

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1114

Introduced by Bostar, 29; Jacobson, 42.

Read first time January 10, 2024

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
- 2 77-2715.07, 77-2717, and 77-2734.03, Revised Statutes Supplement,
- 3 2023; to adopt the Endow Nebraska Act; to provide for tax credits;
- 4 to harmonize provisions; to provide an operative date; and to repeal
- 5 the original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 7 of this act shall be known and may be
2 cited as the Endow Nebraska Act.

3 Sec. 2. The purpose of the Endow Nebraska Act is to encourage
4 individuals, businesses, and organizations to invest in Nebraska
5 communities in partnership with community foundations.

6 Sec. 3. For purposes of the Endow Nebraska Act:

7 (1) Community affiliate organization means a group of five or more
8 community leaders or advocates organized for the purpose of increasing
9 philanthropic activity in an identified community or geographic area in
10 the state with the intention of establishing a community affiliate
11 endowment fund;

12 (2) Department means the Department of Economic Development;

13 (3) Endow Nebraska qualified community foundation means a community
14 foundation organized or operating in this state that substantially
15 complies with the Community Foundations National Standards established by
16 the Council on Foundations as determined by the department;

17 (4) Endowment gift means an irrevocable contribution to a permanent
18 endowment held by an endow Nebraska qualified community foundation;

19 (5) Permanent endowment fund means a fund held in an endow Nebraska
20 qualified community foundation to provide benefits to charitable causes
21 in Nebraska. Endowed funds are intended to exist in perpetuity, and to
22 implement an annual spend rate not to exceed five percent; and

23 (6) Taxpayer means any individual, partnership, limited liability
24 company, S corporation, estate, or trust subject to the income tax
25 imposed by the Nebraska Revenue Act of 1967.

26 Sec. 4. (1) A taxpayer who provides an endowment gift to an endow
27 Nebraska qualified community foundation or a community affiliate
28 organization affiliated with an endow Nebraska qualified community
29 foundation for a permanent endowment fund within Nebraska during a
30 taxable year shall be eligible for a credit against the income tax due
31 under the Nebraska Revenue Act of 1967.

1 (2) The amount of the credit shall be equal to fifteen percent of a
2 taxpayer's gift to a permanent endowment held in an endow Nebraska
3 qualified community foundation.

4 (3) The tax credit allowed under this section shall be a
5 nonrefundable credit. Any amount of the credit that is unused may be
6 carried forward and applied against the taxpayer's income tax liability
7 for the next five taxable years immediately following the taxable year in
8 which the credit is first allowed or until depleted, whichever occurs
9 first. The tax credit shall not be carried back. The tax credit shall not
10 be transferable to any other taxpayer.

11 (4) The total amount of tax credits allowed in any taxable year
12 under the Endow Nebraska Act shall not exceed five million dollars. The
13 maximum allowable amount of tax credits in any single taxable year for
14 any single taxpayer shall not exceed fifty thousand dollars.

15 Sec. 5. (1) The department shall develop and make available a
16 standardized application pertaining to the allocation of tax credits
17 under the Endow Nebraska Act.

18 (2) Applications shall be accepted during the same taxable year the
19 endowment gift was provided by the taxpayer and approved on an ongoing
20 basis. The department shall make public by June 1 and December 1 of each
21 calendar year the total number of applications submitted for tax credits
22 and the total amount of tax credits approved. If the department receives
23 applications for tax credits in excess of the amount available, the
24 applications shall be prioritized by the date the department received the
25 applications. If the number of applications exceeds the amount of annual
26 tax credits available, the department shall establish a wait list for the
27 next taxable year's allocation of tax credits and applications shall
28 first be funded in the order listed on the wait list.

29 Sec. 6. By January 31 of each calendar year, the department shall
30 electronically submit an annual report to the Governor and the
31 Legislature. The report shall include, but not be limited to, all

1 activities conducted under the Endow Nebraska Act during the previous
2 calendar year.

3 Sec. 7. There shall be no new applications filed under the Endow
4 Nebraska Act after December 31, 2030. All applications and all tax
5 credits pending or approved before such date shall continue in full force
6 and effect.

7 Sec. 8. The department may adopt and promulgate rules and
8 regulations to carry out the Endow Nebraska Act.

9 Sec. 9. Section 77-2715.07, Revised Statutes Supplement, 2023, is
10 amended to read:

11 77-2715.07 (1) There shall be allowed to qualified resident
12 individuals as a nonrefundable credit against the income tax imposed by
13 the Nebraska Revenue Act of 1967:

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

16 (b) A credit for taxes paid to another state as provided in section
17 77-2730.

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

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

30 (b) For returns filed reporting federal adjusted gross income of
31 twenty-nine thousand dollars or less, a refundable credit equal to a

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

14 (c) A refundable credit as provided in section 77-5209.01 for
15 individuals who qualify for an income tax credit as a qualified beginning
16 farmer or livestock producer under the Beginning Farmer Tax Credit Act
17 for all taxable years beginning or deemed to begin on or after January 1,
18 2006, under the Internal Revenue Code of 1986, as amended;

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

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

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

4 (a) A credit for personal exemptions allowed under section
5 77-2716.01;

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

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

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

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

19 (f) A credit to employers as provided in sections 77-27,238 and
20 77-27,240;

21 (g) A credit as provided in the Affordable Housing Tax Credit Act;

22 (h) A credit to grocery store retailers, restaurants, and
23 agricultural producers as provided in section 77-27,241;~~and~~

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

25 (j) A credit as provided in the Endow Nebraska Act.

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

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

30 (b) A credit to all estates and trusts for contributions to
31 certified community betterment programs as provided in the Community

1 Development Assistance Act; and

2 (c) A refundable credit for individuals who qualify for an income
3 tax credit as an owner of agricultural assets under the Beginning Farmer
4 Tax Credit Act for all taxable years beginning or deemed to begin on or
5 after January 1, 2009, under the Internal Revenue Code of 1986, as
6 amended. The credit allowed for each partner, shareholder, member, or
7 beneficiary of a partnership, corporation, limited liability company, or
8 estate or trust qualifying for an income tax credit as an owner of
9 agricultural assets under the Beginning Farmer Tax Credit Act shall be
10 equal to the partner's, shareholder's, member's, or beneficiary's portion
11 of the amount of tax credit distributed pursuant to subsection (6) of
12 section 77-5211.

13 (5)(a) For all taxable years beginning on or after January 1, 2007,
14 and before January 1, 2009, under the Internal Revenue Code of 1986, as
15 amended, there shall be allowed to each partner, shareholder, member, or
16 beneficiary of a partnership, subchapter S corporation, limited liability
17 company, or estate or trust a nonrefundable credit against the income tax
18 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the
19 partner's, shareholder's, member's, or beneficiary's portion of the
20 amount of franchise tax paid to the state under sections 77-3801 to
21 77-3807 by a financial institution.

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

30 (c) Each partner, shareholder, member, or beneficiary shall report
31 his or her share of the credit in the same manner and proportion as he or

1 she reports the partnership, subchapter S corporation, limited liability
2 company, or estate or trust income. If any partner, shareholder, member,
3 or beneficiary cannot fully utilize the credit for that year, the credit
4 may not be carried forward or back.

5 (6) There shall be allowed to all individuals nonrefundable credits
6 against the income tax imposed by the Nebraska Revenue Act of 1967 as
7 provided in section 77-3604 and refundable credits against the income tax
8 imposed by the Nebraska Revenue Act of 1967 as provided in section
9 77-3605.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (10) There shall be allowed to all individuals refundable credits
23 against the income tax imposed by the Nebraska Revenue Act of 1967 as
24 provided in section 77-7203 and nonrefundable credits against the income
25 tax imposed by the Nebraska Revenue Act of 1967 as provided in section
26 77-7204.

27 Sec. 10. Section 77-2717, Revised Statutes Supplement, 2023, is
28 amended to read:

29 77-2717 (1)(a)(i) For taxable years beginning or deemed to begin
30 before January 1, 2014, the tax imposed on all resident estates and
31 trusts shall be a percentage of the federal taxable income of such

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

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

1 Development Act, the Nebraska Biodiesel Tax Credit Act, the Nebraska
2 Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, and
3 the Renewable Chemical Production Tax Credit Act. A nonrefundable income
4 tax credit shall be allowed for all resident estates and trusts as
5 provided in the Nebraska Job Creation and Mainstreet Revitalization Act,
6 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 Opportunity Scholarships Act, the Endow Nebraska Act, and
9 sections 77-27,238, 77-27,240, and 77-27,241.

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

1 allowed for all nonresident estates and trusts as provided in the
2 Nebraska Job Creation and Mainstreet Revitalization Act, the New Markets
3 Job Growth Investment Act, the School Readiness Tax Credit Act, the Child
4 Care Tax Credit Act, the Affordable Housing Tax Credit Act, the
5 Opportunity Scholarships Act, the Endow Nebraska Act, and sections
6 77-27,238, 77-27,240, and 77-27,241.

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

19 (3) The beneficiaries of such estate or trust who are residents of
20 this state shall include in their income their proportionate share of
21 such estate's or trust's federal income and shall reduce their Nebraska
22 tax liability by their proportionate share of the credits as provided in
23 the Angel Investment Tax Credit Act, the Nebraska Advantage
24 Microenterprise Tax Credit Act, the Nebraska Advantage Research and
25 Development Act, the Nebraska Job Creation and Mainstreet Revitalization
26 Act, the New Markets Job Growth Investment Act, the School Readiness Tax
27 Credit Act, the Child Care Tax Credit Act, the Affordable Housing Tax
28 Credit Act, the Nebraska Biodiesel Tax Credit Act, the Nebraska Higher
29 Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, the
30 Renewable Chemical Production Tax Credit Act, the Opportunity
31 Scholarships Act, the Endow Nebraska Act, and sections 77-27,238,

1 77-27,240, and 77-27,241. There shall be allowed to a beneficiary a
2 refundable income tax credit under the Beginning Farmer Tax Credit Act
3 for all taxable years beginning or deemed to begin on or after January 1,
4 2001, under the Internal Revenue Code of 1986, as amended.

5 (4) If any beneficiary of such estate or trust is a nonresident
6 during any part of the estate's or trust's taxable year, he or she shall
7 file a Nebraska income tax return which shall include (a) in Nebraska
8 adjusted gross income that portion of the estate's or trust's Nebraska
9 income, as determined under sections 77-2724 and 77-2725, allocable to
10 his or her interest in the estate or trust and (b) a reduction of the
11 Nebraska tax liability by his or her proportionate share of the credits
12 as provided in the Angel Investment Tax Credit Act, the Nebraska
13 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
14 and Development Act, the Nebraska Job Creation and Mainstreet
15 Revitalization Act, the New Markets Job Growth Investment Act, the School
16 Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable
17 Housing Tax Credit Act, the Nebraska Biodiesel Tax Credit Act, the
18 Nebraska Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive
19 Act, the Renewable Chemical Production Tax Credit Act, the Opportunity
20 Scholarships Act, the Endow Nebraska Act, and sections 77-27,238,
21 77-27,240, and 77-27,241 and shall execute and forward to the fiduciary,
22 on or before the original due date of the Nebraska fiduciary return, an
23 agreement which states that he or she will file a Nebraska income tax
24 return and pay income tax on all income derived from or connected with
25 sources in this state, and such agreement shall be attached to the
26 Nebraska fiduciary return for such taxable year.

27 (5) In the absence of the nonresident beneficiary's executed
28 agreement being attached to the Nebraska fiduciary return, the estate or
29 trust shall remit a portion of such beneficiary's income which was
30 derived from or attributable to Nebraska sources with its Nebraska return
31 for the taxable year. For taxable years beginning or deemed to begin

1 before January 1, 2013, the amount of remittance, in such instance, shall
2 be the highest individual income tax rate determined under section
3 77-2715.02 multiplied by the nonresident beneficiary's share of the
4 estate or trust income which was derived from or attributable to sources
5 within this state. For taxable years beginning or deemed to begin on or
6 after January 1, 2013, the amount of remittance, in such instance, shall
7 be the highest individual income tax rate determined under section
8 77-2715.03 multiplied by the nonresident beneficiary's share of the
9 estate or trust income which was derived from or attributable to sources
10 within this state. The amount remitted shall be allowed as a credit
11 against the Nebraska income tax liability of the beneficiary.

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

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

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

1 Sec. 11. Section 77-2734.03, Revised Statutes Supplement, 2023, is
2 amended to read:

3 77-2734.03 (1)(a) For taxable years commencing prior to January 1,
4 1997, any (i) insurer paying a tax on premiums and assessments pursuant
5 to section 77-908 or 81-523, (ii) electric cooperative organized under
6 the Joint Public Power Authority Act, or (iii) credit union shall be
7 credited, in the computation of the tax due under the Nebraska Revenue
8 Act of 1967, with the amount paid during the taxable year as taxes on
9 such premiums and assessments and taxes in lieu of intangible tax.

10 (b) For taxable years commencing on or after January 1, 1997, any
11 insurer paying a tax on premiums and assessments pursuant to section
12 77-908 or 81-523, any electric cooperative organized under the Joint
13 Public Power Authority Act, or any credit union shall be credited, in the
14 computation of the tax due under the Nebraska Revenue Act of 1967, with
15 the amount paid during the taxable year as (i) taxes on such premiums and
16 assessments included as Nebraska premiums and assessments under section
17 77-2734.05 and (ii) taxes in lieu of intangible tax.

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

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

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

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

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

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

14 (7) There shall be allowed to corporate taxpayers a nonrefundable
15 income tax credit as provided in the Nebraska Job Creation and Mainstreet
16 Revitalization Act, the New Markets Job Growth Investment Act, the School
17 Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable
18 Housing Tax Credit Act, the Opportunity Scholarships Act, the Endow
19 Nebraska Act, and sections 77-27,238, 77-27,240, and 77-27,241.

20 Sec. 12. This act becomes operative for all taxable years beginning
21 or deemed to begin on or after January 1, 2025, under the Internal
22 Revenue Code of 1986, as amended.

23 Sec. 13. Original sections 77-2715.07, 77-2717, and 77-2734.03,
24 Revised Statutes Supplement, 2023, are repealed.