 Nebraska. The Tax Commissioner in his or her discretion may waive all or  
8 part of any penalties provided by the provisions of such act or interest  
9 on delinquent taxes specified in section 45-104.02, as such rate may from  
10 time to time be adjusted.

11 (16)(a) The purpose of this subsection is to set forth the state's  
12 policy for the protection of the confidentiality rights of all  
13 participants in the system operated pursuant to the streamlined sales and  
14 use tax agreement and of the privacy interests of consumers who deal with  
15 model 1 sellers.

16 (b) For purposes of this subsection:

17 (i) Anonymous data means information that does not identify a  
18 person;

19 (ii) Confidential taxpayer information means all information that is  
20 protected under a member state's laws, regulations, and privileges; and

21 (iii) Personally identifiable information means information that  
22 identifies a person.

23 (c) The state agrees that a fundamental precept for model 1 sellers  
24 is to preserve the privacy of consumers by protecting their anonymity.  
25 With very limited exceptions, a certified service provider shall perform  
26 its tax calculation, remittance, and reporting functions without  
27 retaining the personally identifiable information of consumers.

28 (d) The governing board of the member states in the streamlined  
29 sales and use tax agreement may certify a certified service provider only  
30 if that certified service provider certifies that:

31 (i) Its system has been designed and tested to ensure that the

1 fundamental precept of anonymity is respected;

2 (ii) Personally identifiable information is only used and retained  
3 to the extent necessary for the administration of model 1 with respect to  
4 exempt purchasers;

5 (iii) It provides consumers clear and conspicuous notice of its  
6 information practices, including what information it collects, how it  
7 collects the information, how it uses the information, how long, if at  
8 all, it retains the information, and whether it discloses the information  
9 to member states. Such notice shall be satisfied by a written privacy  
10 policy statement accessible by the public on the website of the certified  
11 service provider;

12 (iv) Its collection, use, and retention of personally identifiable  
13 information is limited to that required by the member states to ensure  
14 the validity of exemptions from taxation that are claimed by reason of a  
15 consumer's status or the intended use of the goods or services purchased;  
16 and

17 (v) It provides adequate technical, physical, and administrative  
18 safeguards so as to protect personally identifiable information from  
19 unauthorized access and disclosure.

20 (e) The state shall provide public notification to consumers,  
21 including exempt purchasers, of the state's practices relating to the  
22 collection, use, and retention of personally identifiable information.

23 (f) When any personally identifiable information that has been  
24 collected and retained is no longer required for the purposes set forth  
25 in subdivision (16)(d)(iv) of this section, such information shall no  
26 longer be retained by the member states.

27 (g) When personally identifiable information regarding an individual  
28 is retained by or on behalf of the state, it shall provide reasonable  
29 access by such individual to his or her own information in the state's  
30 possession and a right to correct any inaccurately recorded information.

31 (h) If anyone other than a member state, or a person authorized by

1 that state's law or the agreement, seeks to discover personally  
2 identifiable information, the state from whom the information is sought  
3 should make a reasonable and timely effort to notify the individual of  
4 such request.

5 (i) This privacy policy is subject to enforcement by the Attorney  
6 General.

7 (j) All other laws and regulations regarding the collection, use,  
8 and maintenance of confidential taxpayer information remain fully  
9 applicable and binding. Without limitation, this subsection does not  
10 enlarge or limit the state's authority to:

11 (i) Conduct audits or other reviews as provided under the agreement  
12 and state law;

13 (ii) Provide records pursuant to the federal Freedom of Information  
14 Act, disclosure laws with governmental agencies, or other regulations;

15 (iii) Prevent, consistent with state law, disclosure of confidential  
16 taxpayer information;

17 (iv) Prevent, consistent with federal law, disclosure or misuse of  
18 federal return information obtained under a disclosure agreement with the  
19 Internal Revenue Service; and

20 (v) Collect, disclose, disseminate, or otherwise use anonymous data  
21 for governmental purposes.

22 Sec. 56. Section 77-2713, Revised Statutes Cumulative Supplement,  
23 2022, is amended to read:

24 77-2713 (1) Any person required under the provisions of sections  
25 77-2701.04 to 77-2713 and sections 50 and 54 of this act to collect,  
26 account for, or pay over any tax imposed by the Nebraska Revenue Act of  
27 1967 who willfully fails to collect or truthfully account for or pay over  
28 such tax and any person who willfully attempts in any manner to evade any  
29 tax imposed by such provisions of such act or the payment thereof shall,  
30 in addition to other penalties provided by law, be guilty of a Class IV  
31 felony.

1           (2) Any person who willfully aids or assists in, procures, counsels,  
2 or advises the preparation or presentation of a false or fraudulent  
3 return, affidavit, claim, or document under or in connection with any  
4 matter arising under sections 77-2701.04 to 77-2713 and sections 50 and  
5 54 of this act shall, whether or not such falsity or fraud is with the  
6 knowledge or consent of the person authorized or required to present such  
7 return, affidavit, claim, or document, be guilty of a Class IV felony.

8           (3) A person who engages in business as a retailer in this state  
9 without a permit or permits or after a permit has been suspended and each  
10 officer of any corporation which so engages in business shall be guilty  
11 of a Class IV misdemeanor. Each day of such operation shall constitute a  
12 separate offense.

13           (4) Any person who gives a resale certificate to the seller for  
14 property which he or she knows, at the time of purchase, is purchased for  
15 the purpose of use rather than for the purpose of resale, lease, or  
16 rental by him or her in the regular course of business shall be guilty of  
17 a Class IV misdemeanor.

18           (5) Any violation of the provisions of sections 77-2701.04 to  
19 77-2713 and sections 50 and 54 of this act, except as otherwise provided,  
20 shall be a Class IV misdemeanor.

21           (6) Any prosecution under sections 77-2701.04 to 77-2713 and  
22 sections 50 and 54 of this act shall be instituted within three years  
23 after the commission of the offense. If such offense is the failure to do  
24 an act required by any of such sections to be done before a certain date,  
25 a prosecution for such offense may be commenced not later than three  
26 years after such date. The failure to do any act required by sections  
27 77-2701.04 to 77-2713 and sections 50 and 54 of this act shall be deemed  
28 an act committed in part at the principal office of the Tax Commissioner.  
29 Any prosecution under the provisions of the Nebraska Revenue Act of 1967  
30 may be conducted in any county where the person or corporation to whose  
31 liability the proceeding relates resides or has a place of business or in

1 any county in which such criminal act is committed. The Attorney General  
2 shall have concurrent jurisdiction with the county attorney in the  
3 prosecution of any offenses under the provisions of the Nebraska Revenue  
4 Act of 1967.

5 Sec. 57. Section 77-2715.07, Revised Statutes Cumulative Supplement,  
6 2022, is amended to read:

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

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

12 (b) A credit for taxes paid to another state as provided in section  
13 77-2730.

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

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

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



1 twenty-two thousand dollars, and the percentage shall be reduced by ten  
2 percent for each one thousand dollars, or fraction thereof, by which the  
3 reported federal adjusted gross income exceeds twenty-two thousand  
4 dollars, except that for taxable years beginning or deemed to begin on or  
5 after January 1, 2015, such refundable credit shall be allowed only if  
6 the individual would have received the federal credit allowed under  
7 section 21 of the code after adding back in any carryforward of a net  
8 operating loss that was deducted pursuant to such section in determining  
9 eligibility for the federal credit;

10 (c) A refundable credit as provided in section 77-5209.01 for  
11 individuals who qualify for an income tax credit as a qualified beginning  
12 farmer or livestock producer under the Beginning Farmer Tax Credit Act  
13 for all taxable years beginning or deemed to begin on or after January 1,  
14 2006, under the Internal Revenue Code of 1986, as amended;

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

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

28 (3) There shall be allowed to all individuals as a nonrefundable  
29 credit against the income tax imposed by the Nebraska Revenue Act of  
30 1967:

31 (a) A credit for personal exemptions allowed under section

1 77-2716.01;

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

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

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

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

15 (f) A credit to employers as provided in sections 77-27,238 and  
16 77-27,240; and

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

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

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

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

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

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

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

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

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

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

1 77-3605.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 Sec. 58. Section 77-2716, Revised Statutes Cumulative Supplement,  
15 2022, is amended to read:

16 77-2716 (1) The following adjustments to federal adjusted gross  
17 income or, for corporations and fiduciaries, federal taxable income shall  
18 be made for interest or dividends received:

19 (a)(i) There shall be subtracted interest or dividends received by  
20 the owner of obligations of the United States and its territories and  
21 possessions or of any authority, commission, or instrumentality of the  
22 United States to the extent includable in gross income for federal income  
23 tax purposes but exempt from state income taxes under the laws of the  
24 United States; and

25 (ii) There shall be subtracted interest received by the owner of  
26 obligations of the State of Nebraska or its political subdivisions or  
27 authorities which are Build America Bonds to the extent includable in  
28 gross income for federal income tax purposes;

29 (b) There shall be subtracted that portion of the total dividends  
30 and other income received from a regulated investment company which is  
31 attributable to obligations described in subdivision (a) of this

1 subsection as reported to the recipient by the regulated investment  
2 company;

3 (c) There shall be added interest or dividends received by the owner  
4 of obligations of the District of Columbia, other states of the United  
5 States, or their political subdivisions, authorities, commissions, or  
6 instrumentalities to the extent excluded in the computation of gross  
7 income for federal income tax purposes except that such interest or  
8 dividends shall not be added if received by a corporation which is a  
9 regulated investment company;

10 (d) There shall be added that portion of the total dividends and  
11 other income received from a regulated investment company which is  
12 attributable to obligations described in subdivision (c) of this  
13 subsection and excluded for federal income tax purposes as reported to  
14 the recipient by the regulated investment company; and

15 (e)(i) Any amount subtracted under this subsection shall be reduced  
16 by any interest on indebtedness incurred to carry the obligations or  
17 securities described in this subsection or the investment in the  
18 regulated investment company and by any expenses incurred in the  
19 production of interest or dividend income described in this subsection to  
20 the extent that such expenses, including amortizable bond premiums, are  
21 deductible in determining federal taxable income.

22 (ii) Any amount added under this subsection shall be reduced by any  
23 expenses incurred in the production of such income to the extent  
24 disallowed in the computation of federal taxable income.

25 (2) There shall be allowed a net operating loss derived from or  
26 connected with Nebraska sources computed under rules and regulations  
27 adopted and promulgated by the Tax Commissioner consistent, to the extent  
28 possible under the Nebraska Revenue Act of 1967, with the laws of the  
29 United States. For a resident individual, estate, or trust, the net  
30 operating loss computed on the federal income tax return shall be  
31 adjusted by the modifications contained in this section. For a

1 nonresident individual, estate, or trust or for a partial-year resident  
2 individual, the net operating loss computed on the federal return shall  
3 be adjusted by the modifications contained in this section and any  
4 carryovers or carrybacks shall be limited to the portion of the loss  
5 derived from or connected with Nebraska sources.

6 (3) There shall be subtracted from federal adjusted gross income for  
7 all taxable years beginning on or after January 1, 1987, the amount of  
8 any state income tax refund to the extent such refund was deducted under  
9 the Internal Revenue Code, was not allowed in the computation of the tax  
10 due under the Nebraska Revenue Act of 1967, and is included in federal  
11 adjusted gross income.

12 (4) Federal adjusted gross income, or, for a fiduciary, federal  
13 taxable income shall be modified to exclude the portion of the income or  
14 loss received from a small business corporation with an election in  
15 effect under subchapter S of the Internal Revenue Code or from a limited  
16 liability company organized pursuant to the Nebraska Uniform Limited  
17 Liability Company Act that is not derived from or connected with Nebraska  
18 sources as determined in section 77-2734.01.

19 (5) There shall be subtracted from federal adjusted gross income or,  
20 for corporations and fiduciaries, federal taxable income dividends  
21 received or deemed to be received from corporations which are not subject  
22 to the Internal Revenue Code.

23 (6) There shall be subtracted from federal taxable income a portion  
24 of the income earned by a corporation subject to the Internal Revenue  
25 Code of 1986 that is actually taxed by a foreign country or one of its  
26 political subdivisions at a rate in excess of the maximum federal tax  
27 rate for corporations. The taxpayer may make the computation for each  
28 foreign country or for groups of foreign countries. The portion of the  
29 taxes that may be deducted shall be computed in the following manner:

30 (a) The amount of federal taxable income from operations within a  
31 foreign taxing jurisdiction shall be reduced by the amount of taxes

1 actually paid to the foreign jurisdiction that are not deductible solely  
2 because the foreign tax credit was elected on the federal income tax  
3 return;

4 (b) The amount of after-tax income shall be divided by one minus the  
5 maximum tax rate for corporations in the Internal Revenue Code; and

6 (c) The result of the calculation in subdivision (b) of this  
7 subsection shall be subtracted from the amount of federal taxable income  
8 used in subdivision (a) of this subsection. The result of such  
9 calculation, if greater than zero, shall be subtracted from federal  
10 taxable income.

11 (7) Federal adjusted gross income shall be modified to exclude any  
12 amount repaid by the taxpayer for which a reduction in federal tax is  
13 allowed under section 1341(a)(5) of the Internal Revenue Code.

14 (8)(a) Federal adjusted gross income or, for corporations and  
15 fiduciaries, federal taxable income shall be reduced, to the extent  
16 included, by income from interest, earnings, and state contributions  
17 received from the Nebraska educational savings plan trust as provided  
18 created in sections 85-1801 to 85-1817 until January 1, 2024, or sections  
19 83 to 98 of this act on and after January 1, 2024, and any account  
20 established under the achieving a better life experience program as  
21 provided in sections 77-1401 to 77-1409.

22 (b) Federal adjusted gross income or, for corporations and  
23 fiduciaries, federal taxable income shall be reduced by any contributions  
24 as a participant in the Nebraska educational savings plan trust or  
25 contributions to an account established under the achieving a better life  
26 experience program made for the benefit of a beneficiary as provided in  
27 sections 77-1401 to 77-1409, to the extent not deducted for federal  
28 income tax purposes, but not to exceed five thousand dollars per married  
29 filing separate return or ten thousand dollars for any other return. With  
30 respect to a qualified rollover within the meaning of section 529 of the  
31 Internal Revenue Code from another state's plan, any interest, earnings,



1 and state contributions received from the other state's educational  
2 savings plan which is qualified under section 529 of the code shall  
3 qualify for the reduction provided in this subdivision. For contributions  
4 by a custodian of a custodial account including rollovers from another  
5 custodial account, the reduction shall only apply to funds added to the  
6 custodial account after January 1, 2014.

7 (c) For taxable years beginning or deemed to begin on or after  
8 January 1, 2021, under the Internal Revenue Code of 1986, as amended,  
9 federal adjusted gross income shall be reduced, to the extent included in  
10 the adjusted gross income of an individual, by the amount of any  
11 contribution made by the individual's employer into an account under the  
12 Nebraska educational savings plan trust owned by the individual, not to  
13 exceed five thousand dollars per married filing separate return or ten  
14 thousand dollars for any other return.

15 (d) Federal adjusted gross income or, for corporations and  
16 fiduciaries, federal taxable income shall be increased by:

17 (i) The amount resulting from the cancellation of a participation  
18 agreement refunded to the taxpayer as a participant in the Nebraska  
19 educational savings plan trust to the extent previously deducted under  
20 subdivision (8)(b) of this section; and

21 (ii) The amount of any withdrawals by the owner of an account  
22 established under the achieving a better life experience program as  
23 provided in sections 77-1401 to 77-1409 for nonqualified expenses to the  
24 extent previously deducted under subdivision (8)(b) of this section.

25 (9)(a) For income tax returns filed after September 10, 2001, for  
26 taxable years beginning or deemed to begin before January 1, 2006, under  
27 the Internal Revenue Code of 1986, as amended, federal adjusted gross  
28 income or, for corporations and fiduciaries, federal taxable income shall  
29 be increased by eighty-five percent of any amount of any federal bonus  
30 depreciation received under the federal Job Creation and Worker  
31 Assistance Act of 2002 or the federal Jobs and Growth Tax Act of 2003,

1 under section 168(k) or section 1400L of the Internal Revenue Code of  
2 1986, as amended, for assets placed in service after September 10, 2001,  
3 and before December 31, 2005.

4 (b) For a partnership, limited liability company, cooperative,  
5 including any cooperative exempt from income taxes under section 521 of  
6 the Internal Revenue Code of 1986, as amended, limited cooperative  
7 association, subchapter S corporation, or joint venture, the increase  
8 shall be distributed to the partners, members, shareholders, patrons, or  
9 beneficiaries in the same manner as income is distributed for use against  
10 their income tax liabilities.

11 (c) For a corporation with a unitary business having activity both  
12 inside and outside the state, the increase shall be apportioned to  
13 Nebraska in the same manner as income is apportioned to the state by  
14 section 77-2734.05.

15 (d) The amount of bonus depreciation added to federal adjusted gross  
16 income or, for corporations and fiduciaries, federal taxable income by  
17 this subsection shall be subtracted in a later taxable year. Twenty  
18 percent of the total amount of bonus depreciation added back by this  
19 subsection for tax years beginning or deemed to begin before January 1,  
20 2003, under the Internal Revenue Code of 1986, as amended, may be  
21 subtracted in the first taxable year beginning or deemed to begin on or  
22 after January 1, 2005, under the Internal Revenue Code of 1986, as  
23 amended, and twenty percent in each of the next four following taxable  
24 years. Twenty percent of the total amount of bonus depreciation added  
25 back by this subsection for tax years beginning or deemed to begin on or  
26 after January 1, 2003, may be subtracted in the first taxable year  
27 beginning or deemed to begin on or after January 1, 2006, under the  
28 Internal Revenue Code of 1986, as amended, and twenty percent in each of  
29 the next four following taxable years.

30 (10) For taxable years beginning or deemed to begin on or after  
31 January 1, 2003, and before January 1, 2006, under the Internal Revenue

1 Code of 1986, as amended, federal adjusted gross income or, for  
2 corporations and fiduciaries, federal taxable income shall be increased  
3 by the amount of any capital investment that is expensed under section  
4 179 of the Internal Revenue Code of 1986, as amended, that is in excess  
5 of twenty-five thousand dollars that is allowed under the federal Jobs  
6 and Growth Tax Act of 2003. Twenty percent of the total amount of  
7 expensing added back by this subsection for tax years beginning or deemed  
8 to begin on or after January 1, 2003, may be subtracted in the first  
9 taxable year beginning or deemed to begin on or after January 1, 2006,  
10 under the Internal Revenue Code of 1986, as amended, and twenty percent  
11 in each of the next four following tax years.

12 (11)(a) For taxable years beginning or deemed to begin before  
13 January 1, 2018, under the Internal Revenue Code of 1986, as amended,  
14 federal adjusted gross income shall be reduced by contributions, up to  
15 two thousand dollars per married filing jointly return or one thousand  
16 dollars for any other return, and any investment earnings made as a  
17 participant in the Nebraska long-term care savings plan under the Long-  
18 Term Care Savings Plan Act, to the extent not deducted for federal income  
19 tax purposes.

20 (b) For taxable years beginning or deemed to begin before January 1,  
21 2018, under the Internal Revenue Code of 1986, as amended, federal  
22 adjusted gross income shall be increased by the withdrawals made as a  
23 participant in the Nebraska long-term care savings plan under the act by  
24 a person who is not a qualified individual or for any reason other than  
25 transfer of funds to a spouse, long-term care expenses, long-term care  
26 insurance premiums, or death of the participant, including withdrawals  
27 made by reason of cancellation of the participation agreement, to the  
28 extent previously deducted as a contribution or as investment earnings.

29 (12) There shall be added to federal adjusted gross income for  
30 individuals, estates, and trusts any amount taken as a credit for  
31 franchise tax paid by a financial institution under sections 77-3801 to

1 77-3807 as allowed by subsection (5) of section 77-2715.07.

2 (13)(a) For taxable years beginning or deemed to begin on or after  
3 January 1, 2015, and before January 1, 2025, under the Internal Revenue  
4 Code of 1986, as amended, federal adjusted gross income shall be reduced  
5 by the amount received as benefits under the federal Social Security Act  
6 which are included in the federal adjusted gross income if:

7 (i) For taxpayers filing a married filing joint return, federal  
8 adjusted gross income is fifty-eight thousand dollars or less; or

9 (ii) For taxpayers filing any other return, federal adjusted gross  
10 income is forty-three thousand dollars or less.

11 (b) For taxable years beginning or deemed to begin on or after  
12 January 1, 2020, and before January 1, 2025, under the Internal Revenue  
13 Code of 1986, as amended, the Tax Commissioner shall adjust the dollar  
14 amounts provided in subdivisions (13)(a)(i) and (ii) of this section by  
15 the same percentage used to adjust individual income tax brackets under  
16 subsection (3) of section 77-2715.03.

17 (c) For taxable years beginning or deemed to begin on or after  
18 January 1, 2021, and before January 1, 2025, under the Internal Revenue  
19 Code of 1986, as amended, a taxpayer may claim the reduction to federal  
20 adjusted gross income allowed under this subsection or the reduction to  
21 federal adjusted gross income allowed under subsection (14) of this  
22 section, whichever provides the greater reduction.

23 (14)(a) For taxable years beginning or deemed to begin on or after  
24 January 1, 2021, under the Internal Revenue Code of 1986, as amended,  
25 federal adjusted gross income shall be reduced by a percentage of the  
26 social security benefits that are received and included in federal  
27 adjusted gross income. The pertinent percentage shall be:

28 (i) Five percent for taxable years beginning or deemed to begin on  
29 or after January 1, 2021, and before January 1, 2022, under the Internal  
30 Revenue Code of 1986, as amended;

31 (ii) Forty percent for taxable years beginning or deemed to begin on

1 or after January 1, 2022, and before January 1, 2023, under the Internal  
2 Revenue Code of 1986, as amended;

3 (iii) Sixty percent for taxable years beginning or deemed to begin  
4 on or after January 1, 2023, and before January 1, 2024, under the  
5 Internal Revenue Code of 1986, as amended;

6 (iv) Eighty percent for taxable years beginning or deemed to begin  
7 on or after January 1, 2024, and before January 1, 2025, under the  
8 Internal Revenue Code of 1986, as amended; and

9 (v) One hundred percent for taxable years beginning or deemed to  
10 begin on or after January 1, 2025, under the Internal Revenue Code of  
11 1986, as amended.

12 (b) For purposes of this subsection, social security benefits means  
13 benefits received under the federal Social Security Act.

14 (c) For taxable years beginning or deemed to begin on or after  
15 January 1, 2021, and before January 1, 2025, under the Internal Revenue  
16 Code of 1986, as amended, a taxpayer may claim the reduction to federal  
17 adjusted gross income allowed under this subsection or the reduction to  
18 federal adjusted gross income allowed under subsection (13) of this  
19 section, whichever provides the greater reduction.

20 (15)(a) For taxable years beginning or deemed to begin on or after  
21 January 1, 2015, and before January 1, 2022, under the Internal Revenue  
22 Code of 1986, as amended, an individual may make a one-time election  
23 within two calendar years after the date of his or her retirement from  
24 the military to exclude income received as a military retirement benefit  
25 by the individual to the extent included in federal adjusted gross income  
26 and as provided in this subdivision. The individual may elect to exclude  
27 forty percent of his or her military retirement benefit income for seven  
28 consecutive taxable years beginning with the year in which the election  
29 is made or may elect to exclude fifteen percent of his or her military  
30 retirement benefit income for all taxable years beginning with the year  
31 in which he or she turns sixty-seven years of age.

1 (b) For taxable years beginning or deemed to begin on or after  
2 January 1, 2022, under the Internal Revenue Code of 1986, as amended, an  
3 individual may exclude one hundred percent of the military retirement  
4 benefit income received by such individual to the extent included in  
5 federal adjusted gross income.

6 (c) For purposes of this subsection, military retirement benefit  
7 means retirement benefits that are periodic payments attributable to  
8 service in the uniformed services of the United States for personal  
9 services performed by an individual prior to his or her retirement. The  
10 term includes retirement benefits described in this subdivision that are  
11 reported to the individual on either:

12 (i) An Internal Revenue Service Form 1099-R received from the United  
13 States Department of Defense; or

14 (ii) An Internal Revenue Service Form 1099-R received from the  
15 United States Office of Personnel Management.

16 (16) For taxable years beginning or deemed to begin on or after  
17 January 1, 2021, under the Internal Revenue Code of 1986, as amended,  
18 federal adjusted gross income shall be reduced by the amount received as  
19 a Segal AmeriCorps Education Award, to the extent such amount is included  
20 in federal adjusted gross income.

21 (17) For taxable years beginning or deemed to begin on or after  
22 January 1, 2022, under the Internal Revenue Code of 1986, as amended,  
23 federal adjusted gross income shall be reduced by the amount received by  
24 or on behalf of a firefighter for cancer benefits under the Firefighter  
25 Cancer Benefits Act to the extent included in federal adjusted gross  
26 income.

27 (18) There shall be subtracted from the federal adjusted gross  
28 income of individuals any amount received by the individual as student  
29 loan repayment assistance under the Teach in Nebraska Today Act, to the  
30 extent such amount is included in federal adjusted gross income.

31 (19) For taxable years beginning or deemed to begin on or after

1 January 1, 2023, under the Internal Revenue Code of 1986, as amended, a  
2 retired individual who was employed full time as a firefighter or  
3 certified law enforcement officer for at least twenty years and who is at  
4 least sixty years of age as of the end of the taxable year may reduce his  
5 or her federal adjusted gross income by the amount of health insurance  
6 premiums paid by such individual during the taxable year, to the extent  
7 such premiums were not already deducted in determining the individual's  
8 federal adjusted gross income.

9 Sec. 59. Section 77-2717, Revised Statutes Cumulative Supplement,  
10 2022, is amended to read:

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

1           (ii) For taxable years beginning or deemed to begin on or after  
2 January 1, 2014, the tax imposed on all resident estates and trusts shall  
3 be a percentage of the federal taxable income of such estates and trusts  
4 as modified in section 77-2716, plus a percentage of the federal tax on  
5 premature or lump-sum distributions from qualified retirement plans. The  
6 additional taxes shall be recomputed by substituting Nebraska taxable  
7 income for federal taxable income and applying Nebraska rates to the  
8 result. The credits provided in the Nebraska Advantage Microenterprise  
9 Tax Credit Act and the Nebraska Advantage Research and Development Act  
10 shall be allowed as a reduction in the income tax due. A refundable  
11 income tax credit shall be allowed for all resident estates and trusts  
12 under the Angel Investment Tax Credit Act, the Nebraska Advantage  
13 Microenterprise Tax Credit Act, the Nebraska Advantage Research and  
14 Development Act, the Nebraska Biodiesel Tax Credit Act, the Nebraska  
15 Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, and  
16 the Renewable Chemical Production Tax Credit Act. A nonrefundable income  
17 tax credit shall be allowed for all resident estates and trusts as  
18 provided in the Nebraska Job Creation and Mainstreet Revitalization Act,  
19 the New Markets Job Growth Investment Act, the School Readiness Tax  
20 Credit Act, the Affordable Housing Tax Credit Act, and sections 77-27,238  
21 and 77-27,240.

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



1 minimum tax, after the recomputations required by the Nebraska Revenue  
2 Act of 1967, reduced by the percentage of the total income which is  
3 attributable to income from sources outside this state, and the credits  
4 provided in the Nebraska Advantage Microenterprise Tax Credit Act and the  
5 Nebraska Advantage Research and Development Act shall be allowed as a  
6 reduction in the income tax due. A refundable income tax credit shall be  
7 allowed for all nonresident estates and trusts under the Angel Investment  
8 Tax Credit Act, the Nebraska Advantage Microenterprise Tax Credit Act,  
9 the Nebraska Advantage Research and Development Act, the Nebraska  
10 Biodiesel Tax Credit Act, the Nebraska Higher Blend Tax Credit Act, the  
11 Nebraska Property Tax Incentive Act, and the Renewable Chemical  
12 Production Tax Credit Act. A nonrefundable income tax credit shall be  
13 allowed for all nonresident estates and trusts as provided in the  
14 Nebraska Job Creation and Mainstreet Revitalization Act, the New Markets  
15 Job Growth Investment Act, the School Readiness Tax Credit Act, the  
16 Affordable Housing Tax Credit Act, and sections 77-27,238 and 77-27,240.

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

29 (3) The beneficiaries of such estate or trust who are residents of  
30 this state shall include in their income their proportionate share of  
31 such estate's or trust's federal income and shall reduce their Nebraska

1 tax liability by their proportionate share of the credits as provided in  
2 the Angel Investment Tax Credit Act, the Nebraska Advantage  
3 Microenterprise Tax Credit Act, the Nebraska Advantage Research and  
4 Development Act, the Nebraska Job Creation and Mainstreet Revitalization  
5 Act, the New Markets Job Growth Investment Act, the School Readiness Tax  
6 Credit Act, the Affordable Housing Tax Credit Act, the Nebraska Biodiesel  
7 Tax Credit Act, the Nebraska Higher Blend Tax Credit Act, the Nebraska  
8 Property Tax Incentive Act, the Renewable Chemical Production Tax Credit  
9 Act, and sections 77-27,238 and 77-27,240. There shall be allowed to a  
10 beneficiary a refundable income tax credit under the Beginning Farmer Tax  
11 Credit Act for all taxable years beginning or deemed to begin on or after  
12 January 1, 2001, under the Internal Revenue Code of 1986, as amended.

13 (4) If any beneficiary of such estate or trust is a nonresident  
14 during any part of the estate's or trust's taxable year, he or she shall  
15 file a Nebraska income tax return which shall include (a) in Nebraska  
16 adjusted gross income that portion of the estate's or trust's Nebraska  
17 income, as determined under sections 77-2724 and 77-2725, allocable to  
18 his or her interest in the estate or trust and (b) a reduction of the  
19 Nebraska tax liability by his or her proportionate share of the credits  
20 as provided in the Angel Investment Tax Credit Act, the Nebraska  
21 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research  
22 and Development Act, the Nebraska Job Creation and Mainstreet  
23 Revitalization Act, the New Markets Job Growth Investment Act, the School  
24 Readiness Tax Credit Act, the Affordable Housing Tax Credit Act, the  
25 Nebraska Biodiesel Tax Credit Act, the Nebraska Higher Blend Tax Credit  
26 Act, the Nebraska Property Tax Incentive Act, the Renewable Chemical  
27 Production Tax Credit Act, and sections 77-27,238 and 77-27,240 and shall  
28 execute and forward to the fiduciary, on or before the original due date  
29 of the Nebraska fiduciary return, an agreement which states that he or  
30 she will file a Nebraska income tax return and pay income tax on all  
31 income derived from or connected with sources in this state, and such

1 agreement shall be attached to the Nebraska fiduciary return for such  
2 taxable year.

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

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

28 (7) For purposes of this section, unless the context otherwise  
29 requires, simple trust shall mean any trust instrument which (a) requires  
30 that all income shall be distributed currently to the beneficiaries, (b)  
31 does not allow amounts to be paid, permanently set aside, or used in the

1 tax year for charitable purposes, and (c) does not distribute amounts  
2 allocated in the corpus of the trust. Any trust which does not qualify as  
3 a simple trust shall be deemed a complex trust.

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

8 Sec. 60. Section 77-2734.03, Revised Statutes Cumulative Supplement,  
9 2022, is amended to read:

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

17 (b) For taxable years commencing on or after January 1, 1997, any  
18 insurer paying a tax on premiums and assessments pursuant to section  
19 77-908 or 81-523, any electric cooperative organized under the Joint  
20 Public Power Authority Act, or any credit union shall be credited, in the  
21 computation of the tax due under the Nebraska Revenue Act of 1967, with  
22 the amount paid during the taxable year as (i) taxes on such premiums and  
23 assessments included as Nebraska premiums and assessments under section  
24 77-2734.05 and (ii) taxes in lieu of intangible tax.

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

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

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

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

12 (5) There shall be allowed to corporate taxpayers refundable income  
13 tax credits under the Nebraska Advantage Microenterprise Tax Credit Act,  
14 the Nebraska Advantage Research and Development Act, the Nebraska  
15 Biodiesel Tax Credit Act, the Nebraska Higher Blend Tax Credit Act, the  
16 Nebraska Property Tax Incentive Act, and the Renewable Chemical  
17 Production Tax Credit Act.

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

21 (7) There shall be allowed to corporate taxpayers a nonrefundable  
22 income tax credit as provided in the Nebraska Job Creation and Mainstreet  
23 Revitalization Act, the New Markets Job Growth Investment Act, the School  
24 Readiness Tax Credit Act, the Affordable Housing Tax Credit Act, and  
25 sections 77-27,238 and 77-27,240.

26 Sec. 61. Section 77-27,132, Revised Statutes Cumulative Supplement,  
27 2022, is amended to read:

28 77-27,132 (1) There is hereby created a fund to be designated the  
29 Revenue Distribution Fund which shall be set apart and maintained by the  
30 Tax Commissioner. Revenue not required to be credited to the General Fund  
31 or any other specified fund may be credited to the Revenue Distribution

1 Fund. Credits and refunds of such revenue shall be paid from the Revenue  
2 Distribution Fund. The balance of the amount credited, after credits and  
3 refunds, shall be allocated as provided by the statutes creating such  
4 revenue.

5 (2) The Tax Commissioner shall pay to a depository bank designated  
6 by the State Treasurer all amounts collected under the Nebraska Revenue  
7 Act of 1967. The Tax Commissioner shall present to the State Treasurer  
8 bank receipts showing amounts so deposited in the bank, and of the  
9 amounts so deposited the State Treasurer shall:

10 (a) For transactions occurring on or after October 1, 2014, and  
11 before October 1, 2027, credit to the Game and Parks Commission Capital  
12 Maintenance Fund all of the proceeds of the sales and use taxes imposed  
13 pursuant to section 77-2703 on the sale or lease of motorboats as defined  
14 in section 37-1204, personal watercraft as defined in section 37-1204.01,  
15 all-terrain vehicles as defined in section 60-103, and utility-type  
16 vehicles as defined in section 60-135.01;

17 (b) Credit to the Highway Trust Fund all of the proceeds of the  
18 sales and use taxes derived from the sale or lease for periods of more  
19 than thirty-one days of motor vehicles, trailers, and semitrailers,  
20 except that the proceeds equal to any sales tax rate provided for in  
21 section 77-2701.02 that is in excess of five percent derived from the  
22 sale or lease for periods of more than thirty-one days of motor vehicles,  
23 trailers, and semitrailers shall be credited to the Highway Allocation  
24 Fund;

25 (c) For transactions occurring on or after July 1, 2013, and before  
26 July 1, ~~2033~~ 2042, of the proceeds of the sales and use taxes derived  
27 from transactions other than those listed in subdivisions (2)(a), ~~and~~  
28 (b), and (e) of this section from a sales tax rate of one-quarter of one  
29 percent, credit monthly eighty-five percent to the State Highway Capital  
30 Improvement Fund and fifteen percent to the Highway Allocation Fund; and

31 (d) Of the proceeds of the sales and use taxes derived from

1 transactions other than those listed in subdivisions (2)(a), ~~and (b)~~, and  
2 (e) of this section, credit to the Property Tax Credit Cash Fund the  
3 amount certified under section 77-27,237, if any such certification is  
4 made.

5 (e) For transactions occurring on or after July 1, 2023, credit to  
6 the Department of Transportation Aeronautics Capital Improvement Fund all  
7 of the proceeds of the sales and use taxes imposed pursuant to section  
8 77-2703 on the sale or lease of aircraft as defined in section 3-101.

9 The balance of all amounts collected under the Nebraska Revenue Act  
10 of 1967 shall be credited to the General Fund.

11 Sec. 62. Section 77-27,187.02, Revised Statutes Cumulative  
12 Supplement, 2022, is amended to read:

13 77-27,187.02 (1) To earn the incentives set forth in the Nebraska  
14 Advantage Rural Development Act, the taxpayer shall file an application  
15 for an agreement with the Tax Commissioner. There shall be no new  
16 applications for incentives filed under this section after December 31,  
17 2027.

18 (2) The application shall contain:

19 (a) A written statement describing the full expected employment or  
20 type of livestock production and the investment amount for a qualified  
21 business, as described in section 77-27,189, in this state;

22 (b) Sufficient documents, plans, and specifications as required by  
23 the Tax Commissioner to support the plan and to define a project; and

24 (c) An application fee of (i) one hundred dollars for an investment  
25 amount of less than twenty-five thousand dollars, (ii) two hundred fifty  
26 dollars for an investment amount of at least twenty-five thousand dollars  
27 but less than fifty thousand dollars, and (iii) five hundred dollars for  
28 an investment amount of fifty thousand dollars or more. The fee shall be  
29 remitted to the State Treasurer for credit to the Nebraska Incentives  
30 Fund. The application and all supporting information shall be  
31 confidential except for the name of the taxpayer, the location of the

1 project, and the amounts of increased employment or investment.

2 (3)(a) The Tax Commissioner shall approve the application and  
3 authorize the total amount of credits expected to be earned as a result  
4 of the project if he or she is satisfied that the plan in the application  
5 defines a project that (i) meets the requirements established in section  
6 77-27,188 and such requirements will be reached within the required time  
7 period and (ii) for projects other than livestock modernization or  
8 expansion projects, is located in an eligible county, city, or village.

9 (b) For applications filed in calendar year 2015, the Tax  
10 Commissioner shall not approve further applications once the expected  
11 credits from the approved projects total one million dollars. For  
12 applications filed in calendar year 2016 and each year thereafter, the  
13 Tax Commissioner shall not approve further applications from applicants  
14 described in subsection (1) of section 77-27,188 once the expected  
15 credits from approved projects from this category total one million  
16 dollars. For applications filed in calendar year 2016 and each year  
17 thereafter, the Tax Commissioner shall not approve further applications  
18 from applicants described in subsection (2) of section 77-27,188 once the  
19 expected credits from approved projects in this category total: For  
20 calendar year 2016, five hundred thousand dollars; for calendar years  
21 2017 and 2018, seven hundred fifty thousand dollars; for calendar years  
22 2019, 2020, and 2021, one million dollars; and for calendar year 2022 and  
23 each calendar year thereafter, ten million dollars. Four hundred dollars  
24 of the application fee shall be refunded to the applicant if the  
25 application is not approved because the expected credits from approved  
26 projects exceed such amounts.

27 (c) Applications for benefits shall be considered separately and in  
28 the order in which they are received for the categories represented by  
29 subsections (1) and (2) of section 77-27,188.

30 (d) Applications shall be filed by November 1 and shall be complete  
31 by December 1 of each calendar year. Any application that is filed after



1 November 1 or that is not complete on December 1 shall be considered to  
2 be filed during the following calendar year.

3 (4) After approval, the taxpayer and the Tax Commissioner shall  
4 enter into a written agreement. The taxpayer shall agree to complete the  
5 project, and the Tax Commissioner, on behalf of the State of Nebraska,  
6 shall designate the approved plans of the taxpayer as a project and, in  
7 consideration of the taxpayer's agreement, agree to allow the taxpayer to  
8 use the incentives contained in the Nebraska Advantage Rural Development  
9 Act up to the total amount that were authorized by the Tax Commissioner  
10 at the time of approval. The application, and all supporting  
11 documentation, to the extent approved, shall be considered a part of the  
12 agreement. The agreement shall state:

13 (a) The levels of employment and investment required by the act for  
14 the project;

15 (b) The time period under the act in which the required level must  
16 be met;

17 (c) The documentation the taxpayer will need to supply when claiming  
18 an incentive under the act;

19 (d) The date the application was filed; and

20 (e) The maximum amount of credits authorized.

21 Sec. 63. Section 77-27,188, Revised Statutes Cumulative Supplement,  
22 2022, is amended to read:

23 77-27,188 (1) A refundable credit against the taxes imposed by the  
24 Nebraska Revenue Act of 1967 shall be allowed to any taxpayer who has an  
25 approved application pursuant to the Nebraska Advantage Rural Development  
26 Act, who is engaged in a qualified business as described in section  
27 77-27,189, and who after January 1, 2006:

28 (a)(i) Increases employment by two new equivalent employees and  
29 makes an increased investment of at least one hundred twenty-five  
30 thousand dollars prior to the end of the first taxable year after the  
31 year in which the application was submitted in (A) any county in this

1 state with a population of fewer than fifteen thousand inhabitants,  
2 according to the most recent federal decennial census, (B) any village in  
3 this state, or (C) any area within the corporate limits of a city of the  
4 metropolitan class consisting of one or more contiguous census tracts, as  
5 determined by the most recent federal decennial census, which contain a  
6 percentage of persons below the poverty line of greater than thirty  
7 percent, and all census tracts contiguous to such tract or tracts; or

8 (ii) Increases employment by five new equivalent employees and makes  
9 an increased investment of at least two hundred fifty thousand dollars  
10 prior to the end of the first taxable year after the year in which the  
11 application was submitted in any county in this state with a population  
12 of less than twenty-five thousand inhabitants, according to the most  
13 recent federal decennial census, or any city of the second class; and

14 (b) Pays a minimum qualifying wage of eight dollars and twenty-five  
15 cents per hour to the new equivalent employees for which tax credits are  
16 sought under the Nebraska Advantage Rural Development Act. The Department  
17 of Revenue shall adjust the minimum qualifying wages required for  
18 applications filed after January 1, 2004, and each January 1 thereafter,  
19 as follows: The current rural Nebraska average weekly wage shall be  
20 divided by the rural Nebraska average weekly wage for 2003; and the  
21 result shall be multiplied by the eight dollars and twenty-five cents  
22 minimum qualifying wage for 2003 and rounded to the nearest one cent. The  
23 amount of increase or decrease in the minimum qualifying wages for any  
24 year shall be the cumulative change in the rural Nebraska average weekly  
25 wage since 2003. For purposes of this subsection, rural Nebraska average  
26 weekly wage means the most recent average weekly wage paid by all  
27 employers in all counties with a population of less than twenty-five  
28 thousand inhabitants as reported by October 1 by the Department of Labor.

29 For purposes of this section, a teleworker working in Nebraska from  
30 his or her residence for a taxpayer shall be considered an employee of  
31 the taxpayer, and property of the taxpayer provided to the teleworker

1 working in Nebraska from his or her residence shall be considered an  
2 investment. Teleworker includes an individual working on a per-item basis  
3 and an independent contractor working for the taxpayer so long as the  
4 taxpayer withholds Nebraska income tax from wages or other payments made  
5 to such teleworker. For purposes of calculating the number of new  
6 equivalent employees when the teleworkers are paid on a per-item basis or  
7 are independent contractors, the total wages or payments made to all such  
8 new employees during the year shall be divided by the qualifying wage as  
9 determined in subdivision (b) of this subsection, with the result divided  
10 by two thousand eighty hours.

11 (2) A refundable credit against the taxes imposed by the Nebraska  
12 Revenue Act of 1967 shall be allowed to any taxpayer who (a) has an  
13 approved application pursuant to the Nebraska Advantage Rural Development  
14 Act, (b) is engaged in livestock production, and (c) ~~after January 1,~~  
15 ~~2007,~~ invests at least fifty thousand dollars for livestock modernization  
16 or expansion for applications filed before January 1, 2024, or at least  
17 ten thousand dollars for livestock modernization or expansion for  
18 applications filed on or after January 1, 2024.

19 (3) The amount of the credit allowed under subsection (1) of this  
20 section shall be three thousand dollars for each new equivalent employee  
21 and two thousand seven hundred fifty dollars for each fifty thousand  
22 dollars of increased investment. For applications filed before January 1,  
23 2016, the amount of the credit allowed under subsection (2) of this  
24 section shall be ten percent of the investment, not to exceed a credit of  
25 thirty thousand dollars. For applications filed on or after January 1,  
26 2016, and before April 20, 2022, the amount of the credit allowed under  
27 subsection (2) of this section shall be ten percent of the investment,  
28 not to exceed a credit of one hundred fifty thousand dollars per  
29 application. For applications filed on or after April 20, 2022, the  
30 amount of the credit allowed under subsection (2) of this section shall  
31 be ten percent of the investment, not to exceed a credit of five hundred

1 thousand dollars per application. For each application, a taxpayer  
2 engaged in livestock production may qualify for a credit under either  
3 subsection (1) or (2) of this section, but cannot qualify for more than  
4 one credit per application.

5 (4) An employee of a qualified employee leasing company shall be  
6 considered to be an employee of the client-lessee for purposes of this  
7 section if the employee performs services for the client-lessee. A  
8 qualified employee leasing company shall provide the Department of  
9 Revenue access to the records of employees leased to the client-lessee.

10 (5) The credit shall not exceed the amounts set out in the  
11 application and approved by the Tax Commissioner.

12 (6)(a) If a taxpayer who receives tax credits creates fewer jobs or  
13 less investment than required in the project agreement, the taxpayer  
14 shall repay the tax credits as provided in this subsection.

15 (b) If less than seventy-five percent of the required jobs in the  
16 project agreement are created, one hundred percent of the job creation  
17 tax credits shall be repaid. If seventy-five percent or more of the  
18 required jobs in the project agreement are created, no repayment of the  
19 job creation tax credits is necessary.

20 (c) If less than seventy-five percent of the required investment in  
21 the project agreement is created, one hundred percent of the investment  
22 tax credits shall be repaid. If seventy-five percent or more of the  
23 required investment in the project agreement is created, no repayment of  
24 the investment tax credits is necessary.

25 (7) For taxpayers who submitted applications for benefits under the  
26 Nebraska Advantage Rural Development Act before January 1, 2006,  
27 subsection (1) of this section, as such subsection existed immediately  
28 prior to such date, shall continue to apply to such taxpayers. The  
29 changes made by Laws 2005, LB 312, shall not preclude a taxpayer from  
30 receiving the tax incentives earned prior to January 1, 2006.

31 Sec. 64. Section 77-27,223, Revised Statutes Cumulative Supplement,

1 2022, is amended to read:

2 77-27,223 A county may raise revenue by levying and collecting a  
3 license or occupation tax on any person, partnership, limited liability  
4 company, corporation, or business engaged in the sale of admissions to  
5 recreational, cultural, entertainment, or concert events that are subject  
6 to sales tax under sections 77-2701.04 to 77-2713 and sections 50 and 54  
7 of this act that occur outside any incorporated municipality, but within  
8 the boundary limits of the county. The tax shall be uniform in respect to  
9 the class upon which it is imposed. The tax shall be based upon a certain  
10 percentage of gross receipts from sales in the county of the person,  
11 partnership, limited liability company, corporation, or business, and may  
12 include sales of other goods and services at such locations and events,  
13 not to exceed one and one-half percent. A county may not impose the tax  
14 on sales that are within an incorporated city or village. No county shall  
15 levy and collect a license or occupation tax under this section unless  
16 approved by a majority of those voting on the question at a special,  
17 primary, or general election.

18 Sec. 65. Section 77-2902, Reissue Revised Statutes of Nebraska, is  
19 amended to read:

20 77-2902 For purposes of the Nebraska Job Creation and Mainstreet  
21 Revitalization Act:

22 (1) Department means the Department of Revenue;

23 (2) Eligible expenditure means any cost incurred for the improvement  
24 of historically significant real property located in the State of  
25 Nebraska, including, but not limited to, qualified rehabilitation  
26 expenditures as defined in section 47(c)(2) of the Internal Revenue Code  
27 of 1986, as amended, and the related regulations thereunder, if such  
28 improvement is in conformance with the standards;

29 (3) Historically significant real property means a building or an  
30 at-grade or above ground structure used for any purpose, except for a  
31 single-family detached residence, which, at the time of final approval of

1 the work by the officer pursuant to section 77-2906, is:

2 (a) Individually listed in the National Register of Historic Places;

3 (b)(i) Located within a district listed in the National Register of  
4 Historic Places; and

5 (ii) Determined by the officer as being historically significant to  
6 such district;

7 (c)(i) Individually designated pursuant to a landmark ordinance or  
8 resolution enacted by a political subdivision of the state, which  
9 ordinance or resolution has been approved by the officer; and

10 (ii) Determined by the officer as being historically significant; or

11 (d)(i) Located within a district designated pursuant to a  
12 preservation ordinance or resolution enacted by a county, city, or  
13 village of the state or political body comprised thereof providing for  
14 the rehabilitation, preservation, or restoration of historically  
15 significant real property, which ordinance or resolution has been  
16 approved by the officer; and

17 (ii) Determined by the officer as contributing to the historical  
18 significance or economic viability of such district ~~or to its economic~~  
19 ~~viability~~;

20 (4) Improvement means a rehabilitation, preservation, or restoration  
21 project that contributes to the basis, functionality, or value of the  
22 historically significant real property and has a total cost which equals  
23 or exceeds five thousand dollars; ~~the following~~;

24 ~~(a) For historically significant real property that is not located~~  
25 ~~in a city of the metropolitan or primary class, twenty-five thousand~~  
26 ~~dollars; or~~

27 ~~(b) For historically significant real property that is located in a~~  
28 ~~city of the metropolitan or primary class, the greater of (i) twenty-five~~  
29 ~~thousand dollars or (ii) twenty-five percent of the historically~~  
30 ~~significant real property's assessed value;~~

31 (5) Officer means the State Historic Preservation Officer;

1 (6) Person means any natural person, political subdivision, limited  
2 liability company, partnership, private domestic or private foreign  
3 corporation, or domestic or foreign nonprofit corporation certified  
4 pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as  
5 amended;

6 (7) Placed in service means that either (a) a temporary or final  
7 certificate of occupancy has been issued for the improvement or (b) the  
8 improvement is sufficiently complete to allow for the intended use of the  
9 improvement; and

10 (8) Standards means (a) the Secretary of the Interior's Standards  
11 for the Treatment of Historic Properties as promulgated by the United  
12 States Department of the Interior or (b) specific standards for the  
13 rehabilitation, preservation, and restoration of historically significant  
14 real property contained in a duly adopted local preservation ordinance or  
15 resolution that has been approved by the officer pursuant to section  
16 77-2903.

17 Sec. 66. Section 77-2903, Reissue Revised Statutes of Nebraska, is  
18 amended to read:

19 77-2903 For purposes of establishing standards under subdivision (8)  
20 (b) of section 77-2902, the officer shall approve a duly adopted local  
21 preservation ordinance or resolution if such ordinance or resolution  
22 meets the following requirements:

23 (1) The ordinance or resolution provides for specific standards and  
24 requirements regarding building exteriors that reflect the heritage,  
25 values, and character of the political subdivision adopting such  
26 ordinance or resolution; and

27 (2) The ordinance or resolution requires that any building to be  
28 rehabilitated, preserved, or restored shall have been originally  
29 constructed at least fifty years prior to the proposed rehabilitation,  
30 preservation, or restoration and the facade of such building shall not  
31 have undergone material structural alteration since its original

1 construction, unless the rehabilitation, preservation, or restoration to  
2 be performed proposes to restore the facade to substantially its original  
3 condition.

4 Sec. 67. Section 77-2904, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6 77-2904 (1) Any person incurring eligible expenditures may receive a  
7 nonrefundable credit against any income tax imposed by the Nebraska  
8 Revenue Act of 1967 or any tax imposed pursuant to sections 44-101 to  
9 44-165, 77-907 to 77-918, or 77-3801 to 77-3807 for the year the  
10 historically significant real property is placed in service. ~~The amount  
11 of the credit shall be equal to twenty percent of eligible expenditures  
12 up to a maximum credit of one million dollars.~~

13 (2) For historically significant real property located in a county  
14 that includes a city of the metropolitan class or a city of the primary  
15 class, the credit shall be equal to twenty-five percent of eligible  
16 expenditures. For historically significant real property located in any  
17 other county, the credit shall be equal to thirty percent of eligible  
18 expenditures. In all cases, the maximum credit allocated to any one  
19 project shall be two million dollars.

20 (3) Any taxpayer that claims a tax credit shall not be required to  
21 pay any additional retaliatory tax under section 44-150 as a result of  
22 claiming such tax credit. Any tax credit claimed under this section shall  
23 be considered a payment of tax for purposes of subsection (1) of section  
24 77-2734.03.

25 (4) ~~(2)~~ To claim the credit authorized under this section, a person  
26 must first apply and receive an allocation of credits and application  
27 approval under section 77-2905 and then request and receive final  
28 approval under section 77-2906.

29 (5) ~~(3)~~ Interest shall not be allowed on any refund paid under the  
30 Nebraska Job Creation and Mainstreet Revitalization Act.

31 Sec. 68. Section 77-2905, Reissue Revised Statutes of Nebraska, is



1 amended to read:

2 77-2905 (1) Prior to commencing work on the historically significant  
3 real property, a person shall file an application for credits under the  
4 Nebraska Job Creation and Mainstreet Revitalization Act containing all  
5 required information with the officer on a form prescribed by the officer  
6 and shall include an application fee established by the officer pursuant  
7 to section 77-2907. ~~The officer shall not accept any application for~~  
8 ~~credits prior to January 1, 2015.~~ The application shall include plans and  
9 specifications, an estimate of the cost of the project prepared by a  
10 licensed architect, licensed engineer, or licensed contractor, and a  
11 request for a specific amount of credits based on such estimate. The  
12 officer shall review the application and, within twenty-one days after  
13 receiving the application, shall determine whether the information  
14 contained therein is complete. The officer shall notify the applicant in  
15 writing of the determination within five business days after making the  
16 determination. If the officer fails to provide such notification as  
17 required, the application shall be deemed complete as of the twenty-first  
18 day after the application is received by the officer. If the officer  
19 determines the application is complete or if the application is deemed  
20 complete pursuant to this section, the officer shall reserve for the  
21 benefit of the applicant an allocation of credits in the amount specified  
22 in the application and determined by the officer to be reasonable and  
23 shall notify the applicant in writing of the amount of the allocation.  
24 The allocation does not entitle the applicant to an issuance of credits  
25 until the applicant complies with all other requirements of the Nebraska  
26 Job Creation and Mainstreet Revitalization Act for the issuance of  
27 credits. The date the officer determines the application is complete or  
28 the date the application is deemed complete pursuant to this section  
29 shall constitute the applicant's priority date for purposes of allocating  
30 credits under this section. For complete applications receiving an  
31 allocation under this section, the officer shall determine whether the

1 application conforms to the standards, and, if so, the officer shall  
2 approve such application or approve such application with conditions. If  
3 the application does not conform to the standards, the officer shall deny  
4 such application. The officer shall promptly provide the person filing  
5 the application and the department with written notice of the officer's  
6 determination. If the officer does not provide a written notice of his or  
7 her determination within thirty days after the date the application is  
8 determined or deemed to be complete pursuant to this section, the  
9 application shall be deemed approved. The officer shall notify the  
10 department of any applications that are deemed approved pursuant to this  
11 section. If the officer denies the application, the credits allocated to  
12 the applicant under this subsection shall be added to the annual amount  
13 available for allocation under subsection (2) of this section. Any denial  
14 of an application by the officer pursuant to this section may be  
15 appealed, and the appeal shall be in accordance with the Administrative  
16 Procedure Act.

17 (2) ~~For calendar years beginning before January 1, 2017, the total~~  
18 ~~amount of credits that may be allocated by the officer under this section~~  
19 ~~in any calendar year shall be limited to fifteen million dollars. For~~  
20 ~~calendar years beginning before January 1, 2024 on or after January 1,~~  
21 ~~2017, the total amount of credits that may be allocated by the officer~~  
22 ~~under this section in any calendar year shall be limited to fifteen~~  
23 ~~million dollars, of which four million dollars shall be reserved for~~  
24 ~~applications seeking an allocation of credits of less than one hundred~~  
25 ~~thousand dollars. For calendar years beginning on or after January 1,~~  
26 ~~2024, the total amount of credits that may be allocated by the officer~~  
27 ~~under this section in any calendar year shall be limited to twelve~~  
28 ~~million dollars, of which four million dollars shall be reserved for~~  
29 ~~applications seeking an allocation of credits of less than one hundred~~  
30 ~~thousand dollars. If the amount of credits allocated in any calendar year~~  
31 ~~is less than the maximum amount of credits available under this section~~

1 for that year ~~fifteen million dollars~~, the unused amount shall be carried  
2 forward to subsequent years and shall be available for allocation in  
3 subsequent years until fully utilized, except as otherwise provided in  
4 section 77-2912. If the amount of credits reserved for applications  
5 seeking an allocation of credits of less than one hundred thousand  
6 dollars is not allocated by April 1 of any calendar year, such  
7 unallocated credits for the calendar year shall be available for any  
8 application seeking an allocation of credits based upon the applicant's  
9 priority date as determined by the officer. The officer shall allocate  
10 credits based on priority date, from earliest to latest. If the officer  
11 determines that the complete applications for credits in any calendar  
12 year exceed the maximum amount of credits available under this section  
13 for that year, only those applications with a priority date on or before  
14 the date on which the officer makes that determination may receive an  
15 allocation in that year, and the officer shall not make additional  
16 allocations until sufficient credits are available. If the officer  
17 suspends allocations of credits pursuant to this section, applications  
18 with priority dates on or before the date of such suspension shall retain  
19 their priority dates. Once additional credits are available for  
20 allocation, the officer shall once again allocate credits based on  
21 priority date, from earliest to latest, even if the priority dates are  
22 from a prior calendar year.

23 ~~(3) Prior to December 1 of any year, the holder of an allocation of~~  
24 ~~credits under this section who has not commenced the improvements in his~~  
25 ~~or her approved application shall notify the officer of his or her intent~~  
26 ~~to retain or release the allocation. Any released allocation shall be~~  
27 ~~added to the aggregate amount of credits available for allocation in the~~  
28 ~~following year. Any holder of an allocation who fails to timely notify~~  
29 ~~the officer of such intent shall be deemed to have released the~~  
30 ~~allocation.~~

31 (3) (4) The holder of an allocation of credits whose application was

1 approved under this section shall start substantial work pursuant to the  
2 approved application within twenty-four months after receiving notice of  
3 approval of the application or, if no notice of approval is sent by the  
4 officer, within twenty-four months after the application is deemed  
5 approved pursuant to this section. Failure to comply with this subsection  
6 shall result in forfeiture of the allocation of credits received under  
7 this section. Any such forfeited allocation shall be added to the  
8 aggregate amount of credits available for allocation for the year in  
9 which the forfeiture occurred.

10 (4) ~~(5)~~ Notwithstanding subsection (1) of this section, the person  
11 applying for the credit under this section may, at its own risk, incur  
12 eligible expenditures up to six months prior to the submission of the  
13 application required under subsection (1) of this section if such  
14 eligible expenditures are limited to architectural, engineering fees,  
15 accounting, and legal fees, and any costs generally related to the  
16 protection of the historically significant real property from  
17 deterioration.

18 Sec. 69. Section 77-2910, Reissue Revised Statutes of Nebraska, is  
19 amended to read:

20 77-2910 (1) The Nebraska State Historical Society and the department  
21 may each adopt and promulgate rules and regulations to carry out the  
22 Nebraska Job Creation and Mainstreet Revitalization Act.

23 (2) The Nebraska State Historical Society and the department shall  
24 annually issue a joint report electronically to the Revenue Committee of  
25 the Legislature no later than December 31 of each year ~~, 2017~~. The report  
26 shall include, but not be limited to, (a) the total number of  
27 applications submitted under the Nebraska Job Creation and Mainstreet  
28 Revitalization Act, (b) the number of applications approved or  
29 conditionally approved, (c) the number of applications outstanding, if  
30 any, (d) the number of applications denied and the basis for denial, (e)  
31 the total amount of eligible expenditures approved, (f) the total amount

1 of credits issued, claimed, and still available for use, (g) the total  
2 amount of fees collected, (h) the name and address location of each  
3 historically significant real property identified in each application,  
4 whether approved or denied, (i) the total amount of credits transferred,  
5 sold, and assigned and a certification of the ownership of the credits,  
6 (j) the total amount of credits claimed against each tax type by  
7 category, and (k) the total amount of credits recaptured, if any. No  
8 information shall be provided in the report that is protected by state or  
9 federal confidentiality laws.

10 Sec. 70. Section 77-2912, Reissue Revised Statutes of Nebraska, is  
11 amended to read:

12 77-2912 There shall be no new applications filed under the Nebraska  
13 Job Creation and Mainstreet Revitalization Act after December 31, 2030  
14 ~~2022~~. All applications and all credits pending or approved before such  
15 date shall continue in full force and effect, except that no credits  
16 shall be allocated under section 77-2905, issued under section 77-2906,  
17 or used on any tax return or similar filing after December 31, 2035 ~~2027~~.

18 Sec. 71. Section 77-3806, Revised Statutes Cumulative Supplement,  
19 2022, is amended to read:

20 77-3806 (1) The tax return shall be filed and the total amount of  
21 the franchise tax shall be due on the fifteenth day of the third month  
22 after the end of the taxable year. No extension of time to pay the tax  
23 shall be granted. If the Tax Commissioner determines that the amount of  
24 tax can be computed from available information filed by the financial  
25 institutions with either state or federal regulatory agencies, the Tax  
26 Commissioner may, by regulation, waive the requirement for the financial  
27 institutions to file returns.

28 (2) Sections 77-2714 to 77-27,135 relating to deficiencies,  
29 penalties, interest, the collection of delinquent amounts, and appeal  
30 procedures for the tax imposed by section 77-2734.02 shall also apply to  
31 the tax imposed by section 77-3802. If the filing of a return is waived

1 by the Tax Commissioner, the payment of the tax shall be considered the  
2 filing of a return for purposes of sections 77-2714 to 77-27,135.

3 (3) No refund of the tax imposed by section 77-3802 shall be allowed  
4 unless a claim for such refund is filed within ninety days of the date on  
5 which (a) the tax is due or was paid, whichever is later, (b) a change is  
6 made to the amount of deposits or the net financial income of the  
7 financial institution by a state or federal regulatory agency, or (c) the  
8 Nebraska Investment Finance Authority issues an eligibility statement to  
9 the financial institution pursuant to the Affordable Housing Tax Credit  
10 Act.

11 (4) Any such financial institution shall receive a credit on the  
12 franchise tax as provided under the Affordable Housing Tax Credit Act,  
13 the Community Development Assistance Act, the Nebraska Biodiesel Tax  
14 Credit Act, the Nebraska Higher Blend Tax Credit Act, the Nebraska Job  
15 Creation and Mainstreet Revitalization Act, the Nebraska Property Tax  
16 Incentive Act, and the New Markets Job Growth Investment Act.

17 Sec. 72. Section 77-4001, Reissue Revised Statutes of Nebraska, is  
18 amended to read:

19 77-4001 Sections 77-4001 to 77-4025 and sections 74 and 75 of this  
20 act shall be known and may be cited as the Tobacco Products Tax Act.

21 Sec. 73. Section 77-4002, Reissue Revised Statutes of Nebraska, is  
22 amended to read:

23 77-4002 For purposes of the Tobacco Products Tax Act, unless the  
24 context otherwise requires, the definitions found in sections 77-4003 to  
25 77-4007 and sections 74 and 75 of this act shall be used.

26 Sec. 74. Consumable material means any liquid solution or other  
27 material containing nicotine that is depleted as an electronic nicotine  
28 delivery system is used.

29 Sec. 75. Electronic nicotine delivery system has the same meaning as  
30 in section 28-1418.01.

31 Sec. 76. Section 77-4007, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 77-4007 Tobacco products shall mean (1) cigars, (2) cheroots, (3)  
3 stogies, (4) periques, (5) granulated, plug cut, crimp cut, ready rubbed,  
4 and other smoking tobacco, (6) snuff, (7) snuff flour, (8) cavendish, (9)  
5 plug and twist tobacco, (10) fine cut and other chewing tobacco, (11)  
6 shorts, refuse scraps, clippings, cuttings, and sweepings of tobacco, and  
7 (12) other kinds and forms of tobacco, prepared in such manner as to be  
8 suitable for chewing or smoking in a pipe or otherwise or both for  
9 chewing and smoking, and (13) electronic nicotine delivery systems,  
10 except that tobacco products shall not mean cigarettes as defined in  
11 section 77-2601.

12 Sec. 77. Section 77-4008, Reissue Revised Statutes of Nebraska, is  
13 amended to read:

14 77-4008 (1)(a) A tax is hereby imposed upon the first owner of  
15 tobacco products to be sold in this state.

16 (b) The tax on snuff shall be forty-four cents per ounce and a  
17 proportionate tax at the like rate on all fractional parts of an ounce.  
18 Such tax shall be computed based on the net weight as listed by the  
19 manufacturer.

20 (c) The tax on an electronic nicotine delivery system containing  
21 three milliliters or less of consumable material shall be five cents per  
22 milliliter of consumable material and a proportionate tax at the like  
23 rate on all fractional parts of a milliliter.

24 (d) The tax on an electronic nicotine delivery system containing  
25 more than three milliliters of consumable material shall be ten percent  
26 of (i) the purchase price of such electronic nicotine delivery system  
27 paid by the first owner or (ii) the price at which the first owner who  
28 made, manufactured, or fabricated the electronic nicotine delivery system  
29 sells the item to others.

30 (e) For electronic nicotine delivery systems in the possession of  
31 retail dealers for which tax has not been paid, the tax under this

1 subsection shall be imposed at the earliest time the retail dealer: (i)  
2 Brings or causes to be brought into the state any electronic nicotine  
3 delivery system for sale; (ii) makes, manufactures, or fabricates any  
4 electronic nicotine delivery system in this state for sale in this state;  
5 or (iii) sells any electronic nicotine delivery system to consumers  
6 within this state.

7 (f) ~~(e)~~ The tax on tobacco products other than snuff and electronic  
8 nicotine delivery systems shall be twenty percent of (i) the purchase  
9 price of such tobacco products paid by the first owner or (ii) the price  
10 at which a first owner who made, manufactured, or fabricated the tobacco  
11 product sells the items to others.

12 (g) ~~(d)~~ The tax on tobacco products shall be in addition to all  
13 other taxes.

14 (2) Whenever any person who is licensed under section 77-4009  
15 purchases tobacco products from another person licensed under section  
16 77-4009, the seller shall be liable for the payment of the tax.

17 (3) Amounts collected pursuant to this section shall be used and  
18 distributed pursuant to section 77-4025.

19 Sec. 78. Section 77-5803, Reissue Revised Statutes of Nebraska, is  
20 amended to read:

21 77-5803 (1)(a) Except as provided in subdivision (1)(b) of this  
22 section, any business firm which makes expenditures in research and  
23 experimental activities as defined in section 174 of the Internal Revenue  
24 Code of 1986, as amended, in this state shall be allowed a research tax  
25 credit as provided in the Nebraska Advantage Research and Development  
26 Act. The credit amount under this subdivision shall equal fifteen percent  
27 of the federal credit allowed under section 41 of the Internal Revenue  
28 Code of 1986, as amended, or as apportioned to this state under  
29 subsection (2) of this section. For all tax years of a taxpayer (i) which  
30 are open for assessment or filing a refund claim, (ii) for which a refund  
31 claim, including a refund request in an income tax return, concerning



1 this credit has been filed but not yet paid, or (iii) for which the Tax  
2 Commissioner has issued a notice of proposed assessment of a deficiency,  
3 which is not yet final, concerning this credit, the ~~The~~ credit shall be  
4 allowed for the first tax year it is claimed and for each tax year the  
5 ~~twenty tax years immediately~~ following.

6 (b) Any business firm which makes expenditures in research and  
7 experimental activities as defined in section 174 of the Internal Revenue  
8 Code of 1986, as amended, on the campus of a college or university in  
9 this state or at a facility owned by a college or university in this  
10 state shall be allowed a research tax credit as provided in the Nebraska  
11 Advantage Research and Development Act. The credit amount under this  
12 subdivision shall equal thirty-five percent of the federal credit allowed  
13 under section 41 of the Internal Revenue Code of 1986, as amended, or as  
14 apportioned to this state under subsection (2) of this section. For all  
15 tax years of a taxpayer (i) which are open for assessment or filing a  
16 refund claim, (ii) for which a refund claim, including a refund request  
17 in an income tax return, concerning this credit has been filed but not  
18 yet paid, or (iii) for which the Tax Commissioner has issued a notice of  
19 proposed assessment of a deficiency, which is not yet final, concerning  
20 this credit, the ~~The~~ credit shall be allowed for the first tax year it is  
21 claimed and for each tax year the ~~twenty tax years immediately~~ following.

22 (2) For any business firm doing business both within and without  
23 this state, the amount of the ~~federal~~ credit may be determined either by  
24 dividing the amount expended in research and experimental activities in  
25 this state in any tax year by the total amount expended in research and  
26 experimental activities or by apportioning the amount of the credit on  
27 the federal income tax return to the state based on the average of the  
28 property factor as determined in section 77-2734.12 and the payroll  
29 factor as determined in section 77-2734.13.

30 Sec. 79. Section 77-5806, Reissue Revised Statutes of Nebraska, is  
31 amended to read:

1           77-5806 The Nebraska Advantage Research and Development Act shall be  
2 operative for all tax years beginning or deemed to begin on or after  
3 January 1, 2006, under the Internal Revenue Code of 1986, as amended. No  
4 business firm shall be allowed to first claim the credit for any tax year  
5 beginning or deemed to begin after December 31, ~~2033~~ 2022, under the  
6 Internal Revenue Code of 1986, as amended.

7           Sec. 80. Section 77-5808, Reissue Revised Statutes of Nebraska, is  
8 amended to read:

9           77-5808 (1) This subsection shall apply for tax years beginning or  
10 deemed to begin on or after January 1, 2009, and before January 1, 2023,  
11 except for such tax year or years for which the taxpayer elects to apply  
12 subsection (2) of this section. The Tax Commissioner shall not approve or  
13 grant to any person any tax incentive under the Nebraska Advantage  
14 Research and Development Act unless the taxpayer provides evidence  
15 satisfactory to the Tax Commissioner that the taxpayer electronically  
16 verified the work eligibility status of all newly hired employees  
17 employed in Nebraska. ~~This section does not apply to any credit claimed~~  
18 ~~in a tax year beginning or deemed to begin before January 1, 2009, under~~  
19 ~~the Internal Revenue Code of 1986, as amended.~~

20           (2) This subsection shall apply for tax years beginning or deemed to  
21 begin on or after January 1, 2023, and, if the taxpayer so elects, such  
22 tax year or tax years beginning or deemed to begin on or after January 1,  
23 2009, and before January 1, 2023. When calculating the research tax  
24 credit as provided in the Nebraska Advantage Research and Development  
25 Act, the qualified research expenses claimed in computing the federal  
26 credit allowed under section 41 of the Internal Revenue Code of 1986, as  
27 amended, shall be adjusted to the extent the taxpayer includes, in such  
28 qualified research expenses, compensation paid to an employee of such  
29 taxpayer hired during or after the first tax year for which the Nebraska  
30 Advantage Research and Development Act credit is claimed by such firm and  
31 to the extent such compensation is subject to Nebraska income tax. Such

1 compensation, for the tax year in which the credit is being claimed,  
2 shall be deducted from the taxpayer's qualified research expenses unless  
3 such employee was verified as eligible to work in the United States using  
4 the federal E-Verify system within ninety days after the date of hire of  
5 such employee or such longer period as may be permitted under the rules  
6 of the federal E-Verify system. Such verification may be performed by the  
7 taxpayer or by someone on the taxpayer's behalf.

8 (3) The taxpayer may, by correspondence provided to the Tax  
9 Commissioner, make the elections referred to in subsections (1) and (2)  
10 of this section for each tax year beginning or deemed to begin on or  
11 after January 1, 2009, and before January 1, 2023, (i) which is open for  
12 assessment or filing a refund claim, (ii) for which a refund claim,  
13 including a refund request in an income tax return, concerning the  
14 research tax credit has been filed but not yet paid, or (iii) for which  
15 the Tax Commissioner has issued a notice of proposed assessment of a  
16 deficiency, which is not yet final, concerning such credit. When made,  
17 such elections shall apply for the tax year or tax years for which they  
18 are made.

19 Sec. 81. Section 77-6702, Revised Statutes Cumulative Supplement,  
20 2022, is amended to read:

21 77-6702 For purposes of the Nebraska Property Tax Incentive Act:

22 (1) Allowable growth percentage means the percentage increase, if  
23 any, in the total assessed value of all real property in the state from  
24 the prior year to the current year, as determined by the department,  
25 except that in no case shall the allowable growth percentage exceed five  
26 percent in any one year;

27 (2) Community college taxes means property taxes levied on real  
28 property in this state by a community college area, excluding the  
29 following:

30 (a) Any any property taxes levied for bonded indebtedness;

31 (b) Any and any property taxes levied as a result of an override of

1 limits on property tax levies approved by voters pursuant to section  
2 77-3444; and

3 (c) Any property taxes that, as of the time of payment, were  
4 delinquent for five years or more;

5 (3) Department means the Department of Revenue;

6 (4) Eligible taxpayer means any individual, corporation,  
7 partnership, limited liability company, trust, estate, or other entity  
8 that pays school district taxes or community college taxes during a  
9 taxable year; and

10 (5) School district taxes means property taxes levied on real  
11 property in this state by a school district or multiple-district school  
12 system, excluding the following:

13 (a) Any any property taxes levied for bonded indebtedness;

14 (b) Any and any property taxes levied as a result of an override of  
15 limits on property tax levies approved by voters pursuant to section  
16 77-3444; and -

17 (c) Any property taxes that, as of the time of payment, were  
18 delinquent for five years or more.

19 Sec. 82. Section 77-6818, Revised Statutes Cumulative Supplement,  
20 2022, is amended to read:

21 77-6818 (1) Qualified location means a location at which the  
22 majority of the business activities conducted are within one or more of  
23 the following NAICS codes or the following descriptions:

24 (a) Manufacturing - 31, 32, or 33, including pre-production  
25 services;

26 (b) Testing Laboratories - 541380;

27 (c) Rail Transportation - 482;

28 (d) Truck Transportation - 484;

29 (e) Insurance Carriers - 5241;

30 (f) Wired Telecommunications Carriers - 517311;

31 (g) Wireless Telecommunications Carriers (except Satellite) -

1 517312;

2 (h) Telemarketing Bureaus and Other Contact Centers - 561422;

3 (i) Data Processing, Hosting, and Related Services - 518210;

4 (j) Computer Facilities Management Services - 541513;

5 (k) Warehousing and Storage - 4931;

6 (l) The administrative management of the taxpayer's activities,  
7 including headquarter facilities relating to such activities, or the  
8 administrative management of any of the activities of any business entity  
9 or entities in which the taxpayer or a group of its owners hold any  
10 direct or indirect ownership interest of at least ten percent, including  
11 headquarter facilities relating to such activities;

12 (m) Logistics Facilities - Portions of NAICS 488210, 488310, and  
13 488490 dealing with independently operated trucking terminals,  
14 independently operated railroad and railway terminals, and waterfront  
15 terminal and port facility operations;

16 (n) Services provided on aircraft brought into this state by an  
17 individual who is a resident of another state or any other person who has  
18 a business location in another state when the aircraft is not to be  
19 registered or based in this state and will not remain in this state more  
20 than ten days after the service is completed;

21 (o) The conducting of research, development, or testing, or any  
22 combination thereof, for scientific, agricultural, animal husbandry, food  
23 product, industrial, or technology purposes;

24 (p) The production of electricity by using one or more sources of  
25 renewable energy to produce electricity for sale. For purposes of this  
26 subdivision, sources of renewable energy includes, but is not limited to,  
27 wind, solar, energy storage, geothermal, hydroelectric, biomass, nuclear,  
28 and transmutation of elements;

29 (q) Computer Systems Design and Related Services - 5415;

30 (r) The performance of financial services. For purposes of this  
31 subdivision, financial services includes only financial services provided

1 by any financial institution subject to tax under Chapter 77, article 38,  
2 or any person or entity licensed by the Department of Banking and Finance  
3 or the federal Securities and Exchange Commission;

4 (s) Postharvest Crop Activities (except Cotton Ginning) - 115114;~~or~~

5 (t) The processing of tangible personal property. For purposes of  
6 this subdivision, processing means to subject to a particular method,  
7 system, or technique of preparation, handling, or other treatment  
8 designed to prepare tangible personal property for market, manufacture,  
9 or other commercial use which does not result in the transformation of  
10 such property into a substantially different character; or -

11 (u) Waste Treatment and Disposal - 5622.

12 (2)(a) Qualified location also includes any other business location  
13 if at least seventy-five percent of the revenue derived at the location  
14 is from sales to customers who are not related persons which are  
15 delivered or provided from the qualified location to a location that is  
16 not within Nebraska according to the sourcing rules in subsections (2)  
17 and (3) of section 77-2734.14. Intermediate sales to related persons are  
18 included as sales to customers delivered or provided to a location  
19 outside Nebraska if the related person delivers or provides the goods or  
20 services to a location outside Nebraska. Even if a location meets the  
21 seventy-five percent requirement of this subdivision, such location shall  
22 not constitute a qualified location under this subdivision if the  
23 majority of the business activities conducted at such location are within  
24 any of the following NAICS codes or any combination thereof:

25 (i) Agriculture, Forestry, Fishing and Hunting - 11, excluding NAICS  
26 code 115114;

27 (ii) Transportation and Warehousing - 48-49;

28 (iii) Information - 51;

29 (iv) Utilities - 22;

30 (v) Mining, Quarrying, and Oil and Gas Extraction - 21;

31 (vi) Public Administration - 92; or

1 (vii) Construction - 23.

2 (b) The director may adopt and promulgate rules and regulations  
3 establishing an alternative method in circumstances in which subdivision  
4 (2)(a) of this section does not accurately reflect the out-of-state sales  
5 taking place at locations within Nebraska for a particular industry.

6 (3) The determination of the majority of the business activities  
7 shall be made based on the number of employees working in the respective  
8 business activities. The director may adopt and promulgate rules and  
9 regulations establishing an alternative method in circumstances in which  
10 other factors provide a better reflection of business activities.

11 (4) The delineation of the types of business activities which enable  
12 a location to constitute a qualified location is based on the state's  
13 intention to attract certain types of business activities and to  
14 responsibly accomplish the purposes of the Imagine Nebraska Act by  
15 directing the state's incentive capabilities towards business activities  
16 which, due to their national nature, could locate outside of Nebraska and  
17 which therefore would, through the use of incentives, be motivated to  
18 locate in Nebraska. By listing specific types of business activities in  
19 subsection (1) of this section, the state has determined such business  
20 activities by their nature meet these objectives. By specifying the  
21 national nature of a taxpayer's revenue in subsection (2) of this  
22 section, the state has determined that certain other types of business  
23 activities can meet these objectives.

24 Sec. 83. Section 85-1801, Reissue Revised Statutes of Nebraska, is  
25 amended to read:

26 ~~85-1801~~ The Legislature finds that the general welfare and well-  
27 being of the state are directly related to educational levels and skills  
28 of the citizens of the state and that a vital and valid public purpose is  
29 served by the creation and implementation of programs which encourage and  
30 make possible the attainment of higher levels of education by the  
31 greatest number of citizens of the state. The state has limited resources

1 to provide additional programs for ~~higher~~ education funding and the  
2 continued operation and maintenance of the state's public institutions of  
3 elementary, secondary, and postsecondary ~~higher~~ education, and the  
4 general welfare of the citizens of the state will be enhanced by  
5 establishing a program which allows parents and others interested in the  
6 ~~higher~~ education of our youth to invest money in a public trust for  
7 future application to the payment of qualified ~~higher~~ education expenses.  
8 The creation of the means of encouragement for persons to invest in such  
9 a program represents the carrying out of a vital and valid public  
10 purpose. In order to make available to parents and others interested in  
11 the ~~higher~~ education of our youth an opportunity to fund future ~~higher~~  
12 education needs, it is necessary that a public trust be established in  
13 which money may be invested for future educational use.

14 Sec. 84. Section 85-1802, Revised Statutes Cumulative Supplement,  
15 2022, is amended to read:

16 ~~85-1802~~ For purposes of sections 83 to 98 of this act ~~85-1801 to~~  
17 ~~85-1817~~:

18 (1) Administrative fund means the Education College Savings Plan  
19 Administrative Fund created in section 88 of this act ~~85-1807~~;

20 (2) Beneficiary means the individual designated by a participation  
21 agreement to benefit from advance payments of qualified ~~higher~~ education  
22 expenses on behalf of the beneficiary;

23 (3) Benefits means the payment of qualified ~~higher~~ education  
24 expenses on behalf of a beneficiary or, in the case of a qualified  
25 education loan payment, on behalf of a beneficiary or the sibling of a  
26 beneficiary by the Nebraska educational savings plan trust;

27 (4) Eligible postsecondary educational institution means an  
28 institution described in 20 U.S.C. 1088 which is eligible to participate  
29 in a program under Title IV of the federal Higher Education Act of 1965;

30 (5) Expense fund means the Education College Savings Plan Expense  
31 Fund created in section 88 of this act ~~85-1807~~;



1 (6) Nebraska educational savings plan trust means the trust created  
2 in section 85 of this act ~~85-1804~~;

3 (7) Nonqualified withdrawal refers to (a) a distribution from an  
4 account (i) to the extent it is not used to pay the qualified ~~higher~~  
5 education expenses of the beneficiary or, in the case of a qualified  
6 education loan payment, to the extent it is not used to pay the qualified  
7 ~~higher~~ education expenses of the beneficiary or a sibling of the  
8 beneficiary or (ii) for taxable years beginning or deemed to begin on or  
9 after January 1, 2023, to the extent it does not constitute a rollover to  
10 a Roth individual retirement account as permitted by section 529 of the  
11 Internal Revenue Code or ~~7~~ (b) a qualified rollover permitted by section  
12 529 of the Internal Revenue Code where the funds are transferred to a  
13 qualified tuition program sponsored by another state or entity, ~~or (c) a~~  
14 ~~distribution from an account to pay the costs of attending kindergarten~~  
15 ~~through grade twelve;~~

16 (8) Participant or account owner means an individual, an  
17 individual's legal representative, or any other legal entity authorized  
18 to establish a savings account under section 529 of the Internal Revenue  
19 Code who has entered into a participation agreement for the advance  
20 payment of qualified ~~higher~~ education expenses on behalf of a  
21 beneficiary. For purposes of section 77-2716, as to contributions by a  
22 custodian to a custodial account established pursuant to the Nebraska  
23 Uniform Transfers to Minors Act or similar law in another state, which  
24 account has been established under a participation agreement, participant  
25 includes the parent or guardian of a minor, which parent or guardian is  
26 also the custodian of the account;

27 (9) Participation agreement means an agreement between a participant  
28 and the Nebraska educational savings plan trust entered into under  
29 sections 83 to 98 of this act ~~85-1801 to 85-1817~~;

30 (10) Program fund means the Education College Savings Plan Program  
31 Fund created in section 88 of this act ~~85-1807~~;

1 (11) Qualified education loan payment means the payment of principal  
2 or interest on a qualified education loan as defined in 26 U.S.C. 221(d),  
3 as such section existed on January 1, 2022, of the beneficiary or a  
4 sibling of the beneficiary as described in 26 U.S.C. 152(d)(2)(B), as  
5 such section existed on January 1, 2022. For purposes of this  
6 subdivision, the aggregate total of qualified education loan payments for  
7 the qualified education loans of a single beneficiary or sibling shall  
8 not exceed ten thousand dollars for all taxable years combined. The  
9 aggregate total for qualified education loan payments for the qualified  
10 education loans of a sibling of a beneficiary shall be calculated with  
11 respect to such sibling and not with respect to the beneficiary and shall  
12 include all qualified education loan payments for loans of such sibling,  
13 including any qualified education loan payments for which such sibling is  
14 the beneficiary or the sibling of a beneficiary;

15 (12)(a) ~~(12)~~ Qualified higher education expenses means:

16 (i) The ~~the~~ certified costs of tuition, ~~and~~ fees, books, supplies,  
17 and equipment required (A) ~~(a)~~ for enrollment or attendance at an  
18 eligible postsecondary educational institution or (B) ~~(b)~~ for costs  
19 incurred on or after January 1, 2021, for participation in an  
20 apprenticeship program registered and certified with the United States  
21 Secretary of Labor under 29 U.S.C. 50, as such section existed on January  
22 1, 2021; ~~;~~

23 (ii) Reasonable room and board expenses, based on the minimum amount  
24 applicable for the eligible postsecondary educational institution during  
25 the period of enrollment, ~~shall be included as qualified higher education~~  
26 ~~expenses~~ for those students enrolled on at least a half-time basis; ~~;~~

27 (iii) In the case of a special needs beneficiary, expenses for  
28 special needs services incurred in connection with enrollment or  
29 attendance at an eligible postsecondary educational institution; ~~shall be~~  
30 ~~included as qualified higher education expenses.~~

31 (iv) Expenses paid or incurred on or after January 1, 2022, for the

1 purchase of computer technology or equipment or Internet access and  
2 related services in connection with enrollment or attendance at an  
3 eligible postsecondary educational institution, subject to the  
4 limitations set forth in section 529 of the Internal Revenue Code; ~~7~~  
5 ~~shall be included as qualified higher education expenses.~~

6 ~~(v) Qualified higher education expenses includes qualified education~~  
7 ~~loan payments; or -~~

8 (vi) Expenses for tuition in connection with enrollment or  
9 attendance at an elementary or secondary school but does not include any  
10 amounts in excess of ten thousand dollars per beneficiary per taxable  
11 year.

12 (b) Qualified higher education expenses does not include any amounts  
13 in excess of those allowed by section 529 of the Internal Revenue Code;

14 (13) Section 529 of the Internal Revenue Code means such section of  
15 the code and the regulations interpreting such section; and

16 (14) Tuition means:

17 (a) For purposes of an elementary or secondary school, the charges  
18 imposed for tuition in connection with enrollment or attendance at such  
19 elementary or secondary school; and

20 (b) For purposes of an eligible postsecondary educational  
21 institution, (14) Tuition and fees means the quarter or semester charges  
22 imposed to attend an eligible postsecondary educational institution.

23 Sec. 85. Section 85-1804, Revised Statutes Cumulative Supplement,  
24 2022, is amended to read:

25 ~~85-1804~~ The Nebraska educational savings plan trust is created. The  
26 State Treasurer is the trustee of the trust and as such is responsible  
27 for the administration, operation, and maintenance of the program and has  
28 all powers necessary to carry out and effectuate the purposes,  
29 objectives, and provisions of sections 83 to 98 of this act ~~85-1801 to~~  
30 ~~85-1817~~ pertaining to the administration, operation, and maintenance of  
31 the trust and program, except that the state investment officer shall

1 have fiduciary responsibility to make all decisions regarding the  
2 investment of the money in the administrative fund, expense fund, and  
3 program fund, including the selection of all investment options and the  
4 approval of all fees and other costs charged to trust assets except costs  
5 for administration, operation, and maintenance of the trust as  
6 appropriated by the Legislature, pursuant to the directions, guidelines,  
7 and policies established by the Nebraska Investment Council. The State  
8 Treasurer may adopt and promulgate rules and regulations to provide for  
9 the efficient administration, operation, and maintenance of the trust and  
10 program. The State Treasurer shall not adopt and promulgate rules and  
11 regulations that in any way interfere with the fiduciary responsibility  
12 of the state investment officer to make all decisions regarding the  
13 investment of money in the administrative fund, expense fund, and program  
14 fund. The State Treasurer or his or her designee shall have the power to:

15 (1) Enter into agreements with any elementary or secondary school or  
16 eligible postsecondary educational institution, the state, any federal or  
17 other state agency, or any other entity to implement sections 83 to 98 of  
18 this act ~~85-1801 to 85-1817~~, except agreements which pertain to the  
19 investment of money in the administrative fund, expense fund, or program  
20 fund;

21 (2) Carry out the duties and obligations of the trust;

22 (3) Carry out studies and projections to advise participants  
23 regarding present and estimated future qualified ~~higher~~ education  
24 expenses and levels of financial participation in the trust required in  
25 order to enable participants to achieve their educational funding  
26 objectives;

27 (4) Participate in any federal, state, or local governmental program  
28 for the benefit of the trust;

29 (5) Procure insurance against any loss in connection with the  
30 property, assets, or activities of the trust as provided in section  
31 81-8,239.01;

1 (6) Enter into participation agreements with participants;

2 (7) Make payments to elementary or secondary schools or eligible  
3 postsecondary educational institutions pursuant to participation  
4 agreements on behalf of beneficiaries and make qualified education loan  
5 payments on behalf of beneficiaries or their siblings;

6 (8) Make distributions to participants upon the termination of  
7 participation agreements pursuant to the provisions, limitations, and  
8 restrictions set forth in sections 83 to 98 of this act ~~85-1801 to~~  
9 ~~85-1817~~;

10 (9) Contract for goods and services and engage personnel as  
11 necessary, including consultants, actuaries, managers, legal counsels,  
12 and auditors for the purpose of rendering professional, managerial, and  
13 technical assistance and advice regarding trust administration and  
14 operation, except contracts which pertain to the investment of the  
15 administrative, expense, or program funds; and

16 (10) Establish, impose, and collect administrative fees and charges  
17 in connection with transactions of the trust, and provide for reasonable  
18 service charges, including penalties for cancellations and late payments  
19 with respect to participation agreements.

20 The Nebraska Investment Council may adopt and promulgate rules and  
21 regulations to provide for the prudent investment of the assets of the  
22 trust. The council or its designee also has the authority to select and  
23 enter into agreements with individuals and entities to provide investment  
24 advice and management of the assets held by the trust, establish  
25 investment guidelines, objectives, and performance standards with respect  
26 to the assets held by the trust, and approve any fees, commissions, and  
27 expenses, which directly or indirectly affect the return on assets.

28 Sec. 86. Section 85-1805, Reissue Revised Statutes of Nebraska, is  
29 amended to read:

30 ~~85-1805~~ Any advertising or promotional materials relating to the  
31 Nebraska educational savings plan trust may include references to a

1 public office but shall not refer to an officeholder by name.

2 Sec. 87. Section 85-1806, Revised Statutes Cumulative Supplement,  
3 2022, is amended to read:

4 ~~85-1806~~ The Nebraska educational savings plan trust may enter into  
5 participation agreements with participants on behalf of beneficiaries  
6 pursuant to the following terms and conditions:

7 (1) A participation agreement shall authorize a participant to make  
8 contributions to an account which is established for the purpose of  
9 meeting the qualified ~~higher~~ education expenses of a beneficiary as  
10 allowed by section 529 of the Internal Revenue Code. A participant shall  
11 not be required to make an annual contribution on behalf of a  
12 beneficiary, shall not be subject to minimum contribution requirements,  
13 and shall not be required to maintain a minimum account balance. The  
14 maximum contribution shall not exceed the amount allowed under section  
15 529 of the Internal Revenue Code. The State Treasurer may set a maximum  
16 cumulative contribution, as necessary, to maintain compliance with  
17 section 529 of the Internal Revenue Code. Participation agreements may be  
18 amended to provide for adjusted levels of contributions based upon  
19 changed circumstances or changes in educational plans or to ensure  
20 compliance with section 529 of the Internal Revenue Code or any other  
21 applicable laws and regulations;

22 (2) Beneficiaries designated in participation agreements shall meet  
23 the requirements established by the trustee and section 529 of the  
24 Internal Revenue Code;

25 (3) Payment of benefits provided under participation agreements  
26 shall be made in a manner consistent with section 529 of the Internal  
27 Revenue Code;

28 (4) The execution of a participation agreement by the trust shall  
29 not guarantee in any way that qualified ~~higher~~ education expenses will be  
30 equal to projections and estimates provided by the trust or that the  
31 beneficiary named in any participation agreement will (a) be admitted to

1 an elementary or secondary school or eligible postsecondary educational  
2 institution, (b) if admitted, be determined a resident for tuition  
3 purposes by the elementary or secondary school or eligible postsecondary  
4 educational institution, (c) be allowed to continue attendance at the  
5 elementary or secondary school or eligible postsecondary educational  
6 institution following admission, or (d) graduate from the elementary or  
7 secondary school or eligible postsecondary educational institution;

8 (5) A beneficiary under a participation agreement may be changed as  
9 permitted under the rules and regulations adopted under sections 83 to 98  
10 of this act 85-1801 to 85-1817 and consistent with section 529 of the  
11 Internal Revenue Code upon written request of the participant as long as  
12 the substitute beneficiary is eligible for participation. Participation  
13 agreements may otherwise be freely amended throughout their term in order  
14 to enable participants to increase or decrease the level of  
15 participation, change the designation of beneficiaries, and carry out  
16 similar matters as authorized by rule and regulation; and

17 (6) Each participation agreement shall provide that the  
18 participation agreement may be canceled upon the terms and conditions and  
19 upon payment of applicable fees and costs set forth and contained in the  
20 rules and regulations.

21 Sec. 88. Section 85-1807, Revised Statutes Cumulative Supplement,  
22 2022, is amended to read:

23 ~~85-1807~~ (1) The State Treasurer shall deposit money received by the  
24 Nebraska educational savings plan trust into three funds: The Education  
25 ~~College~~ Savings Plan Program Fund, the Education ~~College~~ Savings Plan  
26 Expense Fund, and the Education ~~College~~ Savings Plan Administrative Fund.  
27 The State Treasurer shall deposit money received by the trust into the  
28 appropriate fund. The State Treasurer and Accounting Administrator of the  
29 Department of Administrative Services shall determine the state fund  
30 types necessary to comply with section 529 of the Internal Revenue Code  
31 and state policy. The money in the funds shall be invested by the state

1 investment officer pursuant to policies established by the Nebraska  
2 Investment Council. The program fund, the expense fund, and the  
3 administrative fund shall be separately administered. The Nebraska  
4 educational savings plan trust shall be operated with no General Fund  
5 appropriations.

6 (2) The Education ~~College~~ Savings Plan Program Fund is created. All  
7 money paid in connection with participation agreements and all investment  
8 income earned on such money shall be deposited as received into separate  
9 accounts within the program fund. Contributions to the trust may only be  
10 made in the form of cash. All funds generated in connection with  
11 participation agreements shall be deposited into the appropriate accounts  
12 within the program fund. A participant or beneficiary shall not provide  
13 investment direction regarding program contributions or earnings held by  
14 the trust. Money accrued in the program fund may be used for the benefit  
15 of a beneficiary for payments to any elementary or secondary school or  
16 eligible postsecondary educational institution, ~~but shall not be used to~~  
17 ~~pay expenses associated with attending kindergarten through grade twelve.~~  
18 Any money in the program fund available for investment shall be invested  
19 by the state investment officer pursuant to the Nebraska Capital  
20 Expansion Act and the Nebraska State Funds Investment Act.

21 (3) The Education ~~College~~ Savings Plan Administrative Fund is  
22 created. Money from the trust transferred from the expense fund to the  
23 administrative fund in an amount authorized by an appropriation from the  
24 Legislature shall be utilized to pay for the costs of administering,  
25 operating, and maintaining the trust, to the extent permitted by section  
26 529 of the Internal Revenue Code. The administrative fund shall not be  
27 credited with any money other than money transferred from the expense  
28 fund in an amount authorized by an appropriation by the Legislature or  
29 any interest income earned on the balances held in the administrative  
30 fund. Any money in the administrative fund available for investment shall  
31 be invested by the state investment officer pursuant to the Nebraska



1 Capital Expansion Act and the Nebraska State Funds Investment Act.

2 (4)(a) The Education College Savings Plan Expense Fund is created.

3 The expense fund shall be funded with fees assessed to the program fund.

4 The State Treasurer shall use the expense fund:

5 (i) To pay costs associated with the Nebraska educational savings  
6 plan trust;

7 (ii) For the purposes described in the Meadowlark Act; and

8 ~~(iii) On or before September 1, 2020, to transfer from the expense~~  
9 ~~fund to the Department of Revenue Miscellaneous Receipts Fund fifty-nine~~  
10 ~~thousand five hundred dollars to defray the costs incurred to implement~~  
11 ~~Laws 2020, LB1042; and~~

12 (iii) ~~(iv)~~ To transfer from the expense fund to the State Investment  
13 Officer's Cash Fund an amount equal to the pro rata share of the budget  
14 appropriated to the Nebraska Investment Council as permitted in section  
15 72-1249.02, to cover reasonable expenses incurred for investment  
16 management of the Nebraska educational savings plan trust. Annually and  
17 prior to such transfer to the State Investment Officer's Cash Fund, the  
18 State Treasurer shall report to the budget division of the Department of  
19 Administrative Services and to the Legislative Fiscal Analyst the amounts  
20 transferred during the previous fiscal year. The report submitted to the  
21 Legislative Fiscal Analyst shall be submitted electronically.

22 (b) Any money in the expense fund available for investment shall be  
23 invested by the state investment officer pursuant to the Nebraska Capital  
24 Expansion Act and the Nebraska State Funds Investment Act.

25 Sec. 89. Section 85-1808, Revised Statutes Cumulative Supplement,  
26 2022, is amended to read:

27 ~~85-1808~~ (1) A participant may cancel a participation agreement at  
28 will by submitting a request to terminate the participation agreement.  
29 Additionally, if a participant requests and obtains a nonqualified  
30 withdrawal, the participation agreement shall be deemed canceled with  
31 respect to the amount of the nonqualified withdrawal. A participation

1 agreement shall not be deemed canceled if a participant requests and  
2 obtains a distribution of his or her entire account balance for qualified  
3 ~~higher~~ education expenses and subsequently closes his or her account.  
4 Furthermore, the State Treasurer shall have the power to terminate,  
5 freeze, or suspend a participation agreement if he or she determines that  
6 the participant provided false or misleading information to the detriment  
7 of the Nebraska educational savings plan trust, if the participant's  
8 account has a zero balance, or if the State Treasurer is unable to verify  
9 the identity of the participant.

10 (2) If a participation agreement is canceled for any of the causes  
11 listed in this subsection, the participant shall be entitled to receive  
12 the principal amount of all contributions made by the participant under  
13 the participation agreement plus the actual program fund investment  
14 income earned on the contributions, less any losses incurred on the  
15 investment, and such distribution will generally not be subject to  
16 federal tax penalty:

17 (a) Death of the beneficiary if the distribution is paid to the  
18 estate of the beneficiary or transferred to another beneficiary as set  
19 forth in subsection (10) of section 90 of this act ~~85-1809~~;

20 (b) Permanent disability or mental incapacity of the beneficiary;

21 (c) The beneficiary is awarded a scholarship as defined in section  
22 529 of the Internal Revenue Code, but only to the extent the distribution  
23 of earnings does not exceed the scholarship amount; or

24 (d) A qualified rollover is made as permitted by section 529 of the  
25 Internal Revenue Code, except that if a qualified rollover is made into a  
26 plan sponsored by another state or entity, the participation agreement  
27 shall be deemed to have been canceled for purposes of subdivision (8)(d)  
28 of section 77-2716 and federal adjusted gross income shall be increased  
29 to the extent previously deducted as a contribution to the trust.

30 (3) Notwithstanding any other provisions of this section, under no  
31 circumstances shall a participant or beneficiary receive a distribution

1 that is more than the fair market value of the specific account on the  
2 applicable liquidation date.

3 (4) If a participant cancels a participation agreement, obtains a  
4 rollover into a plan sponsored by another state or entity, or obtains a  
5 distribution, a portion of which constitutes a nonqualified withdrawal,  
6 the amount of the distribution, rollover, or withdrawal will be subject  
7 to recapture of previous Nebraska state income tax deductions as set  
8 forth in subdivision (8)(d) of section 77-2716. The transfer of assets  
9 among plans sponsored by the State of Nebraska shall be considered an  
10 investment option change and not a rollover.

11 Sec. 90. Section 85-1809, Revised Statutes Cumulative Supplement,  
12 2022, is amended to read:

13 ~~85-1809~~ (1) A participant retains ownership of all contributions  
14 made under a participation agreement up to the date of utilization for  
15 payment of qualified ~~higher~~ education expenses for the beneficiary or, in  
16 the case of a qualified education loan payment, for the beneficiary or a  
17 sibling of the beneficiary. Notwithstanding any other provision of law,  
18 any amount credited to any account is not susceptible to any levy,  
19 execution, judgment, or other operation of law, garnishment, or other  
20 judicial enforcement, and the amount is not an asset or property of  
21 either the participant or the beneficiary for the purposes of any state  
22 insolvency or inheritance tax laws. All income derived from the  
23 investment of the contributions made by the participant shall be  
24 considered to be held in trust for the benefit of the beneficiary.

25 (2) If the program created by sections 83 to 98 of this act ~~85-1801~~  
26 ~~to 85-1817~~ is terminated prior to payment of qualified ~~higher~~ education  
27 expenses, the participant is entitled to receive the fair market value of  
28 the account established in the program.

29 (3) If the beneficiary graduates from an eligible postsecondary  
30 educational institution and a balance remains in the participant's  
31 account, any remaining funds may be used to make qualified education loan

1 payments for siblings of the beneficiary or transferred as allowed by  
2 rule or regulation, subject to the provisions of section 529 of the  
3 Internal Revenue Code, as well as any other applicable state or federal  
4 laws or regulations.

5 (4) The elementary or secondary school or eligible postsecondary  
6 educational institution shall obtain ownership of the payments made for  
7 the qualified ~~higher~~ education expenses paid to the institution at the  
8 time each payment is made to the institution.

9 (5) Any amounts which may be paid to any person or persons pursuant  
10 to the Nebraska educational savings plan trust but which are not listed  
11 in this section are owned by the trust.

12 (6) A participant may transfer ownership rights to another eligible  
13 participant, including a gift of the ownership rights to a minor  
14 beneficiary. The transfer shall be made and the property distributed in  
15 accordance with the rules and regulations or with the terms of the  
16 participation agreement.

17 (7) A participant shall not be entitled to utilize any interest in  
18 the Nebraska educational savings plan trust as security for a loan.

19 (8) The Nebraska educational savings plan trust may accept transfers  
20 of cash investments from a custodian under the Nebraska Uniform Transfers  
21 to Minors Act or any other similar laws under the terms and conditions  
22 established by the trustee.

23 (9) A participant may designate a successor account owner to succeed  
24 to all of the participant's rights, title, and interest in an account,  
25 including the right to change the account beneficiary, upon the death or  
26 legal incapacity of the participant. If a participant dies or becomes  
27 legally incapacitated and has failed to name a successor account owner,  
28 the account beneficiary shall become the account owner.

29 (10) Upon the death of a beneficiary, the participant may change the  
30 beneficiary on the account, transfer assets to another beneficiary who is  
31 a member of the family of the former beneficiary, or request a

1 nonqualified withdrawal.

2 Sec. 91. Section 85-1810, Revised Statutes Cumulative Supplement,  
3 2022, is amended to read:

4 ~~85-1810~~ (1) A student loan program, student grant program, or other  
5 program administered by any agency of the state, except as may be  
6 otherwise provided by federal law or the provisions of any specific grant  
7 applicable to the federal law, shall not take into account and shall not  
8 consider amounts available for the payment of qualified higher education  
9 expenses pursuant to the Nebraska educational savings plan trust in  
10 determining need and eligibility for student aid.

11 (2) A government program administered by any agency of the state  
12 that provides benefits or aid to individuals based on financial need,  
13 except as may be otherwise provided by federal law or the provisions of  
14 any specific grant applicable to the federal law, shall not take into  
15 account and shall not consider contributions made to a participant's  
16 account by the participant's employer in determining the income of such  
17 participant.

18 Sec. 92. Section 85-1811, Reissue Revised Statutes of Nebraska, is  
19 amended to read:

20 ~~85-1811~~ (1) The State Treasurer shall submit an annual audited  
21 financial report, prepared in accordance with generally accepted  
22 accounting principles, on the operations of the Nebraska educational  
23 savings plan trust by November 1 to the Governor and the Legislature. The  
24 report submitted to the Legislature shall be submitted electronically.  
25 The State Treasurer shall cause the audit to be made either by the  
26 Auditor of Public Accounts or by an independent certified public  
27 accountant designated by the State Treasurer, and the audit shall include  
28 direct and indirect costs attributable to the use of outside consultants,  
29 independent contractors, and any other persons who are not state  
30 employees.

31 (2) The annual audit shall be supplemented by all of the following

1 information prepared by the State Treasurer:

2 (a) Any related studies or evaluations prepared in the preceding  
3 year;

4 (b) A summary of the benefits provided by the trust, including the  
5 number of participants and beneficiaries in the trust; and

6 (c) Any other information which is relevant in order to make a full,  
7 fair, and effective disclosure of the operations of the trust, including  
8 the investment performance of the funds.

9 Sec. 93. Section 85-1812, Revised Statutes Cumulative Supplement,  
10 2022, is amended to read:

11 ~~85-1812~~ (1) For federal income tax purposes, the Nebraska  
12 educational savings plan trust shall be considered a qualified state  
13 tuition program exempt from taxation pursuant to section 529 of the  
14 Internal Revenue Code. The trust meets the requirements of section 529(b)  
15 of the Internal Revenue Code as follows:

16 (a) Pursuant to section 87 of this act ~~85-1806~~, a participant may  
17 make contributions to an account which is established for the purpose of  
18 meeting the qualified ~~higher~~ education expenses of the designated  
19 beneficiary of the account or, in the case of a qualified education loan  
20 payment, the designated beneficiary of the account or a sibling of the  
21 designated beneficiary;

22 (b) Pursuant to section 87 of this act ~~85-1806~~, a maximum  
23 contribution level is established;

24 (c) Pursuant to section 88 of this act ~~85-1807~~, a separate account  
25 is established for each beneficiary;

26 (d) Pursuant to section 88 of this act ~~85-1807~~, contributions may  
27 only be made in the form of cash;

28 (e) Pursuant to section 88 of this act ~~85-1807~~, a participant or  
29 beneficiary shall not provide investment direction regarding program  
30 contributions or earnings held by the trust;

31 (f) Penalties are provided on distributions of earnings which are:

1 (i) Not used for qualified ~~higher~~ education expenses of the beneficiary  
2 or, in the case of a qualified education loan payment, the beneficiary or  
3 a sibling of the beneficiary; (ii) made on account of the death of the  
4 designated beneficiary if the distribution is not transferred to another  
5 beneficiary or paid to the estate of the beneficiary; (iii) not made on  
6 account of the permanent disability or mental incapacity of the  
7 designated beneficiary; or (iv) made due to scholarship, allowance, or  
8 payment receipt in excess of the scholarship, allowance, or payment  
9 receipt; and

10 (g) Pursuant to section 90 of this act ~~85-1809~~, a participant shall  
11 not pledge any interest in the trust as security for a loan.

12 (2) State income tax treatment of the Nebraska educational savings  
13 plan trust shall be as provided in section 77-2716.

14 (3) For purposes of federal gift and generation-skipping transfer  
15 taxes, contributions to an account are considered a completed gift from  
16 the contributor to the beneficiary.

17 Sec. 94. Section 85-1813, Revised Statutes Cumulative Supplement,  
18 2022, is amended to read:

19 ~~85-1813~~ The assets of the Nebraska educational savings plan trust,  
20 including the program fund and excluding the administrative fund and the  
21 expense fund, shall at all times be preserved, invested, and expended  
22 solely and only for the purposes of the trust and shall be held in trust  
23 for the participants and beneficiaries. No property rights in the trust  
24 shall exist in favor of the state. Assets of the trust, including the  
25 program fund, the administrative fund, and the expense fund, shall not be  
26 transferred or used by the state for any purposes other than the purposes  
27 of the trust.

28 Sec. 95. Section 85-1814, Reissue Revised Statutes of Nebraska, is  
29 amended to read:

30 ~~85-1814~~ Nothing in sections 83 to 94 of this act ~~85-1801 to 85-1813~~  
31 shall be deemed to prohibit both resident and nonresident participants

1 and designated beneficiaries from being eligible to participate in and  
2 benefit from the Nebraska educational savings plan trust and program. It  
3 is the intent of the Legislature that funds and income credited to the  
4 program fund are fully portable and may be used at any elementary or  
5 secondary school or eligible postsecondary educational institution.

6 Sec. 96. Section 85-1815, Revised Statutes Cumulative Supplement,  
7 2022, is amended to read:

8 ~~85-1815~~ (1) The College Savings Incentive Cash Fund is created. The  
9 fund shall be administered by the State Treasurer and shall be used to  
10 provide incentive payments under the Employer Matching Contribution  
11 Incentive Program established in section 97 of this act ~~85-1816~~ and to  
12 provide matching scholarships under the College Savings Plan Low-Income  
13 Matching Scholarship Program established in section 98 of this act  
14 ~~85-1817~~. The State Treasurer shall accept contributions from any private  
15 individual or private entity and shall credit all such contributions  
16 received to the College Savings Incentive Cash Fund for the purpose of  
17 providing an ongoing source of funding for the College Savings Plan Low-  
18 Income Matching Scholarship Program. The matching contributions for which  
19 incentive payments are made under the Employer Matching Contribution  
20 Incentive Program and the matching scholarships provided under the  
21 College Savings Plan Low-Income Matching Scholarship Program shall not be  
22 used to pay expenses associated with attending kindergarten through grade  
23 twelve.

24 (2) The College Savings Incentive Cash Fund shall not be considered  
25 an asset of the Nebraska educational savings plan trust.

26 (3) Any money in the fund available for investment shall be invested  
27 by the state investment officer pursuant to the Nebraska Capital  
28 Expansion Act and the Nebraska State Funds Investment Act.

29 Sec. 97. Section 85-1816, Revised Statutes Cumulative Supplement,  
30 2022, is amended to read:

31 ~~85-1816~~ (1) The Employer Matching Contribution Incentive Program is



1 created. The program shall begin on January 1, 2022, and shall be  
2 implemented and administered by the State Treasurer. The purpose of the  
3 program is to encourage employers to make matching contributions by  
4 providing incentive payments for such contributions.

5 (2) For purposes of this section:

6 (a) Employer means any individual, partnership, limited liability  
7 company, association, corporation, business trust, legal representative,  
8 or organized group of persons employing one or more employees at any one  
9 time, but such term does not include the United States, the state, or any  
10 political subdivision thereof; and

11 (b) Matching contribution means a contribution made by an employer  
12 to an account established under the Nebraska educational savings plan  
13 trust in an amount matching all or part of a contribution made to that  
14 same account by an individual who resided in the State of Nebraska during  
15 the most recently completed taxable year and is an employee of such  
16 employer.

17 (3) Beginning January 1, 2022, an employer shall be eligible to  
18 receive an incentive payment under this section if the employer made  
19 matching contributions during the immediately preceding calendar year.

20 (4) In order to receive an incentive payment under this section, an  
21 employer shall submit an application to the State Treasurer on forms  
22 prescribed by the State Treasurer. The State Treasurer shall accept  
23 applications from January 1 to June 1 of each year beginning in 2022. The  
24 application shall include:

25 (a) The number of employees for whom matching contributions were  
26 made in the immediately preceding calendar year;

27 (b) The amount of the matching contributions made in the immediately  
28 preceding calendar year for each employee; and

29 (c) Any other information required by the State Treasurer.

30 (5) If the State Treasurer determines that the employer qualifies  
31 for an incentive payment under this section, the State Treasurer shall

1 approve the application and shall notify the employer of the approval.  
2 The State Treasurer may approve applications until the annual limit  
3 provided in subsection (6) of this section has been reached. An employer  
4 whose application is approved shall receive an incentive payment equal to  
5 twenty-five percent of the total matching contributions made during the  
6 immediately preceding calendar year, not to exceed two thousand dollars  
7 per contributing employee per year. An employer shall not receive an  
8 incentive payment for a matching contribution if the employer claimed an  
9 income tax deduction pursuant to subdivision (8)(b) of section 77-2716  
10 for such matching contribution. Employers shall be limited to one  
11 incentive payment per beneficiary. The matching contributions for which  
12 incentive payments are made shall not be used to pay expenses associated  
13 with attending kindergarten through grade twelve.

14 (6) The State Treasurer may approve a total of two hundred fifty  
15 thousand dollars of incentive payments each calendar year.

16 (7) On or before June 30, 2022, and on or before June 30 of each  
17 year thereafter, the State Treasurer shall determine the total amount of  
18 incentive payments approved for the year, shall transfer such amount from  
19 the Education College Savings Plan Expense Fund or the Unclaimed Property  
20 Trust Fund, as determined by the State Treasurer, to the College Savings  
21 Incentive Cash Fund, and shall distribute such incentive payments to the  
22 approved employers.

23 (8) The State Treasurer may adopt and promulgate rules and  
24 regulations to carry out the Employer Matching Contribution Incentive  
25 Program.

26 Sec. 98. Section 85-1817, Revised Statutes Cumulative Supplement,  
27 2022, is amended to read:

28 ~~85-1817~~ (1) Beginning January 1, 2022, there is hereby established  
29 the College Savings Plan Low-Income Matching Scholarship Program. The  
30 purpose of the program is to encourage private contributions to accounts  
31 established under the Nebraska educational savings plan trust for the

1 benefit of individuals with limited means. The State Treasurer shall  
2 implement and administer the program.

3 (2) A participant shall be eligible for the program if the  
4 beneficiary for whom private contributions are made is part of a family  
5 whose household income for the most recently completed taxable year is  
6 not more than two hundred fifty percent of the federal poverty level and  
7 the beneficiary is a resident of the State of Nebraska.

8 (3) Applications for participation in the program shall be submitted  
9 to the State Treasurer on forms prescribed by the State Treasurer. If the  
10 requirements of subsection (2) of this section are met, the State  
11 Treasurer shall approve the application and notify the applicant of the  
12 approval. The State Treasurer may approve applications until the annual  
13 limit provided in subsection (7) of this section has been reached.

14 (4) Any participant who is approved for the program under subsection  
15 (3) of this section must resubmit an application each year thereafter and  
16 be reapproved in order to continue participation in the program.

17 (5) If a participant is approved for the program, any contribution  
18 made by such participant under the program shall be matched with  
19 scholarship funds provided by the State of Nebraska. The matching  
20 scholarship shall be equal to:

21 (a) One hundred percent of the participant's contribution if the  
22 beneficiary for whom the contribution is made is part of a family whose  
23 household income for the most recently completed taxable year is more  
24 than two hundred percent of the federal poverty level but not more than  
25 two hundred fifty percent of the federal poverty level, not to exceed one  
26 thousand dollars annually; or

27 (b) Two hundred percent of the participant's contribution if the  
28 beneficiary for whom the contribution is made is part of a family whose  
29 household income for the most recently completed taxable year is not more  
30 than two hundred percent of the federal poverty level, not to exceed one  
31 thousand dollars annually.

1 (6) Between January 1 and January 31 of each year, the State  
2 Treasurer shall transfer the amount necessary to meet the matching  
3 obligations of this section for the preceding calendar year, minus the  
4 amount of any private contributions received pursuant to subsection (1)  
5 of section 96 of this act ~~85-1815~~ during the preceding calendar year,  
6 from the Education ~~College~~ Savings Plan Expense Fund or the Unclaimed  
7 Property Trust Fund, as determined by the State Treasurer, to the College  
8 Savings Incentive Cash Fund. The State Treasurer shall transfer from the  
9 College Savings Incentive Cash Fund to the Education ~~College~~ Savings Plan  
10 Program Fund the amount necessary to meet the matching obligations of  
11 this section for the preceding calendar year. The Nebraska educational  
12 savings plan trust shall own all scholarships awarded under this section.  
13 Neither the participant nor the beneficiary shall have any ownership  
14 rights to or interest in, title to, or power or control over such  
15 scholarships. Scholarship funds disbursed shall only be used to pay the  
16 qualified ~~higher~~ education expenses associated with attending an eligible  
17 postsecondary educational institution located in this state and shall not  
18 be used to pay expenses associated with attending kindergarten through  
19 grade twelve. Any disbursement of such scholarships shall be made before  
20 the beneficiary reaches thirty years of age. Once the beneficiary reaches  
21 thirty years of age, any unused scholarship funds shall be transferred to  
22 the Meadowlark Endowment Fund.

23 (7) The State Treasurer may approve a total of two hundred fifty  
24 thousand dollars of scholarships each calendar year under the College  
25 Savings Plan Low-Income Matching Scholarship Program.

26 Sec. 99. The Department of Transportation Aeronautics Capital  
27 Improvement Fund is created. The fund shall consist of money credited to  
28 the fund pursuant to section 77-27,132, transfers authorized by the  
29 Legislature, and any gifts, grants, bequests, or donations to the fund.  
30 The fund shall be administered by the Department of Transportation and  
31 shall be used to build, repair, renovate, rehabilitate, restore, modify,

1 or improve any infrastructure at any public-use airport licensed by the  
2 Division of Aeronautics of the Department of Transportation. Any money in  
3 the fund available for investment shall be invested by the state  
4 investment officer pursuant to the Nebraska Capital Expansion Act and the  
5 Nebraska State Funds Investment Act.

6 Sec. 100. Section 81-1229, Revised Statutes Cumulative Supplement,  
7 2022, is amended to read:

8 81-1229 (1) The director shall establish a workforce housing grant  
9 program to foster and support the development of workforce housing in  
10 rural communities.

11 (2) A nonprofit development organization may apply to the director  
12 for approval of a workforce housing grant for a workforce housing  
13 investment fund. The application shall be in a form and manner prescribed  
14 by the director. Through fiscal year 2026-27, grants shall be awarded by  
15 the director on a competitive basis until grant funds are no longer  
16 available. Grant maximums shall not exceed one million dollars to any one  
17 nonprofit development organization over a two-year period, with the  
18 cumulative amount for any single grantee to be determined by the  
19 department at the discretion of the director. An applicant shall provide  
20 matching funds of at least one-quarter ~~one-half~~ of the amount of  
21 workforce housing grant funds awarded. Unallocated workforce housing  
22 grant funds held by the department shall be rolled to the next program  
23 year.

24 (3) Grants shall be awarded based upon:

25 (a) A demonstrated and ongoing housing need as identified by a  
26 recent housing study;

27 (b) A community or region that has a low unemployment rate and is  
28 having difficulty attracting workers and filling employment positions;

29 (c) A community or region that exhibits a demonstrated commitment to  
30 growing its housing stock;

31 (d) Projects that can reasonably be ready for occupancy in a period

1 of twenty-four months; and

2 (e) A demonstrated ability to grow and manage a workforce housing  
3 investment fund.

4 (4) A nonprofit development organization shall:

5 (a) Invest or intend to invest in workforce housing eligible  
6 activities;

7 (b) Use any fees, interest, loan repayments, or other funds it  
8 received as a result of the administration of the grant to support  
9 qualified activities; and

10 (c) Have an active board of directors with expertise in development,  
11 construction, and finance that meets at least quarterly to approve all  
12 qualified investments made by the nonprofit development organization. A  
13 nonprofit development organization shall have a formal plan and proven  
14 expertise to invest unused workforce housing investment fund balances and  
15 shall have an annual review of all financial records conducted by an  
16 independent certified public accountant.

17 Sec. 101. Section 81-12,182, Revised Statutes Cumulative Supplement,  
18 2022, is amended to read:

19 81-12,182 (1) In order to be eligible to receive the matching funds  
20 allowed in the Nebraska Transformational Projects Act, the applicant  
21 shall file an application with the director, on a form developed by the  
22 director, requesting an agreement.

23 (2) The application shall:

24 (a) Identify the project, including the qualified location of such  
25 project, and state that the applicant is pursuing a partnership with the  
26 federal government pursuant to Title VII, Subtitle C, section 740 of  
27 Public Law 116-92 for the project;

28 (b) State the estimated, projected amount of total new investment at  
29 the project, which shall not be less than one billion six hundred million  
30 dollars, including the estimated, projected amount of private dollars and  
31 matching funds;

1 (c) Include an independent assessment of the economic impact to  
2 Nebraska from the project and its construction, which shall be performed  
3 by a professional economist or economics firm which is not in the regular  
4 employ of the applicant. The assessment must show, to the reasonable  
5 satisfaction of the director, an economic impact to Nebraska of at least  
6 two billion seven hundred million dollars during the planning and  
7 construction period and at least four billion six hundred million dollars  
8 during the ten-year period beginning either when construction is  
9 commenced or when the application is approved;

10 (d) Include approval of the project and of submission of the  
11 application by the governing body of the applicant. Approval of the  
12 project may be subject to other federal, state, and local government  
13 approvals needed to complete the project and subject to obtaining the  
14 funding, financing, and donations needed for the project;

15 (e) State the E-Verify number or numbers that will be used by the  
16 applicant for employees at the qualified location as provided by the  
17 United States Citizenship and Immigration Services; and

18 (f) Contain a nonrefundable application fee of twenty-five thousand  
19 dollars. The fee shall be remitted to the State Treasurer for credit to  
20 the Nebraska Transformational Project Fund.

21 (3) An application must be complete to establish the date of the  
22 application. An application shall be considered complete once it contains  
23 the items listed in subsection (2) of this section.

24 (4) Once satisfied that the application is complete and that the  
25 applicant is eligible to receive the matching funds allowed in the  
26 Nebraska Transformational Projects Act, the director shall approve the  
27 application.

28 (5) There shall be no new applications filed under this section  
29 after December 31, 2025 ~~2023~~. Any complete application filed on or before  
30 December 31, 2025 ~~2023~~, shall be considered by the director and approved  
31 if the location and applicant qualify for approval. Agreements may be

1 executed with regard to any complete application filed on or before  
2 December 31, ~~2025~~ 2023.

3 Sec. 102. Section 85-2601, Revised Statutes Cumulative Supplement,  
4 2022, is amended to read:

5 85-2601 Sections 85-2601 to 85-2604 and sections 105, 107, and 108  
6 of this act shall be known and may be cited as the First Responder  
7 Recruitment and Retention ~~Law Enforcement Education~~ Act.

8 Sec. 103. Section 85-2602, Revised Statutes Cumulative Supplement,  
9 2022, is amended to read:

10 85-2602 For purposes of the First Responder Recruitment and  
11 Retention ~~Law Enforcement Education~~ Act:

12 (1) Associate degree program means a degree program at a community  
13 college, state college, or state university which typically requires  
14 completion of an organized program of study of at least sixty semester  
15 credit hours or an equivalent that can be shown to accomplish the same  
16 goal. Associate degree program does not include a baccalaureate degree  
17 program;

18 (2) Baccalaureate degree program means a degree program at a  
19 community college, state college, or state university which typically  
20 requires completion of an organized program of study of at least one  
21 hundred twenty semester credit hours or an equivalent that can be shown  
22 to accomplish the same goal;

23 (3) Community college means a public postsecondary educational  
24 institution which is part of the community college system and includes  
25 all branches and campuses of such institution located within the State of  
26 Nebraska;

27 (4) Law enforcement officer means any person who is responsible for  
28 the prevention or detection of crime or the enforcement of the penal,  
29 traffic, or highway laws of the State of Nebraska or any political  
30 subdivision of the state for more than one hundred hours per year and who  
31 is authorized by law to make arrests;



1 (5) Law enforcement agency means a police department in a  
2 municipality, a sheriff's office, and the Nebraska State Patrol;

3 (6) Professional firefighter means a firefighter or firefighter-  
4 paramedic who is a member of a paid fire department of a municipality or  
5 a rural or suburban fire protection district in this state, including a  
6 municipality having a home rule charter or a municipal authority created  
7 pursuant to a home rule charter that has its own paid fire department,  
8 and for whom firefighting is a full-time career;

9 (7) ~~(6)~~ State college means a public postsecondary educational  
10 institution which is part of the Nebraska state college system and  
11 includes all branches and campuses of such institution located within the  
12 State of Nebraska;

13 (8) ~~(7)~~ State university means a public postsecondary educational  
14 institution which is part of the University of Nebraska and includes all  
15 branches and campuses of such institution located within the State of  
16 Nebraska; and

17 (9) ~~(8)~~ Tuition means the charges and cost of tuition as set by the  
18 governing body of a state university, state college, or community  
19 college.

20 Sec. 104. Section 85-2603, Revised Statutes Cumulative Supplement,  
21 2022, is amended to read:

22 85-2603 (1) A law enforcement officer shall be entitled to a waiver  
23 of one hundred percent of the resident tuition charges of any state  
24 university, state college, or community college if the officer:

25 (a) Maintains satisfactory performance with his or her law  
26 enforcement agency;

27 (b) Meets all admission requirements of the state university, state  
28 college, or community college; ~~and~~

29 (c) Pursues studies leading to a degree that relates to a career in  
30 law enforcement from an associate degree program or a baccalaureate  
31 degree program; and -

1           (d) For an officer applying for a waiver after the operative date of  
2 this section, files with the Department of Revenue documentation showing  
3 proof of employment as a law enforcement officer and proof of residence  
4 in Nebraska each year such officer or such officer's legal dependent  
5 applies for and receives the tuition waiver.

6           The officer may receive the tuition waiver for up to five years if  
7 he or she otherwise continues to be eligible for participation.

8           (2) Any legal dependent of a law enforcement officer who maintains  
9 satisfactory performance with such law enforcement officer's law  
10 enforcement agency shall be entitled to a tuition waiver of one hundred  
11 percent of the resident tuition charges of any state university, state  
12 college, or community college for an associate or baccalaureate degree  
13 program if the legal dependent executes an agreement with the state in  
14 accordance with section 107 of this act. The legal dependent may receive  
15 the tuition waiver for up to five years if the law enforcement officer  
16 and the legal dependent continue to be eligible for participation. The  
17 five years of tuition waiver eligibility starts once the legal dependent  
18 applies for and receives the tuition waiver for the first time and is  
19 available to such legal dependent for the next consecutive five years.

20           (3) ~~(2)~~ The state university, state college, or community college  
21 shall waive one hundred percent of the officer's or the legal dependent's  
22 tuition remaining due after subtracting awarded federal financial aid  
23 grants and state scholarships and grants for an eligible law enforcement  
24 officer or legal dependent during the time the officer or legal dependent  
25 is enrolled. To remain eligible, the officer or legal dependent must  
26 comply with all requirements of the institution for continued attendance  
27 and award of an associate degree or a baccalaureate degree.

28           (4) ~~(3)~~ An application for the tuition waiver shall include a  
29 verification of the law enforcement officer's satisfactory performance as  
30 a law enforcement officer. It shall be the responsibility of the officer  
31 to obtain a certificate of verification from his or her superior officer

1 in such officer's law enforcement agency attesting to such officer's  
2 satisfactory performance. The officer shall include the certificate of  
3 verification when the officer or the officer's legal dependent is  
4 applying to the state university, state college, or community college in  
5 order to obtain tuition waiver upon initial enrollment.

6 (5) (4) Within forty-five days after receipt of a completed  
7 application, the state university, state college, or community college  
8 shall send written notice of the law enforcement officer's or legal  
9 dependent's eligibility or ineligibility for the tuition waiver. If the  
10 officer or legal dependent is determined not to be eligible for the  
11 tuition waiver, the notice shall include the reason or reasons for such  
12 determination and an indication that an appeal of the determination may  
13 be made pursuant to the Administrative Procedure Act.

14 Sec. 105. (1)(a) A professional firefighter shall be entitled to a  
15 waiver of one hundred percent of the resident tuition charges of any  
16 state university, state college, or community college if the professional  
17 firefighter:

18 (i) Maintains satisfactory performance with such firefighter's fire  
19 department;

20 (ii) Meets all admission requirements of the state university, state  
21 college, or community college;

22 (iii) Pursues studies leading to a degree in science or medicine  
23 that relates to a career in professional firefighting from an associate  
24 degree program or a baccalaureate degree program; and

25 (iv) Files with the Department of Revenue documentation showing  
26 proof of employment as a professional firefighter and proof of residence  
27 in Nebraska each year such professional firefighter or such professional  
28 firefighter's legal dependent applies for and receives the tuition  
29 waiver.

30 (b) The professional firefighter may receive the tuition waiver for  
31 up to five years if such professional firefighter otherwise continues to

1 be eligible for participation.

2 (2) Any legal dependent of a professional firefighter who maintains  
3 satisfactory performance with such professional firefighter's fire  
4 department shall be entitled to a tuition waiver of one hundred percent  
5 of the resident tuition charges of any state university, state college,  
6 or community college for an associate or baccalaureate degree program if  
7 the legal dependent executes an agreement with the state in accordance  
8 with section 107 of this act. The legal dependent may receive the tuition  
9 waiver for up to five years if the professional firefighter and the legal  
10 dependent continue to be eligible for participation. The five years of  
11 tuition waiver eligibility starts once the legal dependent applies for  
12 and receives the tuition waiver for the first time and is available to  
13 such legal dependent for the next consecutive five years.

14 (3) The state university, state college, or community college shall  
15 wave one hundred percent of the professional firefighter's or the legal  
16 dependent's tuition remaining due after subtracting awarded federal  
17 financial aid grants and state scholarships and grants for an eligible  
18 professional firefighter or legal dependent during the time the  
19 professional firefighter or legal dependent is enrolled. To remain  
20 eligible, the professional firefighter or legal dependent must comply  
21 with all requirements of the institution for continued attendance and  
22 award of an associate degree or baccalaureate degree.

23 (4) An application for the tuition waiver shall include a  
24 verification of the professional firefighter's satisfactory performance  
25 as a professional firefighter. It shall be the responsibility of the  
26 professional firefighter to obtain a certificate of verification from the  
27 fire chief of such professional firefighter's fire department attesting  
28 to such professional firefighter's satisfactory performance. The  
29 professional firefighter shall include the certificate or verification  
30 when the professional firefighter or the professional firefighter's legal  
31 dependent is applying to the state university, state college, or

1 community college in order to obtain tuition waiver upon initial  
2 enrollment.

3 (5) Within forty-five days after receipt of a completed application,  
4 the state university, state college, or community college shall send  
5 written notice of the professional firefighter's or legal dependent's  
6 eligibility or ineligibility for the tuition waiver. If the professional  
7 firefighter or legal dependent is determined not to be eligible for the  
8 tuition waiver, the notice shall include the reason or reasons for such  
9 determination and an indication that an appeal of the determination may  
10 be made pursuant to the Administrative Procedure Act.

11 Sec. 106. Section 85-2604, Revised Statutes Cumulative Supplement,  
12 2022, is amended to read:

13 85-2604 Each state university, state college, or community college  
14 shall adopt and promulgate the procedures, rules, and regulations  
15 necessary to carry out the First Responder Recruitment and Retention Law  
16 Enforcement Education Act.

17 Sec. 107. (1) Each legal dependent who is a tuition waiver  
18 recipient under the First Responder Recruitment and Retention Act shall  
19 execute an agreement with the state. Such agreement shall be exempt from  
20 the requirements of sections 73-501 to 73-510 and shall include the  
21 following terms, as appropriate:

22 (a) The tuition waiver recipient agrees to reside within the State  
23 of Nebraska for a period of five years following the use of the tuition  
24 waiver;

25 (b) Each year during the five-year period following use of the  
26 tuition waiver the tuition waiver recipient agrees to file a tax return  
27 with the Department of Revenue to document that such recipient still  
28 resides in the State of Nebraska;

29 (c) If the tuition waiver recipient fails to annually file a tax  
30 return to prove residency in the State of Nebraska for the five-year  
31 period following the use of the tuition waiver or fails to remain a

1 resident of Nebraska for the five-year period following the use of the  
2 tuition waiver, the tuition waiver recipient agrees to repay the  
3 community college, state college, or state university that such tuition  
4 waiver recipient attended the amount of tuition that was waived for such  
5 individual if the community college, state college, or state university  
6 requests such payment on the dates and in the amounts requested; and

7 (d) Any residency, filing, or payment obligation incurred by the  
8 tuition waiver recipient under the First Responder Recruitment and  
9 Retention Act is canceled in the event of the tuition recipient's total  
10 and permanent disability or death.

11 (2) The five-year residency requirement begins to run after use of  
12 the first tuition waiver and:

13 (a) Completion of the five-year tuition waiver eligibility;

14 (b) Completion of an undergraduate degree at a state college or  
15 state university;

16 (c) Completion of a two-year degree at a community college and  
17 notification by the tuition waiver recipient to the Department of Revenue  
18 that such recipient does not intend to pursue an undergraduate degree or  
19 additional two-year degree using tuition waivers pursuant to the First  
20 Responder Recruitment and Retention Act; or

21 (d) Notification by the tuition waiver recipient to the Department  
22 of Revenue that such recipient does not plan to use additional tuition  
23 waivers pursuant to the First Responder Recruitment and Retention Act.

24 Sec. 108. The Department of Revenue shall administer and enforce  
25 the First Responder Recruitment and Retention Act and may adopt and  
26 promulgate rules and regulations to carry out the First Responder  
27 Recruitment and Retention Act.

28 Sec. 109. Section 85-2802, Revised Statutes Cumulative Supplement,  
29 2022, is amended to read:

30 85-2802 For purposes of the Meadowlark Act:

31 (1) Contribution means a donation which is made for the purpose of

1 providing a source of funding for the Meadowlark Program established in  
2 section 85-2804;

3 (2) Eligible postsecondary educational institution has the same  
4 meaning as in section 84 of this act ~~85-1802~~;

5 (3) Nebraska educational savings plan trust has the same meaning as  
6 in section 84 of this act ~~85-1802~~;

7 (4) Qualified ~~higher~~ education expenses has the same meaning as in  
8 section 84 of this act ~~85-1802~~; and

9 (5) Qualified individual means an individual born on or after  
10 January 1, 2020, who is a resident of this state at the time of birth.

11 Sec. 110. Section 85-2803, Revised Statutes Cumulative Supplement,  
12 2022, is amended to read:

13 85-2803 (1) There is hereby established in the state treasury a  
14 trust fund to be known as the Meadowlark Endowment Fund. The fund shall  
15 be administered by the State Treasurer and shall consist of qualified  
16 private contributions and any amounts appropriated or transferred to the  
17 fund by the Legislature. No General Funds shall be transferred to the  
18 Meadowlark Endowment Fund. Any money in the fund available for investment  
19 shall be invested by the state investment officer pursuant to the  
20 Nebraska Capital Expansion Act and the Nebraska State Funds Investment  
21 Act. No portion of the principal of the fund shall be expended for any  
22 purpose except investment pursuant to this subsection.

23 (2) The State Treasurer may accept contributions and shall credit  
24 all such contributions received either to the Meadowlark Endowment Fund  
25 or to accounts opened under the Meadowlark Program, at the direction of  
26 the donor. Such contributions shall not be used to pay expenses  
27 associated with attending kindergarten through grade twelve.

28 (3) On or before April 1 of each year, the State Treasurer shall  
29 determine the total amount of contributions received under subsection (2)  
30 of this section in the previous calendar year and shall transfer an equal  
31 amount from the Education College Savings Plan Expense Fund or the

1 Unclaimed Property Trust Fund, as determined by the State Treasurer, to  
2 the Meadowlark Endowment Fund or to accounts opened under the Meadowlark  
3 Program. For any amount transferred from the Education ~~College~~ Savings  
4 Plan Expense Fund or the Unclaimed Property Trust Fund that is not being  
5 transferred to the Meadowlark Endowment Fund, the State Treasurer shall  
6 evenly distribute such amount to the accounts opened under the Meadowlark  
7 Program in the previous calendar year.

8 Sec. 111. Section 85-2804, Revised Statutes Cumulative Supplement,  
9 2022, is amended to read:

10 85-2804 (1) The Meadowlark Program is created. The program shall be  
11 administered by the State Treasurer. The purpose of the program is to  
12 promote access to postsecondary educational opportunities by providing  
13 funds to qualified individuals to help pay the qualified ~~higher~~ education  
14 expenses associated with attendance at an eligible postsecondary  
15 educational institution located in this state.

16 (2) Any qualified individual shall be eligible to participate in the  
17 Meadowlark Program. No later than March 1 of each year, the Department of  
18 Health and Human Services shall transmit information to the State  
19 Treasurer which is necessary to administer the program and to establish  
20 whether the children born in the previous calendar year are qualified  
21 individuals. Such information shall include, but not be limited to, the  
22 full name and residential address of each child's parent or legal  
23 guardian and the birthdate of each child. Costs associated with the  
24 transfer of information by the Department of Health and Human Services  
25 shall be paid from the Education ~~College~~ Savings Plan Expense Fund.

26 (3) Following receipt of the information described in subsection (2)  
27 of this section, the State Treasurer shall send a notification explaining  
28 the Meadowlark Program to the parent or legal guardian of each qualified  
29 individual. The State Treasurer shall provide such parent or legal  
30 guardian with the opportunity to exclude his or her child from the  
31 program. Any child who is not excluded shall be deemed to be enrolled in



1 the program. Upon enrollment into the program, the child shall have an  
2 account opened for him or her under the Nebraska educational savings plan  
3 trust.

4 (4) On or before April 1 of each year, the State Treasurer shall  
5 determine (a) the number of accounts opened under the Meadowlark Program  
6 in the previous calendar year and (b) the amount of investment income  
7 generated by the Meadowlark Endowment Fund in the previous calendar year.  
8 The State Treasurer shall evenly distribute the investment income from  
9 the previous calendar year to the accounts opened in the previous  
10 calendar year.

11 (5) The Nebraska educational savings plan trust shall own all  
12 accounts opened under the Meadowlark Program. Neither the qualified  
13 individual nor his or her parent or legal guardian shall have any  
14 ownership rights or interest in, title to, or power or control over such  
15 an account.

16 (6) Any disbursement from an account opened under the Meadowlark  
17 Program shall be made before the qualified individual reaches thirty  
18 years of age. Once a qualified individual reaches thirty years of age,  
19 any unused funds in his or her account shall be transferred to the  
20 Meadowlark Endowment Fund.

21 (7) Funds disbursed from an account opened under the Meadowlark  
22 Program shall only be used to pay the qualified ~~higher~~ education expenses  
23 associated with attending an eligible postsecondary educational  
24 institution located in this state and shall not be used to pay expenses  
25 associated with attending kindergarten through grade twelve.

26 (8) The State Treasurer shall take measures to ensure the security  
27 and confidentiality of the information received under subsection (2) of  
28 this section.

29 Sec. 112. Sections 1, 2, 3, 4, 5, 6, 7, 8, 42, 45, 57, 58, 59, 60,  
30 62, 63, 65, 66, 67, 68, 69, 70, 71, 78, 79, 80, 81, 101, 102, 103, 104,  
31 105, 106, 107, 108, and 116 of this act become operative three calendar

1 months after the adjournment of this legislative session. Sections 39,  
2 40, 41, 46, 48, 49, 50, 54, 55, 56, 64, 72, 73, 74, 75, 76, 77, 83, 84,  
3 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 109, 110, 111,  
4 and 118 of this act become operative on January 1, 2024. Sections 51, 53,  
5 and 117 of this act become operative on October 1, 2023. Sections 52 and  
6 115 of this act become operative on July 1, 2023. The other sections of  
7 this act become operative on their effective date.

8       Sec. 113. If any section in this act or any part of any section is  
9 declared invalid or unconstitutional, the declaration shall not affect  
10 the validity or constitutionality of the remaining portions.

11       Sec. 114. Original sections 13-2602, 13-2603, 13-2604, 13-2605,  
12 13-2609, 13-2610, 13-2611, 13-2612, 39-2205, 39-2209, 39-2211, 39-2212,  
13 39-2213, 39-2216, 39-2222, 39-2223, 39-2703, 39-2704, and 77-2701.02,  
14 Reissue Revised Statutes of Nebraska, and sections 39-2224, 77-1344,  
15 77-1347, 77-27,132, 77-6818, and 81-1229, Revised Statutes Cumulative  
16 Supplement, 2022, are repealed.

17       Sec. 115. Original section 77-2704.15, Revised Statutes Cumulative  
18 Supplement, 2022, is repealed.

19       Sec. 116. Original sections 77-2902, 77-2903, 77-2904, 77-2905,  
20 77-2910, 77-2912, 77-5803, 77-5806, and 77-5808, Reissue Revised Statutes  
21 of Nebraska, and sections 77-908, 77-1403, 77-2715.07, 77-2716, 77-2717,  
22 77-2734.03, 77-27,187.02, 77-27,188, 77-3806, 77-6702, 81-12,182,  
23 85-2601, 85-2602, 85-2603, and 85-2604, Revised Statutes Cumulative  
24 Supplement, 2022, are repealed.

25       Sec. 117. Original sections 77-2704.12 and 77-2704.36, Revised  
26 Statutes Cumulative Supplement, 2022, are repealed.

27       Sec. 118. Original sections 77-4001, 77-4002, 77-4007, 77-4008,  
28 85-1801, 85-1805, 85-1811, and 85-1814, Reissue Revised Statutes of  
29 Nebraska, and sections 68-1201, 72-1239.01, 77-3,110, 77-2701,  
30 77-2701.04, 77-2701.41, 77-2711, 77-2713, 77-27,223, 85-1802, 85-1804,  
31 85-1806, 85-1807, 85-1808, 85-1809, 85-1810, 85-1812, 85-1813, 85-1815,

1 85-1816, 85-1817, 85-2802, 85-2803, and 85-2804, Revised Statutes  
2 Cumulative Supplement, 2022, are repealed.

3 Sec. 119. Since an emergency exists, this act takes effect when  
4 passed and approved according to law.