

AMENDMENTS TO LB566

Introduced by Revenue.

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

3 **Section 1.** Section 77-2715.07, Revised Statutes Cumulative
4 Supplement, 2024, is amended to read:

5 77-2715.07 (1) There shall be allowed to qualified resident
6 individuals as a nonrefundable credit against the income tax imposed by
7 the Nebraska Revenue Act of 1967:

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

10 (b) A credit for taxes paid to another state as provided in section
11 77-2730.

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

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

24 (b) For returns filed reporting federal adjusted gross income of
25 twenty-nine thousand dollars or less, a refundable credit equal to a
26 percentage of the federal credit allowable under section 21 of the
27 Internal Revenue Code of 1986, as amended, whether or not the federal

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

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

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

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

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

1 1967:

2 (a) A credit for personal exemptions allowed under section
3 77-2716.01;

4 (b) A credit for contributions to programs or projects certified for
5 tax credit status as provided in the Creating High Impact Economic
6 Futures Act. Each partner, each shareholder of an electing subchapter S
7 corporation, each beneficiary of an estate or trust, or each member of a
8 limited liability company shall report his or her share of the credit in
9 the same manner and proportion as he or she reports the partnership,
10 subchapter S corporation, estate, trust, or limited liability company
11 income;

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

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

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

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

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

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

23 (i) A credit as provided in the Sustainable Aviation Fuel Tax Credit
24 Act;

25 (j) A credit as provided in the Nebraska Shortline Rail
26 Modernization Act;

27 (k) A credit as provided in the Nebraska Pregnancy Help Act; and

28 (l) A credit as provided in the Caregiver Tax Credit Act.

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

31 (a) A credit to all resident estates and trusts for taxes paid to

1 another state as provided in section 77-2730;

2 (b) A credit to all estates and trusts for contributions to programs
3 or projects certified for tax credit status as provided in the Creating
4 High Impact Economic Futures Act; and

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

16 (5)(a) For all taxable years beginning on or after January 1, 2007,
17 and before January 1, 2009, under the Internal Revenue Code of 1986, as
18 amended, there shall be allowed to each partner, shareholder, member, or
19 beneficiary of a partnership, subchapter S corporation, limited liability
20 company, or estate or trust a nonrefundable credit against the income tax
21 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the
22 partner's, shareholder's, member's, or beneficiary's portion of the
23 amount of franchise tax paid to the state under sections 77-3801 to
24 77-3807 by a financial institution.

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

1 the state under sections 77-3801 to 77-3807 by a financial institution.

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

8 (6) There shall be allowed to all individuals nonrefundable credits
9 against the income tax imposed by the Nebraska Revenue Act of 1967 as
10 provided in section 77-3604 and refundable credits against the income tax
11 imposed by the Nebraska Revenue Act of 1967 as provided in section
12 77-3605.

13 (7)(a) For taxable years beginning or deemed to begin on or after
14 January 1, 2020, and before January 1, 2032 ~~2026~~, under the Internal
15 Revenue Code of 1986, as amended, a nonrefundable credit against the
16 income tax imposed by the Nebraska Revenue Act of 1967 in the amount of
17 five thousand dollars shall be allowed to any individual who purchases a
18 residence during the taxable year if such residence:

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

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

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

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

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

30 (d) The credit provided in this subsection shall be subject to
31 recapture by the Department of Revenue if the individual claiming the

1 credit sells or otherwise transfers the residence or quits using the
2 residence as his or her primary residence within five years after the end
3 of the taxable year in which the credit was claimed.

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

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

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

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

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

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

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

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

26 (10) There shall be allowed to all individuals refundable credits
27 against the income tax imposed by the Nebraska Revenue Act of 1967 as
28 provided in section 77-7203 and nonrefundable credits against the income
29 tax imposed by the Nebraska Revenue Act of 1967 as provided in section
30 77-7204.

31 (11) There shall be allowed to all individuals refundable credits

1 against the income tax imposed by the Nebraska Revenue Act of 1967 as
2 provided in section 77-3157 and nonrefundable credits against the income
3 tax imposed by the Nebraska Revenue Act of 1967 as provided in sections
4 77-3156, 77-3158, and 77-3159.

5 **Sec. 2.** Original section 77-2715.07, Revised Statutes Cumulative
6 Supplement, 2024, is repealed.