

LEGISLATURE OF NEBRASKA  
ONE HUNDRED EIGHTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 606**

Introduced by Albrecht, 17.

Read first time January 17, 2023

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
- 2 77-2715.07, 77-2717, and 77-2734.03, Revised Statutes Cumulative
- 3 Supplement, 2022; to adopt the Nebraska Pregnancy Help Act; to
- 4 provide for tax credits; to harmonize provisions; to provide an
- 5 operative 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 Nebraska Pregnancy Help Act.

3           Sec. 2. The Legislature finds and declares that:

4           (1) Pregnancy help organizations in the State of Nebraska and  
5 nationwide provide under-supported pregnant women with services, free of  
6 charge, that are crucial for their physical, emotional, and familial  
7 wellbeing, including pregnancy testing, pregnancy and prenatal care  
8 education, counseling, food, clothing, housing, transportation, parenting  
9 and life skills classes, child care, licensed medical care, and referrals  
10 to additional community services and material help;

11           (2) Pregnancy help organizations also provide personal relationships  
12 and a strong local support network for such women and their families that  
13 cannot be replicated by even the best and most effective government  
14 programs; and

15           (3) It shall be the policy of the State of Nebraska, through the  
16 creation of the Nebraska Pregnancy Help Act, to encourage and celebrate  
17 pregnancy help organizations in this state and to incentivize private  
18 donations for the furtherance of their good work through the creation of  
19 a tax credit.

20           Sec. 3. For purposes of the Nebraska Pregnancy Help Act:

21           (1) Department means the Department of Revenue; and

22           (2) Eligible charitable organization means an organization that:

23           (a) Is exempt from federal income taxation under section 501(c)(3)  
24 of the Internal Revenue Code of 1986, as amended;

25           (b) Does not receive more than seventy-five percent of its total  
26 annual revenue from federal, state, or local governmental grants or  
27 sources, either directly or as a contractor;

28           (c) Is a pregnancy help organization that:

29           (i) Regularly answers a dedicated telephone number for clients;

30           (ii) Maintains its physical office, clinic, or maternity home in the  
31 State of Nebraska;

1        (iii) Offers services at no cost to the client for the express  
2 purposes of providing assistance to women in order to carry their  
3 pregnancies to term, encourage and enable parenting or adoption, prevent  
4 abortion, and promote healthy childbirths; and

5        (iv) Utilizes licensed medical professionals for any medical  
6 services offered;

7        (d) Does not provide, pay for, provide coverage of, refer for,  
8 recommend, or promote abortions and does not financially support any  
9 entity that provides, pays for, provides coverage of, refers for,  
10 recommends, or promotes abortions, including nonsurgical abortions; and

11        (e) Is approved by the department pursuant to section 4 of this act.

12        Sec. 4. (1) An organization seeking to become an eligible  
13 charitable organization shall provide the department with a written  
14 certification that it meets all criteria to be considered an eligible  
15 charitable organization. The certification must be signed by an officer  
16 of the organization under penalty of perjury. The certification shall  
17 include the following:

18        (a) Verification of the organization's status under section 501(c)  
19 (3) of the Internal Revenue Code of 1986, as amended;

20        (b) A statement that the organization does not receive more than  
21 seventy-five percent of its total annual revenue from federal, state, or  
22 local governmental grants or sources, either directly or as a contractor;

23        (c) A statement that the organization maintains its physical office,  
24 clinic, or maternity home in the State of Nebraska; and

25        (d) A statement that the organization does not provide, pay for,  
26 provide coverage of, refer for, recommend, or promote abortions and does  
27 not financially support any entity that provides, pays for, provides  
28 coverage of, refers for, recommends, or promotes abortions, including  
29 nonsurgical abortions.

30        (2) The department shall review each written certification and  
31 determine whether the organization meets all of the criteria to be

1 considered an eligible charitable organization and shall notify the  
2 organization of its determination. Any organization whose certification  
3 is approved under this section shall be considered an eligible charitable  
4 organization.

5 (3) An organization shall notify the department within sixty days of  
6 any changes that may affect its status as an eligible charitable  
7 organization.

8 (4) The department may periodically request recertification from an  
9 organization that was previously approved as an eligible charitable  
10 organization under this section.

11 (5) The department shall compile and make available to the public a  
12 list of eligible charitable organizations that have been approved under  
13 this section.

14 Sec. 5. (1) An individual taxpayer who makes one or more cash  
15 contributions to one or more eligible charitable organizations during a  
16 tax year shall be eligible for a credit against the income tax due under  
17 the Nebraska Revenue Act of 1967. Except as otherwise provided in the  
18 Nebraska Pregnancy Help Act, the amount of the credit shall be equal to  
19 the lesser of (a) the total amount of such contributions made during the  
20 tax year or (b) fifty percent of the income tax liability of such  
21 taxpayer for the tax year. A taxpayer may only claim a credit pursuant to  
22 this section for the portion of the contribution that was not claimed as  
23 a charitable contribution under the Internal Revenue Code of 1986, as  
24 amended.

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

29 (3) The tax credit allowed under this section shall be a  
30 nonrefundable credit. Any amount of the credit that is unused may be  
31 carried forward and applied against the taxpayer's income tax liability

1 for the next five years immediately following the tax year in which the  
2 credit is first allowed. The tax credit cannot be carried back.

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

5 Sec. 6. (1) Any partnership, limited liability company, or  
6 corporation having an election in effect under subchapter S of the  
7 Internal Revenue Code of 1986, as amended, that is carrying on any trade  
8 or business for which deductions would be allowed under section 162 of  
9 the Internal Revenue Code of 1986, as amended, or is carrying on any  
10 rental activity, and that makes one or more cash contributions to one or  
11 more eligible charitable organizations during a tax year shall be  
12 eligible for a credit against the income tax due under the Nebraska  
13 Revenue Act of 1967. Except as otherwise provided in the Nebraska  
14 Pregnancy Help Act, the amount of the credit shall be equal to the lesser  
15 of (a) the total amount of such contributions made during the tax year or  
16 (b) fifty percent of the income tax liability of such taxpayer for the  
17 tax year. A taxpayer may only claim a credit pursuant to this section for  
18 the portion of the contribution that was not claimed as a charitable  
19 contribution under the Internal Revenue Code of 1986, as amended. The  
20 credit shall be attributed to each partner, member, or shareholder in the  
21 same proportion used to report the partnership's, limited liability  
22 company's, or subchapter S corporation's income or loss for income tax  
23 purposes.

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

29 (3) The tax credit allowed under this section is subject to section  
30 9 of this act.

31 Sec. 7. (1) An estate or trust that makes one or more cash

1 contributions to one or more eligible charitable organizations during a  
2 tax year shall be eligible for a credit against the income tax due under  
3 the Nebraska Revenue Act of 1967. Except as otherwise provided in the  
4 Nebraska Pregnancy Help Act, the amount of the credit shall be equal to  
5 the lesser of (a) the total amount of such contributions made during the  
6 tax year or (b) fifty percent of the income tax liability of such  
7 taxpayer for the tax year. A taxpayer may only claim a credit pursuant to  
8 this section for the portion of the contribution that was not claimed as  
9 a charitable contribution under the Internal Revenue Code of 1986, as  
10 amended. Any credit not used by the estate or trust may be attributed to  
11 each beneficiary of the estate or trust in the same proportion used to  
12 report the beneficiary's income from the estate or trust for income tax  
13 purposes.

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

19 (3) The tax credit allowed under this section is subject to section  
20 9 of this act.

21 Sec. 8. (1) A corporate taxpayer as defined in section 77-2734.04  
22 that makes one or more cash contributions to one or more eligible  
23 charitable organizations during a tax year shall be eligible for a credit  
24 against the income tax due under the Nebraska Revenue Act of 1967. Except  
25 as otherwise provided in the Nebraska Pregnancy Help Act, the amount of  
26 the credit shall be equal to the lesser of (a) the total amount of such  
27 contributions made during the tax year or (b) fifty percent of the income  
28 tax liability of such taxpayer for the tax year. A taxpayer may only  
29 claim a credit pursuant to this section for the portion of the  
30 contribution that was not claimed as a charitable contribution under the  
31 Internal Revenue Code of 1986, as amended.

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

6       (3) The tax credit allowed under this section is subject to section  
7 9 of this act.

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

26       (2) In order to be allowed a tax credit as provided by the act, the  
27 taxpayer shall make its contribution between thirty-one and sixty days  
28 after notifying the eligible charitable organization of the taxpayer's  
29 intent to make a contribution. If the eligible charitable organization  
30 does not receive the contribution within the required time period, it  
31 shall notify the department of such fact and the department shall no

1 longer include such amount when calculating whether the limit prescribed  
2 in subsection (3) of this section has been exceeded. If the eligible  
3 charitable organization receives the contribution within the required  
4 time period, it shall provide the taxpayer with a receipt for the  
5 contribution. The receipt shall show the name and address of the eligible  
6 charitable organization, the name, address, and, if available, tax  
7 identification number of the taxpayer making the contribution, the amount  
8 of the contribution, and the date the contribution was received.

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

20 Sec. 10. The department may adopt and promulgate rules and  
21 regulations to carry out the Nebraska Pregnancy Help Act.

22 Sec. 11. Section 77-2715.07, Revised Statutes Cumulative Supplement,  
23 2022, is amended to read:

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

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

29 (b) A credit for taxes paid to another state as provided in section  
30 77-2730.

31 (2) There shall be allowed to qualified resident individuals against

1 the income tax imposed by the Nebraska Revenue Act of 1967:

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

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

27 (c) A refundable credit as provided in section 77-5209.01 for  
28 individuals who qualify for an income tax credit as a qualified beginning  
29 farmer or livestock producer under the Beginning Farmer Tax Credit Act  
30 for all taxable years beginning or deemed to begin on or after January 1,  
31 2006, under the Internal Revenue Code of 1986, as amended;

1 (d) A refundable credit for individuals who qualify for an income  
2 tax credit under the Angel Investment Tax Credit Act, the Nebraska  
3 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research  
4 and Development Act, or the Volunteer Emergency Responders Incentive Act;  
5 and

6 (e) A refundable credit equal to ten percent of the federal credit  
7 allowed under section 32 of the Internal Revenue Code of 1986, as  
8 amended, 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 32 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 (3) There shall be allowed to all individuals as a nonrefundable  
15 credit against the income tax imposed by the Nebraska Revenue Act of  
16 1967:

17 (a) A credit for personal exemptions allowed under section  
18 77-2716.01;

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

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

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

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

1 (f) A credit to employers as provided in sections 77-27,238 and  
2 77-27,240; ~~and~~

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

5 (h) A credit as provided in the Nebraska Pregnancy Help 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 Higher Blend Tax Credit Act, the Nebraska  
18 Property Tax Incentive Act, and the Renewable Chemical Production Tax  
19 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 Sec. 12. Section 77-2717, Revised Statutes Cumulative Supplement,  
3 2022, is amended to read:

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

25 (ii) For taxable years beginning or deemed to begin on or after  
26 January 1, 2014, the tax imposed on all resident estates and trusts shall  
27 be a percentage of the federal taxable income of such estates and trusts  
28 as modified in section 77-2716, plus a percentage of the federal tax on  
29 premature or lump-sum distributions from qualified retirement plans. The  
30 additional taxes shall be recomputed by substituting Nebraska taxable  
31 income for federal taxable income and applying Nebraska rates to the

1 result. The credits provided in the Nebraska Advantage Microenterprise  
2 Tax Credit Act and the Nebraska Advantage Research and Development Act  
3 shall be allowed as a reduction in the income tax due. A refundable  
4 income tax credit shall be allowed for all resident estates and trusts  
5 under the Angel Investment Tax Credit Act, the Nebraska Advantage  
6 Microenterprise Tax Credit Act, the Nebraska Advantage Research and  
7 Development Act, the Nebraska Higher Blend Tax Credit Act, the Nebraska  
8 Property Tax Incentive Act, and the Renewable Chemical Production Tax  
9 Credit Act. A nonrefundable income tax credit shall be allowed for all  
10 resident estates and trusts as provided in the Nebraska Job Creation and  
11 Mainstreet Revitalization Act, the New Markets Job Growth Investment Act,  
12 the School Readiness Tax Credit Act, the Affordable Housing Tax Credit  
13 Act, the Nebraska Pregnancy Help Act, and sections 77-27,238 and  
14 77-27,240.

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

1 Tax Credit Act, the Nebraska Advantage Microenterprise Tax Credit Act,  
2 the Nebraska Advantage Research and Development Act, the Nebraska Higher  
3 Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, and the  
4 Renewable Chemical Production Tax Credit Act. A nonrefundable income tax  
5 credit shall be allowed for all nonresident estates and trusts as  
6 provided in the Nebraska Job Creation and Mainstreet Revitalization Act,  
7 the New Markets Job Growth Investment Act, the School Readiness Tax  
8 Credit Act, the Affordable Housing Tax Credit Act, the Nebraska Pregnancy  
9 Help Act, and sections 77-27,238 and 77-27,240.

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

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

1 Renewable Chemical Production Tax Credit Act, the Nebraska Pregnancy Help  
2 Act, and sections 77-27,238 and 77-27,240. There shall be allowed to a  
3 beneficiary a refundable income tax credit under the Beginning Farmer Tax  
4 Credit Act for all taxable years beginning or deemed to begin on or after  
5 January 1, 2001, under the Internal Revenue Code of 1986, as amended.

6 (4) If any beneficiary of such estate or trust is a nonresident  
7 during any part of the estate's or trust's taxable year, he or she shall  
8 file a Nebraska income tax return which shall include (a) in Nebraska  
9 adjusted gross income that portion of the estate's or trust's Nebraska  
10 income, as determined under sections 77-2724 and 77-2725, allocable to  
11 his or her interest in the estate or trust and (b) a reduction of the  
12 Nebraska tax liability by his or her proportionate share of the credits  
13 as provided in the Angel Investment Tax Credit Act, the Nebraska  
14 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research  
15 and Development Act, the Nebraska Job Creation and Mainstreet  
16 Revitalization Act, the New Markets Job Growth Investment Act, the School  
17 Readiness Tax Credit Act, the Affordable Housing 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 Nebraska  
20 Pregnancy Help Act, and sections 77-27,238 and 77-27,240 and shall  
21 execute and forward to the fiduciary, on or before the original due date  
22 of the Nebraska fiduciary return, an agreement which states that he or  
23 she will file a Nebraska income tax return and pay income tax on all  
24 income derived from or connected with sources in this state, and such  
25 agreement shall be attached to the Nebraska fiduciary return for such  
26 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. 13. Section 77-2734.03, Revised Statutes Cumulative Supplement,  
2 2022, is 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 Higher  
8 Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, and the  
9 Renewable Chemical Production Tax Credit Act.

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

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

18          Sec. 14. This act becomes operative for all taxable years beginning  
19 or deemed to begin on or after January 1, 2024, under the Internal  
20 Revenue Code of 1986, as amended.

21          Sec. 15. Original sections 77-2715.07, 77-2717, and 77-2734.03,  
22 Revised Statutes Cumulative Supplement, 2022, are repealed.