

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 8

Introduced by Dungan, 26.

Read first time January 09, 2025

Committee: Revenue

1 A BILL FOR AN ACT relating to the Sustainable Aviation Fuel Tax Credit
2 Act; to amend sections 77-2715.07, 77-2717, 77-2734.03, and 77-7019,
3 Revised Statutes Cumulative Supplement, 2024; to change the first
4 year the credit is available; to change the credit to a refundable
5 credit; to eliminate the limitations on the number of years the
6 credit can be claimed and the annual amount available for the
7 credit; to harmonize provisions; and to repeal the original
8 sections.
9 Be it enacted by the people of the State of Nebraska,

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

3 77-2715.07 (1) There shall be allowed to qualified resident
4 individuals as a nonrefundable credit against the income tax imposed by
5 the Nebraska Revenue Act of 1967:

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

8 (b) A credit for taxes paid to another state as provided in section
9 77-2730.

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

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

22 (b) For returns filed reporting federal adjusted gross income of
23 twenty-nine thousand dollars or less, a refundable credit equal to a
24 percentage of the federal credit allowable under section 21 of the
25 Internal Revenue Code of 1986, as amended, whether or not the federal
26 credit was limited by the federal tax liability. The percentage of the
27 federal credit shall be one hundred percent for incomes not greater than
28 twenty-two thousand dollars, and the percentage shall be reduced by ten
29 percent for each one thousand dollars, or fraction thereof, by which the
30 reported federal adjusted gross income exceeds twenty-two thousand
31 dollars, except that for taxable years beginning or deemed to begin on or

1 after January 1, 2015, such refundable credit shall be allowed only if
2 the individual would have received the federal credit allowed under
3 section 21 of the code after adding back in any carryforward of a net
4 operating loss that was deducted pursuant to such section in determining
5 eligibility for the federal credit;

6 (c) A refundable credit as provided in section 77-5209.01 for
7 individuals who qualify for an income tax credit as a qualified beginning
8 farmer or livestock producer under the Beginning Farmer Tax Credit Act
9 for all taxable years beginning or deemed to begin on or after January 1,
10 2006, under the Internal Revenue Code of 1986, as amended;

11 (d) A refundable credit for individuals who qualify for an income
12 tax credit under the Angel Investment Tax Credit Act, the Nebraska
13 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
14 and Development Act, the Reverse Osmosis System Tax Credit Act, or the
15 Volunteer Emergency Responders Incentive Act; and

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

24 (3) There shall be allowed to all individuals as a nonrefundable
25 credit against the income tax imposed by the Nebraska Revenue Act of
26 1967:

27 (a) A credit for personal exemptions allowed under section
28 77-2716.01;

29 (b) A credit for contributions to programs or projects certified for
30 tax credit status as provided in the Creating High Impact Economic
31 Futures Act. Each partner, each shareholder of an electing subchapter S

1 corporation, each beneficiary of an estate or trust, or each member of a
2 limited liability company shall report his or her share of the credit in
3 the same manner and proportion as he or she reports the partnership,
4 subchapter S corporation, estate, trust, or limited liability company
5 income;

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

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

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

12 (f) A credit to employers as provided in sections 77-27,238 and
13 77-27,240;

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

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

17 ~~(i) A credit as provided in the Sustainable Aviation Fuel Tax Credit
18 Act;~~

19 ~~(i)~~ ~~(j)~~ A credit as provided in the Nebraska Shortline Rail
20 Modernization Act;

21 ~~(j)~~ ~~(k)~~ A credit as provided in the Nebraska Pregnancy Help Act; and

22 ~~(k)~~ ~~(l)~~ A credit as provided in the Caregiver Tax Credit Act.

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

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

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

30 (c) A refundable credit for individuals who qualify for an income
31 tax credit as an owner of agricultural assets under the Beginning Farmer

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

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

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

27 (c) Each partner, shareholder, member, or beneficiary shall report
28 his or her share of the credit in the same manner and proportion as he or
29 she reports the partnership, subchapter S corporation, limited liability
30 company, or estate or trust income. If any partner, shareholder, member,
31 or beneficiary cannot fully utilize the credit for that year, the credit

1 may not be carried forward or back.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (11) 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 77-3157 and nonrefundable credits against the income
29 tax imposed by the Nebraska Revenue Act of 1967 as provided in sections
30 77-3156, 77-3158, and 77-3159.

31 **Sec. 2.** Section 77-2717, Revised Statutes Cumulative Supplement,

1 2024, is amended to read:

2 77-2717 (1)(a)(i) For taxable years beginning or deemed to begin
3 before January 1, 2014, the tax imposed on all resident estates and
4 trusts shall be a percentage of the federal taxable income of such
5 estates and trusts as modified in section 77-2716, plus a percentage of
6 the federal alternative minimum tax and the federal tax on premature or
7 lump-sum distributions from qualified retirement plans. The additional
8 taxes shall be recomputed by (A) substituting Nebraska taxable income for
9 federal taxable income, (B) calculating what the federal alternative
10 minimum tax would be on Nebraska taxable income and adjusting such
11 calculations for any items which are reflected differently in the
12 determination of federal taxable income, and (C) applying Nebraska rates
13 to the result. The federal credit for prior year minimum tax, after the
14 recomputations required by the Nebraska Revenue Act of 1967, and the
15 credits provided in the Nebraska Advantage Microenterprise Tax Credit Act
16 and the Nebraska Advantage Research and Development Act shall be allowed
17 as a reduction in the income tax due. A refundable income tax credit
18 shall be allowed for all resident estates and trusts under the Angel
19 Investment Tax Credit Act, the Nebraska Advantage Microenterprise Tax
20 Credit Act, and the Nebraska Advantage Research and Development Act. A
21 nonrefundable income tax credit shall be allowed for all resident estates
22 and trusts as provided in the New Markets Job Growth Investment Act.

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

1 shall be allowed as a reduction in the income tax due. A refundable
2 income tax credit shall be allowed for all resident estates and trusts
3 under the Angel Investment Tax Credit Act, the Cast and Crew Nebraska
4 Act, the Nebraska Advantage Microenterprise Tax Credit Act, the Nebraska
5 Advantage Research and Development Act, the Nebraska Biodiesel Tax Credit
6 Act, the Nebraska Higher Blend Tax Credit Act, the Nebraska Property Tax
7 Incentive Act, the Relocation Incentive Act, ~~and the Renewable Chemical~~
8 ~~Production Tax Credit Act, and the Sustainable Aviation Fuel Tax Credit~~
9 ~~Act~~. A nonrefundable income tax credit shall be allowed for all resident
10 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 Child Care Tax Credit Act, the
13 Affordable Housing Tax Credit Act, ~~the Sustainable Aviation Fuel Tax~~
14 ~~Credit Act,~~ the Nebraska Shortline Rail Modernization Act, the Nebraska
15 Pregnancy Help Act, the Individuals with Intellectual and Developmental
16 Disabilities Support Act, and sections 77-27,238, 77-27,240, and
17 77-27,241.

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

1 Nebraska Advantage Research and Development Act shall be allowed as a
2 reduction in the income tax due. A refundable income tax credit shall be
3 allowed for all nonresident estates and trusts under the Angel Investment
4 Tax Credit Act, the Cast and Crew Nebraska Act, the Nebraska Advantage
5 Microenterprise Tax Credit Act, the Nebraska Advantage Research and
6 Development Act, the Nebraska Biodiesel Tax Credit Act, the Nebraska
7 Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, the
8 Relocation Incentive Act, ~~and~~ the Renewable Chemical Production Tax
9 Credit Act, and the Sustainable Aviation Fuel Tax Credit Act. A
10 nonrefundable income tax credit shall be allowed for all nonresident
11 estates and trusts as provided in the Nebraska Job Creation and
12 Mainstreet Revitalization Act, the New Markets Job Growth Investment Act,
13 the School Readiness Tax Credit Act, the Child Care Tax Credit Act, the
14 Affordable Housing Tax Credit Act, ~~the Sustainable Aviation Fuel Tax~~
15 ~~Credit Act,~~ the Nebraska Shortline Rail Modernization Act, the Nebraska
16 Pregnancy Help Act, the Individuals with Intellectual and Developmental
17 Disabilities Support Act, and sections 77-27,238, 77-27,240, and
18 77-27,241.

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

31 (3) The beneficiaries of such estate or trust who are residents of

1 this state shall include in their income their proportionate share of
2 such estate's or trust's federal income and shall reduce their Nebraska
3 tax liability by their proportionate share of the credits as provided in
4 the Angel Investment Tax Credit Act, the Nebraska Advantage
5 Microenterprise Tax Credit Act, the Nebraska Advantage Research and
6 Development Act, the Nebraska Job Creation and Mainstreet Revitalization
7 Act, the New Markets Job Growth Investment Act, the School Readiness Tax
8 Credit Act, the Child Care Tax Credit Act, the Affordable Housing Tax
9 Credit Act, the Nebraska Biodiesel Tax Credit Act, the Nebraska Higher
10 Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, the
11 Relocation Incentive Act, the Renewable Chemical Production Tax Credit
12 Act, the Sustainable Aviation Fuel Tax Credit Act, the Nebraska Shortline
13 Rail Modernization Act, the Cast and Crew Nebraska Act, the Nebraska
14 Pregnancy Help Act, the Individuals with Intellectual and Developmental
15 Disabilities Support Act, and sections 77-27,238, 77-27,240, and
16 77-27,241. There shall be allowed to a beneficiary a refundable income
17 tax credit under the Beginning Farmer Tax Credit Act for all taxable
18 years beginning or deemed to begin on or after January 1, 2001, under the
19 Internal Revenue Code of 1986, as amended.

20 (4) If any beneficiary of such estate or trust is a nonresident
21 during any part of the estate's or trust's taxable year, he or she shall
22 file a Nebraska income tax return which shall include (a) in Nebraska
23 adjusted gross income that portion of the estate's or trust's Nebraska
24 income, as determined under sections 77-2724 and 77-2725, allocable to
25 his or her interest in the estate or trust and (b) a reduction of the
26 Nebraska tax liability by his or her proportionate share of the credits
27 as provided in the Angel Investment Tax Credit Act, the Nebraska
28 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
29 and Development Act, the Nebraska Job Creation and Mainstreet
30 Revitalization Act, the New Markets Job Growth Investment Act, the School
31 Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable

1 Housing Tax Credit Act, the Nebraska Biodiesel Tax Credit Act, the
2 Nebraska Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive
3 Act, the Relocation Incentive Act, the Renewable Chemical Production Tax
4 Credit Act, the Sustainable Aviation Fuel Tax Credit Act, the Nebraska
5 Shortline Rail Modernization Act, the Cast and Crew Nebraska Act, the
6 Nebraska Pregnancy Help Act, the Individuals with Intellectual and
7 Developmental Disabilities Support Act, and sections 77-27,238,
8 77-27,240, and 77-27,241 and shall execute and forward to the fiduciary,
9 on or before the original due date of the Nebraska fiduciary return, an
10 agreement which states that he or she will file a Nebraska income tax
11 return and pay income tax on all income derived from or connected with
12 sources in this state, and such agreement shall be attached to the
13 Nebraska fiduciary return for such taxable year.

14 (5) In the absence of the nonresident beneficiary's executed
15 agreement being attached to the Nebraska fiduciary return, the estate or
16 trust shall remit a portion of such beneficiary's income which was
17 derived from or attributable to Nebraska sources with its Nebraska return
18 for the taxable year. For taxable years beginning or deemed to begin
19 before January 1, 2013, the amount of remittance, in such instance, shall
20 be the highest individual income tax rate determined under section
21 77-2715.02 multiplied by the nonresident beneficiary's share of the
22 estate or trust income which was derived from or attributable to sources
23 within this state. For taxable years beginning or deemed to begin on or
24 after January 1, 2013, the amount of remittance, in such instance, shall
25 be the highest individual income tax rate determined under section
26 77-2715.03 multiplied by the nonresident beneficiary's share of the
27 estate or trust income which was derived from or attributable to sources
28 within this state. The amount remitted shall be allowed as a credit
29 against the Nebraska income tax liability of the beneficiary.

30 (6) The Tax Commissioner may allow a nonresident beneficiary to not
31 file a Nebraska income tax return if the nonresident beneficiary's only

1 source of Nebraska income was his or her share of the estate's or trust's
2 income which was derived from or attributable to sources within this
3 state, the nonresident did not file an agreement to file a Nebraska
4 income tax return, and the estate or trust has remitted the amount
5 required by subsection (5) of this section on behalf of such nonresident
6 beneficiary. The amount remitted shall be retained in satisfaction of the
7 Nebraska income tax liability of the nonresident beneficiary.

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

15 (8) For purposes of this section, any beneficiary of an estate or
16 trust that is a grantor trust of a nonresident shall be disregarded and
17 this section shall apply as though the nonresident grantor was the
18 beneficiary.

19 **Sec. 3.** Section 77-2734.03, Revised Statutes Cumulative Supplement,
20 2024, is amended to read:

21 77-2734.03 (1)(a) For taxable years commencing prior to January 1,
22 1997, any (i) insurer paying a tax on premiums and assessments pursuant
23 to section 77-908 or 81-523, (ii) electric cooperative organized under
24 the Joint Public Power Authority Act, or (iii) credit union shall be
25 credited, in the computation of the tax due under the Nebraska Revenue
26 Act of 1967, with the amount paid during the taxable year as taxes on
27 such premiums and assessments and taxes in lieu of intangible tax.

28 (b) For taxable years commencing on or after January 1, 1997, any
29 insurer paying a tax on premiums and assessments pursuant to section
30 77-908 or 81-523, any electric cooperative organized under the Joint
31 Public Power Authority Act, or any credit union shall be credited, in the

1 computation of the tax due under the Nebraska Revenue Act of 1967, with
2 the amount paid during the taxable year as (i) taxes on such premiums and
3 assessments included as Nebraska premiums and assessments under section
4 77-2734.05 and (ii) taxes in lieu of intangible tax.

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

12 (2) There shall be allowed to corporate taxpayers a tax credit for
13 contributions to programs or projects certified for tax credit status as
14 provided in the Creating High Impact Economic Futures Act.

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

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

23 (5) There shall be allowed to corporate taxpayers refundable income
24 tax credits under the Nebraska Advantage Microenterprise Tax Credit Act,
25 the Cast and Crew Nebraska Act, the Nebraska Advantage Research and
26 Development Act, the Nebraska Biodiesel Tax Credit Act, the Nebraska
27 Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, the
28 Relocation Incentive Act, ~~and~~ the Renewable Chemical Production Tax
29 Credit Act, and the Sustainable Aviation Fuel Tax Credit Act.

30 (6) There shall be allowed to corporate taxpayers a nonrefundable
31 income tax credit for investment in a biodiesel facility as provided in

1 section 77-27,236.

2 (7) There shall be allowed to corporate taxpayers a nonrefundable
3 income tax credit as provided in the Nebraska Job Creation and Mainstreet
4 Revitalization Act, the New Markets Job Growth Investment Act, the School
5 Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable
6 Housing Tax Credit Act, ~~the Sustainable Aviation Fuel Tax Credit Act,~~ the
7 Nebraska Shortline Rail Modernization Act, the Nebraska Pregnancy Help
8 Act, the Individuals with Intellectual and Developmental Disabilities
9 Support Act, and sections 77-27,238, 77-27,240, and 77-27,241.

10 **Sec. 4.** Section 77-7019, Revised Statutes Cumulative Supplement,
11 2024, is amended to read:

12 77-7019 (1) For taxable years beginning or deemed to begin on or
13 after January 1, ~~2028~~ 2027, under the Internal Revenue Code of 1986, as
14 amended, there shall be allowed a credit against the income tax imposed
15 by the Nebraska Revenue Act of 1967 or any tax imposed pursuant to
16 sections 77-907 to 77-918 or 77-3801 to 77-3807 to any producer of
17 sustainable aviation fuel for any sale or use of a qualified mixture.

18 (2) The credit shall be a refundable ~~nonrefundable~~ credit and the
19 amount of the credit shall be equal to the number of gallons of
20 sustainable aviation fuel in all sold or used qualified mixtures
21 multiplied by the sum of seventy-five cents plus the applicable
22 supplementary amount.

23 (3) In order to qualify for the credit under this section, a
24 producer of sustainable aviation fuel shall:

25 (a) Register with the department as a producer of sustainable
26 aviation fuel; and

27 (b) Provide:

28 (i) Certification in such form and manner as prescribed by the
29 department from an unrelated party demonstrating compliance with:

30 (A) Any general requirements, supply chain traceability
31 requirements, and information transmission requirements established under

1 the Carbon Offsetting and Reduction Scheme for International Aviation
2 described in subdivision (5)(a) of section 77-7018; or

3 (B) In the case of any methodology described in subdivision (5)(b)
4 of section 77-7018, requirements similar to the requirements described in
5 subdivision (3)(b)(i)(A) of this section; and

6 (ii) Any other information the department may require.

7 ~~(4) A producer of sustainable aviation fuel shall only claim the~~
8 ~~credit under this section in a total of five taxable years.~~

9 (4) (5) A producer of sustainable aviation fuel shall apply for the
10 credit provided in this section by submitting an application to the
11 department on a form prescribed by the department. The department shall
12 consider applications in the order in which they are received. If Subject
13 ~~to subsection (6) of this section, if~~ the department determines that the
14 producer of sustainable aviation fuel qualifies for tax credits under
15 this section, the department shall approve the application and certify
16 the amount of credits approved to the producer of sustainable aviation
17 fuel.

18 ~~(6) The department shall consider applications in the order in which~~
19 ~~they are received and may approve tax credits under this section in any~~
20 ~~fiscal year until the aggregate limit allowed under subsection (7) of~~
21 ~~this section has been reached.~~

22 ~~(7) The department may approve tax credits under this section each~~
23 ~~fiscal year until the total amount of credits approved for the fiscal~~
24 ~~year reaches five hundred thousand dollars.~~

25 (5) (8) A producer of sustainable aviation fuel shall claim any tax
26 credits granted under this section by attaching the tax credit
27 certification received from the department under subsection (4) (5) of
28 this section to the producer's tax return.

29 **Sec. 5.** Original sections 77-2715.07, 77-2717, 77-2734.03, and
30 77-7019, Revised Statutes Cumulative Supplement, 2024, are repealed.