

AMENDMENTS TO LB1402

(Amendments to Standing Committee amendments, AM2679)

Introduced by Linehan, 39.

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

3 Section 1. (1) The Legislature finds that:

4 (a) Funds appropriated for the education of students in kindergarten
5 through twelfth grade are for a fundamental public purpose of state
6 government and constitute an ordinary expense of state government;

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

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

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

15 (e) Making it possible for more parents and legal guardians to be
16 able to choose privately operated schools benefits Nebraska parents and
17 taxpayers.

18 (2) For purposes of this section:

19 (a) Education scholarship means a financial grant-in-aid to be used
20 to pay all or part of the cost to educate an eligible student attending a
21 qualified school;

22 (b) Eligible student means a resident of Nebraska who:

23 (i) Is receiving an education scholarship for the first time and is
24 (A) entering kindergarten or ninth grade in a qualified school or the
25 first grade level offered by the qualified school, (B) transferring from
26 a public school at which the student was enrolled for at least one

1 semester immediately preceding the first semester for which the student
2 receives an education scholarship to a qualified school and is entering
3 any of grades kindergarten through twelve, or (C) a member of an active
4 duty or reserve military family transferring into Nebraska from another
5 state or another country and is entering any of grades kindergarten
6 through twelve in a qualified school;

7 (ii) Has previously received an education scholarship under this
8 section and is continuing education at a qualified school until such
9 student graduates from high school or reaches twenty-one years of age,
10 whichever comes first;

11 (iii) Has previously received an education scholarship under the
12 Opportunity Scholarships Act, as such act existed prior to its repeal by
13 this legislative bill, and is continuing education at a qualified school
14 until such student graduates from high school or reaches twenty-one years
15 of age, whichever comes first;

16 (iv) Is the sibling of a student who is receiving an education
17 scholarship and resides in the same household as such student; or

18 (v) Is currently enrolled in a qualified school and is a member of a
19 family whose household income is no more than two hundred thirteen
20 percent of the federal poverty level; and

21 (c) Qualified school means any nongovernmental, privately operated
22 elementary or secondary school located in this state that (i) is operated
23 not for profit, (ii) complies with the antidiscrimination provisions of
24 42 U.S.C. 1981, as such section existed on January 1, 2024, (iii)
25 complies with all health and life safety laws or codes that apply to
26 privately operated schools, and (iv) fulfills the applicable
27 accreditation or approval requirements established by the State Board of
28 Education pursuant to section 79-318.

29 (3) The State Treasurer shall establish a program to provide
30 education scholarships to eligible students to pay the costs associated
31 with attending a qualified school. Under such program, the State

1 Treasurer shall:

2 (a) Establish a priority system for awarding education scholarships
3 under the program. Such priority system shall:

4 (i) Give first priority to:

5 (A) Eligible students who received an education scholarship under
6 this section or under the Opportunity Scholarships Act, as such act
7 existed prior to its repeal by this legislative bill, during the previous
8 school year; and

9 (B) The sibling of a student who is receiving an education
10 scholarship, so long as the sibling resides in the same household as such
11 student;

12 (ii) Give second priority to:

13 (A) Eligible students whose household income levels do not exceed
14 one hundred eighty-five percent of the federal poverty level;

15 (B) Eligible students whose application for the enrollment option
16 program established in section 79-234 has been denied;

17 (C) Eligible students who have an individualized education program;

18 (D) Eligible students who are experiencing bullying, harassment,
19 hazing, assault, battery, kidnapping, robbery, sexual offenses, threat or
20 intimidation, or fighting at school;

21 (E) Eligible students who are in foster care; and

22 (F) Eligible students who are in a family with a parent or guardian
23 in an active duty role in a branch of the armed forces of the United
24 States or in the National Guard, or whose parent or guardian was killed
25 serving in the line of duty;

26 (iii) Give third priority to eligible students whose household
27 income levels exceed one hundred eighty-five percent of the federal
28 poverty level but do not exceed two hundred thirteen percent of the
29 federal poverty level; and

30 (iv) Give fourth priority to eligible students whose household
31 income levels exceed two hundred thirteen percent of the federal poverty

1 level but do not exceed three hundred percent of the income indicated in
2 the income eligibility guidelines for reduced price meals under the
3 National School Lunch Program in 7 C.F.R. part 210;

4 (b) Limit the maximum scholarship amount awarded to any eligible
5 student to the cost necessary to educate the eligible student at the
6 qualified school such student attends; and

7 (c) Limit scholarship amounts awarded to eligible students in a
8 manner that assures that the average of the scholarship amounts awarded
9 per student does not exceed seventy-five percent of the statewide average
10 general fund operating expenditures per formula student for the most
11 recently available complete data year as such terms are defined in
12 section 79-1003.

13 (4) The annual limit on the total amount of education scholarships
14 awarded under this section for fiscal year 2024-25 and each fiscal year
15 thereafter shall be ten million dollars.

16 (5) On or before December 1, 2025, and on or before December 1 of
17 each year thereafter, the State Treasurer shall electronically submit a
18 report to the Governor and the Legislature that includes the following:

19 (a) A summary description of the State Treasurer's policies and
20 procedures for awarding education scholarships;

21 (b) The number of eligible students receiving education scholarships
22 in the most recent fiscal year;

23 (c) The total amount of education scholarships awarded in the most
24 recent fiscal year;

25 (d) The number of eligible students currently wait-listed or denied
26 from receiving an education scholarship and the reason for the wait-
27 listing or denial; and

28 (e) The demographic information of eligible students receiving
29 education scholarships, including, but not limited to:

30 (i) Income level;

31 (ii) Grade level; and

1 (iii) Geographic location.

2 (6) The State Treasurer may enter into contracts with up to three
3 program managers for the purposes of carrying out the education
4 scholarship program described in this section.

5 (7) It is the intent of the Legislature to appropriate ten million
6 dollars from the General Fund for fiscal year 2024-25 and each fiscal
7 year thereafter to the State Treasurer for the purpose of providing
8 education scholarships as provided in this section.

9 (8) Up to seven and one-half percent of the funds appropriated for
10 purposes of this section may be used by the State Treasurer, or by the
11 program managers with which the State Treasurer contracts, for
12 administrative expenses.

13 (9) This section shall not be construed as granting any expanded or
14 additional authority to the State of Nebraska to control or influence the
15 governance or policies of any qualified school due to the fact that the
16 qualified school admits and enrolls students who receive education
17 scholarships or as requiring any such qualified school to admit or, once
18 admitted, to continue the enrollment of any student receiving an
19 education scholarship.

20 Sec. 2. Section 77-2715.07, Revised Statutes Supplement, 2023, is
21 amended to read:

22 77-2715.07 (1) There shall be allowed to qualified resident
23 individuals as a nonrefundable credit against the income tax imposed by
24 the Nebraska Revenue Act of 1967:

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

27 (b) A credit for taxes paid to another state as provided in section
28 77-2730.

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

31 (a) For returns filed reporting federal adjusted gross incomes of

1 greater than twenty-nine thousand dollars, a nonrefundable credit equal
2 to twenty-five percent of the federal credit allowed under section 21 of
3 the Internal Revenue Code of 1986, as amended, except that for taxable
4 years beginning or deemed to begin on or after January 1, 2015, such
5 nonrefundable credit shall be allowed only if the individual would have
6 received the federal credit allowed under section 21 of the code after
7 adding back in any carryforward of a net operating loss that was deducted
8 pursuant to such section in determining eligibility for the federal
9 credit;

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

25 (c) A refundable credit as provided in section 77-5209.01 for
26 individuals who qualify for an income tax credit as a qualified beginning
27 farmer or livestock producer under the Beginning Farmer Tax Credit Act
28 for all taxable years beginning or deemed to begin on or after January 1,
29 2006, under the Internal Revenue Code of 1986, as amended;

30 (d) A refundable credit for individuals who qualify for an income
31 tax credit under the Angel Investment Tax Credit Act, the Nebraska

1 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
2 and Development Act, or the Volunteer Emergency Responders Incentive Act;
3 and

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

12 (3) There shall be allowed to all individuals as a nonrefundable
13 credit against the income tax imposed by the Nebraska Revenue Act of
14 1967:

15 (a) A credit for personal exemptions allowed under section
16 77-2716.01;

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

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

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

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

30 (f) A credit to employers as provided in sections 77-27,238 and
31 77-27,240;

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

3 (h) A credit to grocery store retailers, restaurants, and
4 agricultural producers as provided in section 77-27,241. ~~7~~ ~~and~~

5 ~~(i) A credit as provided in the Opportunity Scholarships Act.~~

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

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

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

13 (c) A refundable credit for individuals who qualify for an income
14 tax credit as an owner of agricultural assets under the Beginning Farmer
15 Tax Credit Act for all taxable years beginning or deemed to begin on or
16 after January 1, 2009, under the Internal Revenue Code of 1986, as
17 amended. The credit allowed for each partner, shareholder, member, or
18 beneficiary of a partnership, corporation, limited liability company, or
19 estate or trust qualifying for an income tax credit as an owner of
20 agricultural assets under the Beginning Farmer Tax Credit Act shall be
21 equal to the partner's, shareholder's, member's, or beneficiary's portion
22 of the amount of tax credit distributed pursuant to subsection (6) of
23 section 77-5211.

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

1 77-3807 by a financial institution.

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

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

16 (6) There shall be allowed to all individuals nonrefundable credits
17 against the income tax imposed by the Nebraska Revenue Act of 1967 as
18 provided in section 77-3604 and refundable credits against the income tax
19 imposed by the Nebraska Revenue Act of 1967 as provided in section
20 77-3605.

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

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

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

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

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

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

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

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

15 (8) There shall be allowed to all individuals refundable credits
16 against the income tax imposed by the Nebraska Revenue Act of 1967 as
17 provided in the Nebraska Biodiesel Tax Credit Act, the Nebraska Higher
18 Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, and the
19 Renewable Chemical Production Tax Credit Act.

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

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

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

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

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

31 (c) The credit shall be allowed for the taxable year in which the

1 stillbirth occurred.

2 (10) There shall be allowed to all individuals refundable credits
3 against the income tax imposed by the Nebraska Revenue Act of 1967 as
4 provided in section 77-7203 and nonrefundable credits against the income
5 tax imposed by the Nebraska Revenue Act of 1967 as provided in section
6 77-7204.

7 Sec. 3. Section 77-2717, Revised Statutes Supplement, 2023, is
8 amended to read:

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

30 (ii) For taxable years beginning or deemed to begin on or after
31 January 1, 2014, the tax imposed on all resident estates and trusts shall

1 be a percentage of the federal taxable income of such estates and trusts
2 as modified in section 77-2716, plus a percentage of the federal tax on
3 premature or lump-sum distributions from qualified retirement plans. The
4 additional taxes shall be recomputed by substituting Nebraska taxable
5 income for federal taxable income and applying Nebraska rates to the
6 result. The credits provided in the Nebraska Advantage Microenterprise
7 Tax Credit Act and the Nebraska Advantage Research and Development Act
8 shall be allowed as a reduction in the income tax due. A refundable
9 income tax credit shall be allowed for all resident estates and trusts
10 under the Angel Investment Tax Credit Act, the Nebraska Advantage
11 Microenterprise Tax Credit Act, the Nebraska Advantage Research and
12 Development Act, the Nebraska Biodiesel Tax Credit Act, the Nebraska
13 Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, and
14 the Renewable Chemical Production Tax Credit Act. A nonrefundable income
15 tax credit shall be allowed for all resident estates and trusts as
16 provided in the Nebraska Job Creation and Mainstreet Revitalization Act,
17 the New Markets Job Growth Investment Act, the School Readiness Tax
18 Credit Act, the Child Care Tax Credit Act, the Affordable Housing Tax
19 Credit Act, ~~the Opportunity Scholarships Act~~, and sections 77-27,238,
20 77-27,240, and 77-27,241.

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

1 Act of 1967, reduced by the percentage of the total income which is
2 attributable to income from sources outside this state, and the credits
3 provided in the Nebraska Advantage Microenterprise Tax Credit Act and the
4 Nebraska Advantage Research and Development Act shall be allowed as a
5 reduction in the income tax due. A refundable income tax credit shall be
6 allowed for all nonresident estates and trusts under the Angel Investment
7 Tax Credit Act, the Nebraska Advantage Microenterprise Tax Credit Act,
8 the Nebraska Advantage Research and Development Act, the Nebraska
9 Biodiesel Tax Credit Act, the Nebraska Higher Blend Tax Credit Act, the
10 Nebraska Property Tax Incentive Act, and the Renewable Chemical
11 Production Tax Credit Act. A nonrefundable income tax credit shall be
12 allowed for all nonresident estates and trusts as provided in the
13 Nebraska Job Creation and Mainstreet Revitalization Act, the New Markets
14 Job Growth Investment Act, the School Readiness Tax Credit Act, the Child
15 Care Tax Credit Act, the Affordable Housing Tax Credit Act,~~the~~
16 ~~Opportunity Scholarships Act~~, and sections 77-27,238, 77-27,240, and
17 77-27,241.

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

30 (3) The beneficiaries of such estate or trust who are residents of
31 this state shall include in their income their proportionate share of

1 such estate's or trust's federal income and shall reduce their Nebraska
2 tax liability by their proportionate share of the credits as provided in
3 the Angel Investment Tax Credit Act, the Nebraska Advantage
4 Microenterprise Tax Credit Act, the Nebraska Advantage Research and
5 Development Act, the Nebraska Job Creation and Mainstreet Revitalization
6 Act, the New Markets Job Growth Investment Act, the School Readiness Tax
7 Credit Act, the Child Care Tax Credit Act, the Affordable Housing Tax
8 Credit Act, the Nebraska Biodiesel Tax Credit Act, the Nebraska Higher
9 Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, the
10 Renewable Chemical Production Tax Credit Act,~~the Opportunity~~
11 ~~Scholarships Act~~, and sections 77-27,238, 77-27,240, and 77-27,241. There
12 shall be allowed to a beneficiary a refundable income tax credit under
13 the Beginning Farmer Tax Credit Act for all taxable years beginning or
14 deemed to begin on or after January 1, 2001, under the Internal Revenue
15 Code of 1986, as amended.

16 (4) If any beneficiary of such estate or trust is a nonresident
17 during any part of the estate's or trust's taxable year, he or she shall
18 file a Nebraska income tax return which shall include (a) in Nebraska
19 adjusted gross income that portion of the estate's or trust's Nebraska
20 income, as determined under sections 77-2724 and 77-2725, allocable to
21 his or her interest in the estate or trust and (b) a reduction of the
22 Nebraska tax liability by his or her proportionate share of the credits
23 as provided in the Angel Investment Tax Credit Act, the Nebraska
24 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
25 and Development Act, the Nebraska Job Creation and Mainstreet
26 Revitalization Act, the New Markets Job Growth Investment Act, the School
27 Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable
28 Housing Tax Credit Act, the Nebraska Biodiesel Tax Credit Act, the
29 Nebraska Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive
30 Act, the Renewable Chemical Production Tax Credit Act,~~the Opportunity~~
31 ~~Scholarships Act~~, and sections 77-27,238, 77-27,240, and 77-27,241 and

1 shall execute and forward to the fiduciary, on or before the original due
2 date of the Nebraska fiduciary return, an agreement which states that he
3 or she will file a Nebraska income tax return and pay income tax on all
4 income derived from or connected with sources in this state, and such
5 agreement shall be attached to the Nebraska fiduciary return for such
6 taxable year.

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

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

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

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

12 Sec. 4. Section 77-2734.03, Revised Statutes Supplement, 2023, is
13 amended to read:

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

21 (b) For taxable years commencing on or after January 1, 1997, any
22 insurer paying a tax on premiums and assessments pursuant to section
23 77-908 or 81-523, any electric cooperative organized under the Joint
24 Public Power Authority Act, or any credit union shall be credited, in the
25 computation of the tax due under the Nebraska Revenue Act of 1967, with
26 the amount paid during the taxable year as (i) taxes on such premiums and
27 assessments included as Nebraska premiums and assessments under section
28 77-2734.05 and (ii) taxes in lieu of intangible tax.

29 (c) For taxable years commencing or deemed to commence prior to, on,
30 or after January 1, 1998, any insurer paying a tax on premiums and
31 assessments pursuant to section 77-908 or 81-523 shall be credited, in

1 the computation of the tax due under the Nebraska Revenue Act of 1967,
2 with the amount paid during the taxable year as assessments allowed as an
3 offset against premium and related retaliatory tax liability pursuant to
4 section 44-4233.

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

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

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

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

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

25 (7) There shall be allowed to corporate taxpayers a nonrefundable
26 income tax credit as provided in the Nebraska Job Creation and Mainstreet
27 Revitalization Act, the New Markets Job Growth Investment Act, the School
28 Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable
29 Housing Tax Credit Act, ~~the Opportunity Scholarships Act~~, and sections
30 77-27,238, 77-27,240, and 77-27,241.

31 Sec. 5. Sections 2, 3, 4, 6, and 7 of this act become operative on

1 October 31, 2024. The other sections of this act become operative on
2 their effective date.

3 Sec. 6. Original sections 77-2715.07, 77-2717, and 77-2734.03,
4 Revised Statutes Supplement, 2023, are repealed.

5 Sec. 7. The following sections are outright repealed: Sections
6 77-7101, 77-7102, 77-7103, 77-7104, 77-7105, 77-7106, 77-7107, 77-7108,
7 77-7109, 77-7110, 77-7111, 77-7112, and 77-7113, Revised Statutes
8 Supplement, 2023.

9 Sec. 8. Since an emergency exists, this act takes effect when
10 passed and approved according to law.