

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1131

Introduced by Bostar, 29.

Read first time January 20, 2026

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend section
2 77-2717, Revised Statutes Cumulative Supplement, 2024, and sections
3 77-202, 77-2715.07, and 77-2734.03, Revised Statutes Supplement,
4 2025; to adopt the Domestic Violence and Human Trafficking Service
5 Providers Tax Credit Act; to eliminate a personal property tax
6 exemption and a sales and use tax exemption for data centers; to
7 harmonize provisions; to provide an operative date; to repeal the
8 original sections; and to outright repeal sections 77-2701.54 and
9 77-2704.62, Reissue Revised Statutes of Nebraska.
10 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Sections 1 to 4 of this act shall be known and may be
2 cited as the Domestic Violence and Human Trafficking Service Providers
3 Tax Credit Act.

4 **Sec. 2.** (1) For taxable years beginning or deemed to begin on or
5 after January 1, 2027, under the Internal Revenue Code of 1986, as
6 amended, there shall be allowed refundable credits against the income tax
7 imposed by the Nebraska Revenue Act of 1967 as follows:

8 (a) Four hundred eighty thousand dollars of tax credits to be
9 distributed equally among qualifying domestic violence and sexual assault
10 programs run by tribal governments;

11 (b) Three hundred thousand dollars of tax credits to be distributed
12 to a statewide coalition representing nonprofit organizations that have
13 an affiliation agreement with the Department of Health and Human Services
14 to provide services to victims of domestic abuse under the Protection
15 from Domestic Abuse Act; and

16 (c) Five million two hundred twenty thousand dollars of tax credits
17 to be distributed as follows:

18 (i) Two million eighty-eight thousand dollars of tax credits to be
19 distributed equally to entities described in subdivisions (a) and (b) of
20 this subsection;

21 (ii) Two million five hundred five thousand six hundred dollars of
22 tax credits to be distributed based on the population of the program or
23 agency service area as shown by the latest federal decennial census or as
24 determined by the department if such census data is not available; and

25 (iii) Six hundred twenty-six thousand four hundred dollars of tax
26 credits to be distributed based on the square miles of the program or
27 agency service area.

28 (2) The department shall distribute all of the credits allowed under
29 the Domestic Violence and Human Trafficking Service Providers Tax Credit
30 Act every taxable year.

31 (3) For purposes of this section:

1 (a) Department means the Department of Revenue;
2 (b) Nonprofit organization means an organization organized under
3 section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and
4 (c) Tribal has the same meaning as in section 71-914.02.

5 **Sec. 3.** A credit recipient may sell all or a portion of the tax
6 credit received under section 2 of this act to another taxpayer. The
7 purchasing taxpayer must have received a transfer of the tax credit prior
8 to the date a tax return, or amended return, claiming the tax credit is
9 filed. For any tax year in which a credit is sold pursuant to this
10 section, the credit recipient selling the tax credit shall notify the
11 department of the sale and provide the tax identification number of the
12 taxpayer purchasing the tax credit at least thirty days prior to the
13 taxpayer claiming the tax credit. The notification shall be in the manner
14 prescribed by the department.

15 **Sec. 4.** The department may adopt and promulgate rules and
16 regulations to carry out the Domestic Violence and Human Trafficking
17 Service Providers Tax Credit Act.

18 **Sec. 5.** Section 77-202, Revised Statutes Supplement, 2025, is
19 amended to read:

20 77-202 (1) The following property shall be exempt from property
21 taxes:

22 (a) Property of the state and its governmental subdivisions to the
23 extent used or being developed for use by the state or governmental
24 subdivision for a public purpose. For purposes of this subdivision:

25 (i) Property of the state and its governmental subdivisions means
26 (A) property held in fee title by the state or a governmental subdivision
27 or (B) property beneficially owned by the state or a governmental
28 subdivision in that it is used for a public purpose and is being acquired
29 under a lease-purchase agreement, financing lease, or other instrument
30 which provides for transfer of legal title to the property to the state
31 or a governmental subdivision upon payment of all amounts due thereunder.

1 If the property to be beneficially owned by a governmental subdivision
2 has a total acquisition cost that exceeds the threshold amount or will be
3 used as the site of a public building with a total estimated construction
4 cost that exceeds the threshold amount, then such property shall qualify
5 for an exemption under this section only if the question of acquiring
6 such property or constructing such public building has been submitted at
7 a primary, general, or special election held within the governmental
8 subdivision and has been approved by the voters of the governmental
9 subdivision. For purposes of this subdivision, threshold amount means the
10 greater of fifty thousand dollars or six-tenths of one percent of the
11 total actual value of real and personal property of the governmental
12 subdivision that will beneficially own the property as of the end of the
13 governmental subdivision's prior fiscal year; and

14 (ii) Public purpose means use of the property (A) to provide public
15 services with or without cost to the recipient, including the general
16 operation of government, public education, public safety, transportation,
17 public works, civil and criminal justice, public health and welfare,
18 developments by a public housing authority, parks, culture, recreation,
19 community development, and cemetery purposes, or (B) to carry out the
20 duties and responsibilities conferred by law with or without
21 consideration. Public purpose does not include leasing of property to a
22 private party unless the lease of the property is at fair market value
23 for a public purpose. Leases of property by a public housing authority to
24 low-income individuals as a place of residence are for the authority's
25 public purpose;

26 (b) Unleased property of the state or its governmental subdivisions
27 which is not being used or developed for use for a public purpose but
28 upon which a payment in lieu of taxes is paid for public safety, rescue,
29 and emergency services and road or street construction or maintenance
30 services to all governmental units providing such services to the
31 property. Except as provided in Article VIII, section 11, of the

1 Constitution of Nebraska, the payment in lieu of taxes shall be based on
2 the proportionate share of the cost of providing public safety, rescue,
3 or emergency services and road or street construction or maintenance
4 services unless a general policy is adopted by the governing body of the
5 governmental subdivision providing such services which provides for a
6 different method of determining the amount of the payment in lieu of
7 taxes. The governing body may adopt a general policy by ordinance or
8 resolution for determining the amount of payment in lieu of taxes by
9 majority vote after a hearing on the ordinance or resolution. Such
10 ordinance or resolution shall nevertheless result in an equitable
11 contribution for the cost of providing such services to the exempt
12 property;

13 (c) Property owned by and used exclusively for agricultural and
14 horticultural societies;

15 (d)(i) Property owned by educational, religious, charitable, or
16 cemetery organizations, or any organization for the exclusive benefit of
17 any such educational, religious, charitable, or cemetery organization,
18 and used exclusively for educational, religious, charitable, or cemetery
19 purposes, when such property is not (A) owned or used for financial gain
20 or profit to either the owner or user, (B) used for the sale of alcoholic
21 liquors for more than twenty hours per week, or (C) owned or used by an
22 organization which discriminates in membership or employment based on
23 race, color, or national origin.

24 (ii) For purposes of subdivision (1)(d) of this section:

25 (A) Educational organization means (I) an institution operated
26 exclusively for the purpose of offering regular courses with systematic
27 instruction in academic, vocational, or technical subjects or assisting
28 students through services relating to the origination, processing, or
29 guarantying of federally reinsured student loans for higher education,
30 (II) a museum or historical society operated exclusively for the benefit
31 and education of the public, or (III) a nonprofit organization that owns

1 or operates a child care facility; and

2 (B) Charitable organization includes (I) an organization operated
3 exclusively for the purpose of the mental, social, or physical benefit of
4 the public or an indefinite number of persons and (II) a fraternal
5 benefit society organized and licensed under sections 44-1072 to
6 44-10,109.

7 (iii) The property tax exemption authorized in subdivision (1)(d)(i)
8 of this section shall apply to any for-profit skilled nursing facility,
9 for-profit nursing facility, or for-profit assisted-living facility that
10 provides housing for medicaid beneficiaries, except that the exemption
11 amount for such property shall be a percentage of the property taxes that
12 would otherwise be due. Such percentage shall be equal to the average
13 percentage of occupied beds in the facility provided to medicaid
14 beneficiaries over the most recent three-year period. This subdivision
15 shall not be construed to modify, limit, or reduce any property tax
16 exemption provided to a nonprofit skilled nursing facility, nonprofit
17 nursing facility, or nonprofit assisted-living facility pursuant to
18 subdivision (1)(d)(i) of this section. For purposes of this subdivision,
19 skilled nursing facility has the same meaning as in section 71-429,
20 nursing facility has the same meaning as in section 71-424, and assisted-
21 living facility has the same meaning as in section 71-5903.

22 (iv) The property tax exemption authorized in subdivision (1)(d)(i)
23 of this section shall apply to a building that (A) is owned by a
24 charitable organization, (B) is made available to students in attendance
25 at an educational institution, and (C) is recognized by such educational
26 institution as approved student housing, except that the exemption shall
27 only apply to the commons area of such building, including any common
28 rooms and cooking and eating facilities;

29 (e) Household goods and personal effects not owned or used for
30 financial gain or profit to either the owner or user; and

31 (f) A portion of the property owned by a taxpayer as provided in the

1 Recreational Trail Easement Property Tax Exemption Act.

2 (2) The increased value of land by reason of shade and ornamental
3 trees planted along the highway shall not be taken into account in the
4 valuation of land.

5 (3) Tangible personal property which is not depreciable tangible
6 personal property as defined in section 77-119 shall be exempt from
7 property tax.

8 (4) Motor vehicles, trailers, and semitrailers required to be
9 registered for operation on the highways of this state shall be exempt
10 from payment of property taxes.

11 (5) Business and agricultural inventory shall be exempt from the
12 personal property tax. For purposes of this subsection, business
13 inventory includes personal property owned for purposes of leasing or
14 renting such property to others for financial gain only if the personal
15 property is of a type which in the ordinary course of business is leased
16 or rented thirty days or less and may be returned at the option of the
17 lessee or renter at any time and the personal property is of a type which
18 would be considered household goods or personal effects if owned by an
19 individual. All other personal property owned for purposes of leasing or
20 renting such property to others for financial gain shall not be
21 considered business inventory.

22 (6) Any personal property exempt pursuant to subsection (2) of
23 section 77-4105 or section 77-5209.02 shall be exempt from the personal
24 property tax.

25 (7) Livestock shall be exempt from the personal property tax.

26 (8) Any personal property exempt pursuant to the Nebraska Advantage
27 Act or the ImagINE Nebraska Act shall be exempt from the personal
28 property tax.

29 (9) Any depreciable tangible personal property used directly in the
30 generation of electricity using wind as the fuel source shall be exempt
31 from the property tax levied on depreciable tangible personal property.

1 Any depreciable tangible personal property used directly in the
2 generation of electricity using solar, biomass, or landfill gas as the
3 fuel source shall be exempt from the property tax levied on depreciable
4 tangible personal property if such depreciable tangible personal property
5 was installed on or after January 1, 2016, and has a nameplate capacity
6 of one hundred kilowatts or more. Depreciable tangible personal property
7 used directly in the generation of electricity using wind, solar,
8 biomass, or landfill gas as the fuel source includes, but is not limited
9 to, wind turbines, rotors and blades, towers, solar panels, trackers,
10 generating equipment, transmission components, substations, supporting
11 structures or racks, inverters, and other system components such as
12 wiring, control systems, switchgears, and generator step-up transformers.

13 ~~(10) Any tangible personal property that is acquired by a person
14 operating a data center located in this state, that is assembled,
15 engineered, processed, fabricated, manufactured into, attached to, or
16 incorporated into other tangible personal property, both in component
17 form or that of an assembled product, for the purpose of subsequent use
18 at a physical location outside this state by the person operating a data
19 center shall be exempt from the personal property tax. Such exemption
20 extends to keeping, retaining, or exercising any right or power over
21 tangible personal property in this state for the purpose of subsequently
22 transporting it outside this state for use thereafter outside this state.
23 For purposes of this subsection, data center means computers, supporting
24 equipment, and other organized assembly of hardware or software that are
25 designed to centralize the storage, management, or dissemination of data
26 and information, environmentally controlled structures or facilities or
27 interrelated structures or facilities that provide the infrastructure for
28 housing the equipment, such as raised flooring, electricity supply,
29 communication and data lines, Internet access, cooling, security, and
30 fire suppression, and any building housing the foregoing.~~

31 ~~(10) (11) For tax years prior to tax year 2020, each person who owns~~

1 property required to be reported to the county assessor under section
2 77-1201 shall be allowed an exemption amount as provided in the Personal
3 Property Tax Relief Act. For tax years prior to tax year 2020, each
4 person who owns property required to be valued by the state as provided
5 in section 77-601, 77-682, 77-801, or 77-1248 shall be allowed a
6 compensating exemption factor as provided in the Personal Property Tax
7 Relief Act.

8 (11)(a) ~~(12)(a)~~ Broadband equipment shall be exempt from the
9 personal property tax if such broadband equipment is:

10 (i) Deployed in an area funded in whole or in part by funds from the
11 Broadband Equity, Access, and Deployment Program, authorized by the
12 federal Infrastructure Investment and Jobs Act, Public Law 117-58; or

13 (ii) Deployed in a qualified census tract located within the
14 corporate limits of a city of the metropolitan class and being utilized
15 to provide end-users with access to the Internet at speeds of at least
16 one hundred megabits per second for downloading and at least one hundred
17 megabits per second for uploading.

18 (b) An owner of broadband equipment seeking an exemption under this
19 section shall apply for an exemption to the county assessor on or before
20 December 31 of the year preceding the year for which the exemption is to
21 begin. If the broadband equipment meets the criteria described in this
22 subsection, the county assessor shall approve the application within
23 thirty calendar days after receiving the application. The application
24 shall be on forms prescribed by the Tax Commissioner.

25 (c) For purposes of this subsection:

26 (i) Broadband communications service means telecommunications
27 service as defined in section 86-121, video programming as defined in 47
28 U.S.C. 522, as such section existed on January 1, 2024, or Internet
29 access as defined in section 1104 of the federal Internet Tax Freedom
30 Act, Public Law 105-277;

31 (ii) Broadband equipment means machinery or equipment used to

1 provide broadband communications service and includes, but is not limited
2 to, wires, cables, fiber, conduits, antennas, poles, switches, routers,
3 amplifiers, rectifiers, repeaters, receivers, multiplexers, duplexers,
4 transmitters, circuit cards, insulating and protective materials and
5 cases, power equipment, backup power equipment, diagnostic equipment,
6 storage devices, modems, and other general central office or headend
7 equipment, such as channel cards, frames, and cabinets, or equipment used
8 in successor technologies, including items used to monitor, test,
9 maintain, enable, or facilitate qualifying equipment, machinery,
10 software, ancillary components, appurtenances, accessories, or other
11 infrastructure that is used in whole or in part to provide broadband
12 communications service. Machinery or equipment used to produce broadband
13 communications service does not include personal consumer electronics,
14 including, but not limited to, smartphones, computers, and tablets; and
15 (iii) Qualified census tract means a qualified census tract as
16 defined in 26 U.S.C. 42(d)(5)(B)(ii)(I), as such section existed on
17 January 1, 2024.

18 **Sec. 6.** Section 77-2715.07, Revised Statutes Supplement, 2025, is
19 amended to read:

20 77-2715.07 (1) There shall be allowed to qualified resident
21 individuals as a nonrefundable credit against the income tax imposed by
22 the Nebraska Revenue Act of 1967:

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

25 (b) A credit for taxes paid to another state as provided in section
26 77-2730.

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

29 (a) For returns filed reporting federal adjusted gross incomes of
30 greater than twenty-nine thousand dollars, a nonrefundable credit equal
31 to twenty-five percent of the federal credit allowed under section 21 of

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

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

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

28 (d) A refundable credit for individuals who qualify for an income
29 tax credit under the Adoption Tax Credit Act, the Angel Investment Tax
30 Credit Act, the Nebraska Advantage Microenterprise Tax Credit Act, the
31 Nebraska Advantage Research and Development Act, the Reverse Osmosis

1 System Tax Credit Act, or the Volunteer Emergency Responders Incentive
2 Act;

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

11 (f) A refundable credit as provided in section 77-7203 for
12 individuals who qualify for an income tax credit under the Child Care Tax
13 Credit Act for all taxable years beginning or deemed to begin on or after
14 January 1, 2024, under the Internal Revenue Code of 1986, as amended.

15 (3) There shall be allowed to all individuals as a nonrefundable
16 credit against the income tax imposed by the Nebraska Revenue Act of
17 1967:

18 (a) A credit for personal exemptions allowed under section
19 77-2716.01;

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

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

31 (d) A credit as provided in the New Markets Job Growth Investment

1 Act;

2 (e) A credit as provided in the Nebraska Job Creation and Mainstreet

3 Revitalization Act;

4 (f) A credit to employers as provided in sections 77-27,238 and

5 77-27,240;

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

7 (h) A credit to grocery store retailers, restaurants, and

8 agricultural producers as provided in section 77-27,241;

9 (i) A credit as provided in the Sustainable Aviation Fuel Tax Credit

10 Act;

11 (j) A credit as provided in the Nebraska Shortline Rail

12 Modernization Act;

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

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

15 (4) There shall be allowed as a credit against the income tax

16 imposed by the Nebraska Revenue Act of 1967:

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

18 another state as provided in section 77-2730;

19 (b) A credit to all estates and trusts for (i) contributions to

20 programs or projects certified for tax credit status as provided in the

21 Creating High Impact Economic Futures Act and (ii) contributions to

22 certified community betterment programs as provided in the Community

23 Development Assistance Act; and

24 (c) A refundable credit for individuals who qualify for an income

25 tax credit as an owner of agricultural assets under the Beginning Farmer

26 Tax Credit Act for all taxable years beginning or deemed to begin on or

27 after January 1, 2009, under the Internal Revenue Code of 1986, as

28 amended. The credit allowed for each partner, shareholder, member, or

29 beneficiary of a partnership, corporation, limited liability company, or

30 estate or trust qualifying for an income tax credit as an owner of

31 agricultural assets under the Beginning Farmer Tax Credit Act shall be

1 equal to the partner's, shareholder's, member's, or beneficiary's portion
2 of the amount of tax credit distributed pursuant to subsection (6) of
3 section 77-5211.

4 (5)(a) For all taxable years beginning on or after January 1, 2007,
5 and before January 1, 2009, under the Internal Revenue Code of 1986, as
6 amended, there shall be allowed to each partner, shareholder, member, or
7 beneficiary of a partnership, subchapter S corporation, limited liability
8 company, or estate or trust a nonrefundable credit against the income tax
9 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the
10 partner's, shareholder's, member's, or beneficiary's portion of the
11 amount of franchise tax paid to the state under sections 77-3801 to
12 77-3807 by a financial institution.

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

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

27 (6) There shall be allowed to all individuals nonrefundable credits
28 against the income tax imposed by the Nebraska Revenue Act of 1967 as
29 provided in section 77-3604 and refundable credits against the income tax
30 imposed by the Nebraska Revenue Act of 1967 as provided in section
31 77-3605.

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

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

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

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

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

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

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

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

26 (8) 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 the Cast and Crew Nebraska Act, the Domestic Violence and
29 Human Trafficking Service Providers Tax Credit Act, the Nebraska
30 Biodiesel Tax Credit Act, the Nebraska Higher Blend Tax Credit Act, the
31 Nebraska Property Tax Incentive Act, the Relocation Incentive Act, and

1 the Renewable Chemical Production Tax Credit Act.

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

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

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

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

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

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

15 (10) There shall be allowed to all individuals nonrefundable credits
16 against the income tax imposed by the Nebraska Revenue Act of 1967 as
17 provided in section 77-7204.

18 (11) There shall be allowed to all individuals refundable credits
19 against the income tax imposed by the Nebraska Revenue Act of 1967 as
20 provided in section 77-3157 and nonrefundable credits against the income
21 tax imposed by the Nebraska Revenue Act of 1967 as provided in sections
22 77-3156, 77-3158, and 77-3159.

23 **Sec. 7.** Section 77-2717, Revised Statutes Cumulative Supplement,
24 2024, is amended to read:

25 77-2717 (1)(a)(i) For taxable years beginning or deemed to begin
26 before January 1, 2014, the tax imposed on all resident estates and
27 trusts shall be a percentage of the federal taxable income of such
28 estates and trusts as modified in section 77-2716, plus a percentage of
29 the federal alternative minimum tax and the federal tax on premature or
30 lump-sum distributions from qualified retirement plans. The additional
31 taxes shall be recomputed by (A) substituting Nebraska taxable income for

1 federal taxable income, (B) calculating what the federal alternative
2 minimum tax would be on Nebraska taxable income and adjusting such
3 calculations for any items which are reflected differently in the
4 determination of federal taxable income, and (C) applying Nebraska rates
5 to the result. The federal credit for prior year minimum tax, after the
6 recomputations required by the Nebraska Revenue Act of 1967, and the
7 credits provided in the Nebraska Advantage Microenterprise Tax Credit Act
8 and the Nebraska Advantage Research and Development Act shall be allowed
9 as a reduction in the income tax due. A refundable income tax credit
10 shall be allowed for all resident estates and trusts under the Angel
11 Investment Tax Credit Act, the Nebraska Advantage Microenterprise Tax
12 Credit Act, and the Nebraska Advantage Research and Development Act. A
13 nonrefundable income tax credit shall be allowed for all resident estates
14 and trusts as provided in the New Markets Job Growth Investment Act.

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

1 Renewable Chemical Production Tax Credit Act. A nonrefundable income tax
2 credit shall be allowed for all resident estates and trusts as provided
3 in the Nebraska Job Creation and Mainstreet Revitalization Act, the New
4 Markets Job Growth Investment Act, the School Readiness Tax Credit Act,
5 the Child Care Tax Credit Act, the Affordable Housing Tax Credit Act, the
6 Sustainable Aviation Fuel Tax Credit Act, the Nebraska Shortline Rail
7 Modernization Act, the Nebraska Pregnancy Help Act, the Individuals with
8 Intellectual and Developmental Disabilities Support Act, and sections
9 77-27,238, 77-27,240, and 77-27,241.

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

1 Relocation Incentive Act, and the Renewable Chemical Production Tax
2 Credit Act. A nonrefundable income tax credit shall be allowed for all
3 nonresident estates and trusts as provided in the Nebraska Job Creation
4 and Mainstreet Revitalization Act, the New Markets Job Growth Investment
5 Act, the School Readiness Tax Credit Act, the Child Care Tax Credit Act,
6 the Affordable Housing Tax Credit Act, the Sustainable Aviation Fuel Tax
7 Credit Act, the Nebraska Shortline Rail Modernization Act, the Nebraska
8 Pregnancy Help Act, the Individuals with Intellectual and Developmental
9 Disabilities Support Act, and sections 77-27,238, 77-27,240, and
10 77-27,241.

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

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

1 Credit Act, the Nebraska Biodiesel Tax Credit Act, the Nebraska Higher
2 Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, the
3 Relocation Incentive Act, the Renewable Chemical Production Tax Credit
4 Act, the Sustainable Aviation Fuel Tax Credit Act, the Nebraska Shortline
5 Rail Modernization Act, the Cast and Crew Nebraska Act, the Nebraska
6 Pregnancy Help Act, the Individuals with Intellectual and Developmental
7 Disabilities Support Act, the Domestic Violence and Human Trafficking
8 Service Providers Tax Credit Act, and sections 77-27,238, 77-27,240, and
9 77-27,241. There shall be allowed to a beneficiary a refundable income
10 tax credit under the Beginning Farmer Tax Credit Act for all taxable
11 years beginning or deemed to begin on or after January 1, 2001, under the
12 Internal Revenue Code of 1986, as 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 Advantage
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 Child Care Tax Credit Act, the Affordable
25 Housing Tax Credit Act, the Nebraska Biodiesel Tax Credit Act, the
26 Nebraska Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive
27 Act, the Relocation Incentive Act, the Renewable Chemical Production Tax
28 Credit Act, the Sustainable Aviation Fuel Tax Credit Act, the Nebraska
29 Shortline Rail Modernization Act, the Cast and Crew Nebraska Act, the
30 Nebraska Pregnancy Help Act, the Individuals with Intellectual and
31 Developmental Disabilities Support Act, the Domestic Violence and Human

1 Trafficking Service Providers Tax Credit Act, and sections 77-27,238,
2 77-27,240, and 77-27,241 and shall execute and forward to the fiduciary,
3 on or before the original due date of the Nebraska fiduciary return, an
4 agreement which states that he or she will file a Nebraska income tax
5 return and pay income tax on all income derived from or connected with
6 sources in this state, and such agreement shall be attached to the
7 Nebraska fiduciary return for such taxable year.

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

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

1 Nebraska income tax liability of the nonresident beneficiary.

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

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

13 **Sec. 8.** Section 77-2734.03, Revised Statutes Supplement, 2025, is
14 amended to read:

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

22 (b) For taxable years commencing on or after January 1, 1997, any
23 insurer paying a tax on premiums and assessments pursuant to section
24 77-908 or 81-523, any electric cooperative organized under the Joint
25 Public Power Authority Act, or any credit union shall be credited, in the
26 computation of the tax due under the Nebraska Revenue Act of 1967, with
27 the amount paid during the taxable year as (i) taxes on such premiums and
28 assessments included as Nebraska premiums and assessments under section
29 77-2734.05 and (ii) taxes in lieu of intangible tax.

30 (c) For taxable years commencing or deemed to commence prior to, on,
31 or after January 1, 1998, any insurer paying a tax on premiums and

1 assessments pursuant to section 77-908 or 81-523 shall be credited, in
2 the computation of the tax due under the Nebraska Revenue Act of 1967,
3 with the amount paid during the taxable year as assessments allowed as an
4 offset against premium and related retaliatory tax liability pursuant to
5 section 44-4233.

6 (2) There shall be allowed to corporate taxpayers a tax credit for
7 (a) contributions to programs or projects certified for tax credit status
8 as provided in the Creating High Impact Economic Futures Act and (b)
9 contributions to certified community betterment programs as provided in
10 the Community Development Assistance Act.

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

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

19 (5) There shall be allowed to corporate taxpayers refundable income
20 tax credits under the Nebraska Advantage Microenterprise Tax Credit Act,
21 the Cast and Crew Nebraska Act, the Domestic Violence and Human
Trafficking Service Providers Tax Credit Act, the Nebraska Advantage
22 Research and Development Act, the Nebraska Biodiesel Tax Credit Act, the
23 Nebraska Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive
24 Act, the Relocation Incentive Act, and the Renewable Chemical Production
25 Tax Credit Act.

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

30 (7) There shall be allowed to corporate taxpayers a nonrefundable
31 income tax credit as provided in the Nebraska Job Creation and Mainstreet

1 Revitalization Act, the New Markets Job Growth Investment Act, the School
2 Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable
3 Housing Tax Credit Act, the Sustainable Aviation Fuel Tax Credit Act, the
4 Nebraska Shortline Rail Modernization Act, the Nebraska Pregnancy Help
5 Act, the Individuals with Intellectual and Developmental Disabilities
6 Support Act, and sections 77-27,238, 77-27,240, and 77-27,241.

7 **Sec. 9.** This act becomes operative on January 1, 2027.

8 **Sec. 10.** Original section 77-2717, Revised Statutes Cumulative
9 Supplement, 2024, and sections 77-202, 77-2715.07, and 77-2734.03,
10 Revised Statutes Supplement, 2025, are repealed.

11 **Sec. 11.** The following sections are outright repealed: Sections
12 77-2701.54 and 77-2704.62, Reissue Revised Statutes of Nebraska.