

LEGISLATURE OF NEBRASKA  
ONE HUNDRED EIGHTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 350**

Introduced by Wayne, 13.

Read first time January 12, 2023

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
- 2 77-908, 77-2715.07, 77-2717, 77-2734.03, and 77-3806, Revised
- 3 Statutes Cumulative Supplement, 2022; to adopt the Pioneer Economic
- 4 Tax Credit Act; to harmonize provisions; to provide an operative
- 5 date; and to repeal the original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1           Section 1. Sections 1 to 10 of this act shall be known and may be  
2 cited as the Pioneer Economic Tax Credit Act.

3           Sec. 2. For purposes of the Pioneer Economic Tax Credit Act:

4           (1) Community development financial institution means an  
5 organization that is certified as a community development financial  
6 institution and is eligible to receive financial assistance from the  
7 Community Development Financial Institutions Fund of the United States  
8 Department of the Treasury;

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

10          (3) Eligible activity means a program or activity described in  
11 section 4 of this act;

12          (4) iHub means an organization that has been designated as an iHub  
13 under the Nebraska Innovation Hub Act;

14          (5) Intermodal facility means a hub or other facility for trade  
15 combining any combination of rail, barge, trucking, air cargo, or other  
16 transportation services;

17          (6) Qualifying organization means an organization that is certified  
18 pursuant to section 3 of this act to provide tax-credit-supported funding  
19 for eligible activities; and

20          (7) Tax credit means a credit against the income tax due under the  
21 Nebraska Revenue Act of 1967 or against any tax due under sections 77-907  
22 to 77-918 or 77-3801 to 77-3807.

23          Sec. 3. (1) An organization is eligible to become certified as a  
24 qualifying organization for tax-credit purposes under the Pioneer  
25 Economic Tax Credit Act if the organization is either:

26           (a) An iHub; or

27           (b) A community development financial institution.

28          (2) An organization seeking certification under this section shall  
29 file an application with the department in a form and manner prescribed  
30 by the department.

31          (3) If the department finds that an applicant is eligible for

1 certification under this section, the department shall certify it as a  
2 qualifying organization. An applicant shall obtain such certification  
3 prior to accepting any donations from taxpayers under the act.

4       Sec. 4. (1) A qualifying organization may use donations received  
5 under the Pioneer Economic Tax Credit Act to fund eligible activities.  
6 For purposes of the act, the following shall be considered eligible  
7 activities:

8       (a) A project to make a site ready for industrial development. Such  
9 a site must be:

10       (i) Owned by the qualifying organization or by a city or village in  
11 this state; and

12       (ii) A location that has received an expression of interest by a  
13 private developer or that has been rejected by a private developer for an  
14 identifiable reason;

15       (b) A project for the construction of intermodal facilities at a  
16 site owned by the qualifying organization or by a city or village in this  
17 state;

18       (c) A project for the construction of a sports facility or stadium  
19 at a site owned by the qualifying organization or by a city or village in  
20 this state;

21       (d) A project to provide funding for the creation or operation of an  
22 accelerator program for technology companies. For purposes of this  
23 subdivision, accelerator program means a program that:

24       (i) Provides education and mentorship lasting no more than twenty-  
25 four months for early-stage technology companies that have been recruited  
26 to a location in this state; and

27       (ii) Has a defined curriculum and mentorship component designed to  
28 accelerate a technology company's development and growth; and

29       (e) A project to provide funding and support services to  
30 underrepresented companies. For purposes of this subdivision,  
31 underrepresented company means a for-profit business that:

1        (i) Is headquartered in a community that is eligible for investment  
2 through the federal new markets tax credit program under 26 U.S.C.  
3 45D(e);

4        (ii) Has fewer than ten employees; and

5        (iii) Has average gross revenue of less than five hundred thousand  
6 dollars over the previous three years.

7        (2) The activities described in subdivisions (1)(a), (b), and (c) of  
8 this section shall be considered eligible activities under this section  
9 only if the qualifying organization providing the funding is an iHub.

10        Sec. 5. (1) An individual taxpayer who makes one or more cash  
11 contributions to one or more qualifying organizations during a tax year  
12 for the purpose of funding eligible activities shall be eligible for a  
13 tax credit under the Pioneer Economic Tax Credit Act. The amount of the  
14 credit shall be equal to fifty percent of the total amount of such  
15 contributions made during the tax year.

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

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

25        (4) The tax credit allowed under this section is subject to section  
26 9 of this act.

27        Sec. 6. (1) Any partnership, limited liability company, or  
28 corporation having an election in effect under subchapter S of the  
29 Internal Revenue Code of 1986, as amended, that makes one or more cash  
30 contributions to one or more qualifying organizations during a tax year  
31 for the purpose of funding eligible activities shall be eligible for a

1 tax credit under the Pioneer Economic Tax Credit Act. The amount of the  
2 credit shall be equal to fifty percent of the total amount of such  
3 contributions made during the tax year. The credit shall be attributed to  
4 each partner, member, or shareholder in the same proportion used to  
5 report the partnership's, limited liability company's, or subchapter S  
6 corporation's income or loss for income tax purposes.

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

12 (3) The tax credit allowed under this section is subject to section  
13 9 of this act.

14 Sec. 7. (1) An estate or trust which makes one or more cash  
15 contributions to one or more qualifying organizations during a tax year  
16 for the purpose of funding eligible activities shall be eligible for a  
17 tax credit under the Pioneer Economic Tax Credit Act. The amount of the  
18 credit shall be equal to fifty percent of the total amount of such  
19 contributions made during the tax year. Any credit not used by the estate  
20 or trust may be attributed to each beneficiary of the estate or trust in  
21 the same proportion used to report the beneficiary's income from the  
22 estate or trust for income tax purposes.

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

28 (3) The tax credit allowed under this section is subject to section  
29 9 of this act.

30 Sec. 8. (1) A corporate taxpayer as defined in section 77-2734.04  
31 which makes one or more cash contributions to one or more qualifying

1 organizations during a tax year for the purpose of funding eligible  
2 activities shall be eligible for a tax credit under the Pioneer Economic  
3 Tax Credit Act. The amount of the credit shall be equal to fifty percent  
4 of the total amount of such contributions made during the tax year.

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

10 (3) The tax credit allowed under this section is subject to section  
11 9 of this act.

12 Sec. 9. (1) Prior to making a contribution to a qualifying  
13 organization, any taxpayer desiring to claim a tax credit under the  
14 Pioneer Economic Tax Credit Act shall notify the qualifying organization  
15 of the taxpayer's intent to make a contribution and the amount to be  
16 claimed as a tax credit. Upon receiving each such notification, the  
17 qualifying organization shall notify the department of the intended tax  
18 credit amount. If the department determines that the intended tax credit  
19 amount in the notification would exceed the limit specified in subsection  
20 (3) of this section, the department shall notify the qualifying  
21 organization of its determination within thirty days after receipt of the  
22 notification. The qualifying organization shall then promptly notify the  
23 taxpayer of the department's determination that the intended tax credit  
24 amount in the notification is not available. If an amount less than the  
25 amount indicated in the notification is available for a tax credit, the  
26 department shall notify the qualifying organization of the available  
27 amount and the qualifying organization shall notify the taxpayer of the  
28 available amount within three business days.

29 (2) In order to be allowed a tax credit as provided by the act, the  
30 taxpayer shall make its contribution between thirty-one and sixty days  
31 after notifying the qualifying organization of the taxpayer's intent to

1 make a contribution. If the qualifying organization does not receive the  
2 contribution within the required time period, it shall notify the  
3 department of such fact and the department shall no longer include such  
4 amount when calculating whether the limit prescribed in subsection (3) of  
5 this section has been exceeded. If the qualifying organization receives  
6 the contribution within the required time period, it shall provide the  
7 taxpayer with a receipt for the contribution. The receipt shall show the  
8 name and address of the qualifying organization, the date the qualifying  
9 organization was certified by the department in accordance with section 3  
10 of this act, the name, address, and, if available, tax identification  
11 number of the taxpayer making the contribution, the amount of the  
12 contribution, and the date the contribution was received.

13 (3) The department shall consider notifications regarding intended  
14 tax credit amounts in the order in which they are received to ascertain  
15 whether the intended tax credit amounts are within the annual limit  
16 provided in this subsection. The annual limit on the total amount of tax  
17 credits for calendar year 2024 and each calendar year thereafter shall be  
18 fifty million dollars. Once credits have reached the annual limit for any  
19 calendar year, no additional credits shall be allowed for such calendar  
20 year. Credits shall be prorated among the notifications received on the  
21 day the annual limit is exceeded.

22 Sec. 10. The department may adopt and promulgate rules and  
23 regulations to carry out the Pioneer Economic Tax Credit Act.

24 Sec. 11. Section 77-908, Revised Statutes Cumulative Supplement,  
25 2022, is amended to read:

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

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

28 Sec. 12. Section 77-2715.07, Revised Statutes Cumulative Supplement,  
29 2022, is amended to read:

30 77-2715.07 (1) There shall be allowed to qualified resident  
31 individuals as a nonrefundable credit against the income tax imposed by

1 the Nebraska Revenue Act of 1967:

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

4 (b) A credit for taxes paid to another state as provided in section  
5 77-2730.

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

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

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

1 eligibility for the federal credit;

2 (c) A refundable credit as provided in section 77-5209.01 for  
3 individuals who qualify for an income tax credit as a qualified beginning  
4 farmer or livestock producer under the Beginning Farmer Tax Credit Act  
5 for all taxable years beginning or deemed to begin on or after January 1,  
6 2006, under the Internal Revenue Code of 1986, as amended;

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

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

20 (3) There shall be allowed to all individuals as a nonrefundable  
21 credit against the income tax imposed by the Nebraska Revenue Act of  
22 1967:

23 (a) A credit for personal exemptions allowed under section  
24 77-2716.01;

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

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

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

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

7 (f) A credit to employers as provided in sections 77-27,238 and  
8 77-27,240; ~~and~~

9 (g) A credit as provided in the Affordable Housing Tax Credit Act;  
10 and -

11 (h) A credit as provided in the Pioneer Economic Tax Credit Act.

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

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

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

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

30 (5)(a) For all taxable years beginning on or after January 1, 2007,  
31 and before January 1, 2009, under the Internal Revenue Code of 1986, as

1 amended, there shall be allowed to each partner, shareholder, member, or  
2 beneficiary of a partnership, subchapter S corporation, limited liability  
3 company, or estate or trust a nonrefundable credit against the income tax  
4 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the  
5 partner's, shareholder's, member's, or beneficiary's portion of the  
6 amount of franchise tax paid to the state under sections 77-3801 to  
7 77-3807 by a financial institution.

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

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

22 (6) There shall be allowed to all individuals nonrefundable credits  
23 against the income tax imposed by the Nebraska Revenue Act of 1967 as  
24 provided in section 77-3604 and refundable credits against the income tax  
25 imposed by the Nebraska Revenue Act of 1967 as provided in section  
26 77-3605.

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

1 residence during the taxable year if such residence:

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

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

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

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

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

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

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

21 (8) There shall be allowed to all individuals refundable credits  
22 against the income tax imposed by the Nebraska Revenue Act of 1967 as  
23 provided in the Nebraska Higher Blend Tax Credit Act, the Nebraska  
24 Property Tax Incentive Act, and the Renewable Chemical Production Tax  
25 Credit Act.

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

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

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

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

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

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

8           Sec. 13. Section 77-2717, Revised Statutes Cumulative Supplement,  
9 2022, is amended to read:

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

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

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

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 Higher  
9 Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, and the  
10 Renewable Chemical Production Tax Credit Act. A nonrefundable income tax  
11 credit shall be allowed for all nonresident estates and trusts as  
12 provided in the Nebraska Job Creation and Mainstreet Revitalization Act,  
13 the New Markets Job Growth Investment Act, the School Readiness Tax  
14 Credit Act, the Affordable Housing Tax Credit Act, the Pioneer Economic  
15 Tax Credit Act, and sections 77-27,238 and 77-27,240.

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

28 (3) The beneficiaries of such estate or trust who are residents of  
29 this state shall include in their income their proportionate share of  
30 such estate's or trust's federal income and shall reduce their Nebraska  
31 tax liability by their proportionate share of the credits as provided in

1 the Angel Investment Tax Credit Act, the Nebraska Advantage  
2 Microenterprise Tax Credit Act, the Nebraska Advantage Research and  
3 Development Act, the Nebraska Job Creation and Mainstreet Revitalization  
4 Act, the New Markets Job Growth Investment Act, the School Readiness Tax  
5 Credit Act, the Affordable Housing Tax Credit Act, the Nebraska Higher  
6 Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, the  
7 Renewable Chemical Production Tax Credit Act, the Pioneer Economic Tax  
8 Credit Act, and sections 77-27,238 and 77-27,240. There shall be allowed  
9 to a beneficiary a refundable income tax credit under the Beginning  
10 Farmer Tax Credit Act for all taxable years beginning or deemed to begin  
11 on or after January 1, 2001, under the Internal Revenue Code of 1986, as  
12 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 Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive  
26 Act, the Renewable Chemical Production Tax Credit Act, the Pioneer  
27 Economic 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. 14. 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 Higher  
15 Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, and the  
16 Renewable Chemical Production Tax Credit Act.

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

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

25 Sec. 15. Section 77-3806, Revised Statutes Cumulative Supplement,  
26 2022, is amended to read:

27 77-3806 (1) The tax return shall be filed and the total amount of  
28 the franchise tax shall be due on the fifteenth day of the third month  
29 after the end of the taxable year. No extension of time to pay the tax  
30 shall be granted. If the Tax Commissioner determines that the amount of  
31 tax can be computed from available information filed by the financial

1 institutions with either state or federal regulatory agencies, the Tax  
2 Commissioner may, by regulation, waive the requirement for the financial  
3 institutions to file returns.

4 (2) Sections 77-2714 to 77-27,135 relating to deficiencies,  
5 penalties, interest, the collection of delinquent amounts, and appeal  
6 procedures for the tax imposed by section 77-2734.02 shall also apply to  
7 the tax imposed by section 77-3802. If the filing of a return is waived  
8 by the Tax Commissioner, the payment of the tax shall be considered the  
9 filing of a return for purposes of sections 77-2714 to 77-27,135.

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

18 (4) Any such financial institution shall receive a credit on the  
19 franchise tax as provided under the Affordable Housing Tax Credit Act,  
20 the Community Development Assistance Act, the Nebraska Higher Blend Tax  
21 Credit Act, the Nebraska Job Creation and Mainstreet Revitalization Act,  
22 the Nebraska Property Tax Incentive Act, ~~and~~ the New Markets Job Growth  
23 Investment Act, and the Pioneer Economic Tax Credit Act.

24 Sec. 16. This act becomes operative for all taxable years beginning  
25 or deemed to begin on or after January 1, 2024, under the Internal  
26 Revenue Code of 1986, as amended.

27 Sec. 17. Original sections 77-908, 77-2715.07, 77-2717, 77-2734.03,  
28 and 77-3806, Revised Statutes Cumulative Supplement, 2022, are repealed.