

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1022

Introduced by Sanders, 45.

Read first time January 05, 2024

Committee: Revenue

1 A BILL FOR AN ACT relating to film incentives; to amend section 81-1220,
2 Revised Statutes Cumulative Supplement, 2022, and sections
3 77-2715.07, 77-2717, and 77-2734.03, Revised Statutes Supplement,
4 2023; to adopt the Cast and Crew Nebraska Act; to provide for tax
5 credits; to provide for grants; to define terms; to harmonize
6 provisions; and to repeal the original sections.
7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 13 of this act shall be known and may be
2 cited as the Cast and Crew Nebraska Act.

3 Sec. 2. (1) The Legislature finds that:

4 (a) Film and television production in Nebraska not only provides
5 jobs for residents of Nebraska and dollars for Nebraska businesses but
6 also enhances the state's image nationwide;

7 (b) The high cost of film and television production is driving such
8 production to other states, and the industry is always seeking attractive
9 locations that can help cut the costs of production;

10 (c) The retention of Nebraska's youth is one of the top priorities
11 in growing the state's economy. Film studies and creative arts students
12 from the universities and colleges in Nebraska are taking their talents
13 to other states due to the lack of strongly developed media production
14 facilities within the state;

15 (d) The State of Nebraska, with the appropriate incentive, can build
16 on past success as an attractive site for film and television production;

17 (e) Nebraska is presently among several states with minimal
18 incentives to attract the film and television industry; and

19 (f) A new and attractive film incentive should be used in
20 conjunction with the Local Option Municipal Economic Development Act,
21 passed by the Ninety-Second Legislature, First Session, 1991, as
22 Legislative Bill 840, for municipalities that have included production of
23 films or television programs as a qualifying business expense.

24 (2) It is the intent of the Legislature to provide an incentive that
25 will allow the state to compete with other states and increase film and
26 television production in this state.

27 Sec. 3. For purposes of the Cast and Crew Nebraska Act:

28 (1) Above-the-line employee means production company employees
29 involved in the creative development, direct production, and direction of
30 a production activity including screenwriters, producers, directors,
31 casting directors, and cast;

1 (2) Below-the-line employee means production company employees that
2 are responsible for keeping production operations on schedule and
3 preparing all lights, sets, props, and all other aspects for production;

4 (3) Department means the Department of Economic Development;

5 (4)(a) Expatriate means a person that previously resided in Nebraska
6 for at least one year but does not currently reside in Nebraska.

7 (b) The Nebraska Film Office shall partner with other in-state film
8 offices and production companies in the state to maintain a roster of
9 cast and crew who are expatriates and shall make such roster available to
10 any production company upon request;

11 (5) Film office means a specialized office under the authority of a
12 government entity or an administrative office with the purpose of
13 promoting the local region through the development of film, video, and
14 multimedia productions;

15 (6) Full-length means a production at least forty minutes in length
16 including credits;

17 (7) Loan out means payments to a loan out company by a production
18 company if the production company withheld and remitted Nebraska
19 applicable income tax on all payments to the loan out company for
20 services performed in this state. The amount withheld is considered to
21 have been withheld by the loan out company on wages paid to its employees
22 for services performed in this state. Loan out company nonresident
23 employees performing services in this state must be considered taxable
24 nonresidents and the loan out company is subject to income taxation in
25 the taxable year in which the loan out company's employees perform
26 services in this state;

27 (8) Nebraska Film Office means the Nebraska Film Office within the
28 Department of Economic Development or its successor;

29 (9) Nebraska supplier means a brick and mortar Nebraska-based
30 corporation or limited liability company registered, licensed, and in
31 good standing with the Secretary of State;

1 (10) Pre-production means the planning process and execution of
2 every task that must take place before production begins;

3 (11) Post-production means the time period after the production is
4 completed and the editing of the visual and audio materials begins. Post-
5 production includes, but is not limited to, all of the tasks associated
6 with cutting raw footage, assembling that footage, and adding and dubbing
7 music, sound effects and visual effects;

8 (12) Principal photography means the creative execution phase of
9 film production between pre-production and post-production;

10 (13)(a) Production activity means production of a new film, video,
11 or digital project in this state. This includes the production of
12 projects filmed or recorded in this state, in whole or in part and in
13 short or long form and animation, fixed on a delivery system, including
14 film, videotape, computer disc, laser disc, and any element of the
15 digital domain, from which the program is viewed or reproduced and which
16 is intended for multimarket commercial distribution via a theater, video
17 on demand, digital or fiber optic distribution platforms, digital video
18 recording, a digital platform designed for distribution of interactive
19 games, licensing for exhibition by individual television stations, groups
20 of stations, networks, advertiser-supported sites, cable television
21 stations, streaming services, or public broadcasting station.

22 (b) Production activity includes full-length films, animation
23 projects, documentaries, short-length films, commercial advertisements,
24 except commercials containing political promotions, infomercials, or
25 commercials distributed only on the Internet, and over-the-air and
26 streaming television programming, except those television programs that
27 are exclusively for news, weather, sports, financial market reports or
28 instructional videos.

29 (c) Production activity does not include any project with sexually
30 explicit or obscene material;

31 (14) Production company means a corporation, partnership, limited

1 liability company, or other business entity engaged in the business of
2 creating productions and registered with the Secretary of State to engage
3 in business in Nebraska;

4 (15) Production expenditure report means a report issued by a
5 production accountant that verifies all expenses of a production activity
6 and ensures all expenses have been paid in full;

7 (16) Qualified production activity means any production activity
8 approved by the department after application for qualification;

9 (17) Resident means any individual domiciled in the state of
10 Nebraska and any other individual who maintains a permanent place of
11 residence within the state even though temporarily absent from the state
12 and who has not established a residence elsewhere;

13 (18) Scouting means finding places to shoot commercials, television
14 shows, or movies and searching for interior and exterior venues to serve
15 as the setting for scenes depicted in a script during pre-production;

16 (19) Screen credit means a logo developed by the Nebraska Film
17 Office and mentioned in the production credits and end titles declaring
18 the production activity was filmed in Nebraska;

19 (20) Screenplay means a film, movie, television show, or other
20 motion picture in written form; and

21 (21) Short-length means a production more than thirty seconds and
22 less than forty minutes including credits.

23 Sec. 4. (1) For purposes of the Cast and Crew Nebraska Act,
24 qualifying expenditure includes:

25 (a) Pre-production, production, and post-production expenditures
26 made in Nebraska that are subject to taxation by the state;

27 (b) Scouting and spending related to the production activity in the
28 state prior to application for qualification;

29 (c)(i) Above-the-line employee wages for residents of Nebraska or
30 paid through a Nebraska loan out company.

31 (ii) Loan out companies will be required to pay applicable Nebraska

1 income taxes.

2 (iii) The total above-the-line employee wages and related expenses
3 shall be not more than twenty-five percent of the total instate
4 expenditures of a production activity;

5 (d) Below-the-line employee wages;

6 (e) Per diems of up to thirty dollars per day per employee; and

7 (f) Expenditures not otherwise available for rental or purchase
8 within Nebraska and paid for via a Nebraska supplier.

9 (2) Qualifying expenditures do not include:

10 (a) Wages paid to independent contractors, or self-employed
11 individuals, except that wages shown to be paid by a Nebraska-based
12 production company for a commercial production activity may be approved
13 by the department on the application for the tax credit;

14 (b) Above-the-line employee per diems or living allowance expenses;

15 (c) Taxes imposed pursuant to the Federal Insurance Contributions
16 Act and other payroll taxes;

17 (d) Contributions under the Federal Unemployment Tax Act and the
18 Employment Security Law; and

19 (e) Union dues and benefits.

20 Sec. 5. (1) For taxable years beginning or deemed to begin on or
21 after January 1, 2024, a production company shall be eligible to receive
22 tax credits under the Cast and Crew Nebraska Act for qualifying
23 expenditures incurred by the production company in Nebraska directly
24 attributable to a qualified production activity.

25 (2) The tax credit under the Cast and Crew Nebraska Act shall be a
26 refundable tax credit allowed against the income tax imposed by the
27 Nebraska Revenue Act of 1967 in an amount equal to twenty percent of the
28 qualifying expenditures incurred by the production company directly
29 attributable to a qualified production activity.

30 (3) The amount of the tax credit may be increased by any or all of
31 the following amounts:

1 (a) An additional five percent of the qualifying expenditures
2 incurred by the production company directly attributable to a qualified
3 production activity if the qualified production activity films Nebraska
4 as Nebraska in Nebraska, contains a minimum of seventy percent of the
5 principal photography from the original submitted screenplay based in
6 Nebraska, and uses a screen credit;

7 (b) An additional five percent of the qualifying expenditures
8 incurred by the production company directly attributable to a full-length
9 qualified production activity if the qualified production activity films
10 entirely in areas at least thirty miles from the corporate limits of a
11 city of the metropolitan or primary class; and

12 (c)(i) An additional five percent of qualified expenditures incurred
13 by the production company directly attributable to a full-length
14 qualified production activity that are wages paid, at a rate of at least
15 the Nebraska minimum wage, to Nebraska residents who are employed as
16 first-time actors or first-time below-the-line employees.

17 (ii) For purposes of subdivision (2)(c)(i) of this section, first-
18 time means the individual's first-time receiving compensation and wages
19 as either an actor or as a below-the-line employee on a full-length film
20 in the State of Nebraska.

21 (iii) The wages of a maximum of ten first-time actors and below-the-
22 line employees per full-length film can be used in calculating the tax
23 credit in subdivision (2)(c)(i) of this section.

24 Sec. 6. (1) The total amount of tax credits allowed in any year
25 under the Cast and Crew Nebraska Act shall not exceed twenty-five million
26 dollars.

27 (2) The maximum allowable tax credit claimed under the act in any
28 single taxable year for any qualified production activity that is a full-
29 length film, made-for-television movie, television series of at least
30 five episodes, or streaming television series shall not exceed fifteen
31 million dollars.

1 Sec. 7. (1) For a production activity to qualify as a qualified
2 production activity under the Cast and Crew Nebraska Act, a production
3 company must file an application for qualification of a production
4 activity to the department at least:

5 (i) Thirty days prior to the start of principal photography for a
6 full-length film, documentary, or television programming; and

7 (ii) Ten days prior to the start of filming for a short-length film,
8 animation project, or commercial.

9 (2) The application shall be submitted on a form prescribed by the
10 department and shall include the following:

11 (a) A nonrefundable fee of five hundred dollars;

12 (b) A detailed description of the production activity;

13 (c) An estimate of expected qualifying expenditures for the
14 production activity;

15 (d) A certificate of general liability insurance with a minimum
16 coverage of one million dollars;

17 (e) A worker's compensation policy;

18 (f)(i) Except as provided in subdivision (f)(ii) of this section,
19 documentation that shows the production activity is fully funded other
20 than post-production expenditures.

21 (ii) If a production activity is a commercial production activity,
22 documentation showing full funding for post-production expenditures shall
23 be included; and

24 (g) Any other information or documentation required by the
25 department.

26 Sec. 8. (1) If the department determines that an application for
27 qualification is complete and that the production activity qualifies
28 under the Cast and Crew Nebraska Act, the department shall approve the
29 application, notify the production company of the approval, and issue a
30 screen credit to the production company that can be used to meet the
31 requirements for the tax credit increase under subdivision (2)(b) of

1 section 5 of this act.

2 (2) The department shall consider and approve applications for
3 qualification under the act in the order in which the applications are
4 received.

5 Sec. 9. To receive tax credits under the Cast and Crew Nebraska
6 Act, the production company shall submit an application to the department
7 on a form prescribed by the department after the completion of the
8 qualified production activity. The application shall contain the
9 following information:

10 (1) The total amount of qualifying expenditures for the qualified
11 production activity;

12 (2) The production expenditure report for the qualified production
13 activity;

14 (3) Documentation showing the total expenditures for the qualified
15 production activity are greater or equal to:

16 (a) Five hundred thousand dollars for a full-length film or made-
17 for-television movie;

18 (b) Five hundred thousand dollars per over-the-air and streaming
19 television programing episode; or

20 (c) Twenty-five thousand dollars per short-length film, documentary,
21 animation project, and commercial;

22 (4) Documentation showing the total expenditures for the qualified
23 production activity that is a short-length film, short-length
24 documentary, short-length animation project or commercial are five
25 hundred thousand dollars or less;

26 (5) Documentation showing the total amount of individual or loan out
27 company wages or earnings paid during the qualified production activity
28 is five hundred thousand dollars or less;

29 (6) Documentation showing at least forty percent of the production
30 days for the qualified production activity were in Nebraska and, for
31 full-length films only, at least ten days of production were in Nebraska;

1 (7) Documentation showing at least forty percent of the below-the-
2 line employees of the qualified production activity were Nebraska
3 residents with expatriates included in the percentage for only up to
4 fifteen percent of the below-the-line employees;

5 (8) Documentation showing at least fifteen percent of the cast of
6 the qualified production activity were Nebraska residents with
7 expatriates included in the percentage;

8 (9) If applying for the tax credit under subdivision (2)(d)(i) of
9 section 5 of this act, proof of Nebraska residency for all employees
10 whose wages will be part of the calculation of such credit for the
11 qualified production activity; and

12 (10) Any other information or documentation required by the
13 department.

14 Sec. 10. (1) If the department determines that an application is
15 complete and that the production company qualifies for tax credits under
16 the Cast and Crew Nebraska Act, the department shall approve the
17 application, notify the production company of the approval, and conduct
18 an audit of each qualified production activity.

19 (2) Each audit shall:

20 (a) Be completed in accordance with this section and the procedures
21 developed by the department;

22 (b) Use sampling methods that the department may adopt;

23 (c) Follow rules and regulations adopted and promulgated by the
24 department;

25 (d) Verify each reported qualifying expenditure and identify and
26 exclude each such expenditure that does not fully meet the conditions of
27 the act; and

28 (e) Exclude any expenditure not submitted with or that was incurred
29 after the application required by section 9 of this act was submitted.

30 (3) Upon completion of the audit, the department shall adjust the
31 value of the tax credit as necessary and issue a tax credit certification

1 to the production company. The certificate shall include the following
2 information:

3 (a) An identification number for the certificate;

4 (b) The date of issuance for the certificate; and

5 (c) The amount of the tax credit allowed under the act for the
6 production company.

7 (4) The department shall consider and approve applications for tax
8 credits under the act in the order in which the applications are
9 received.

10 Sec. 11. (1) A production company shall claim the tax credit under
11 the Cast and Crew Nebraska Act by attaching the tax credit certification
12 received from the department under section 10 of this act to its tax
13 return for the taxable year in which the tax credit certification was
14 issued or in the three taxable years immediately following the taxable
15 year in which the tax credit certification was issued.

16 (2) The tax credits allowed under the Cast and Crew Nebraska Act may
17 be transferred by the production company to another production company at
18 any time during the taxable year in which the tax credit certification
19 was issued to the transferor or in the three taxable years immediately
20 following the taxable year in which the tax credit certification was
21 issued to the transferor. The transferee shall pay the transferor at
22 least eighty-five percent of the value of the transferred tax credits in
23 order to acquire such credits.

24 Sec. 12. A production company that receives tax credits under the
25 Cast and Crew Nebraska Act shall not be eligible for a grant under
26 subdivision (3) of section 81-1220.

27 Sec. 13. The department shall adopt and promulgate rules and
28 regulations to carry out the Crew and Cast Nebraska Act.

29 Sec. 14. Section 77-2715.07, Revised Statutes Supplement, 2023, is
30 amended to read:

31 77-2715.07 (1) There shall be allowed to qualified resident

1 individuals as a nonrefundable credit against the income tax imposed by
2 the Nebraska Revenue Act of 1967:

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

5 (b) A credit for taxes paid to another state as provided in section
6 77-2730.

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

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

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

1 operating loss that was deducted pursuant to such section in determining
2 eligibility for the federal credit;

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

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

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

21 (3) There shall be allowed to all individuals as a nonrefundable
22 credit against the income tax imposed by the Nebraska Revenue Act of
23 1967:

24 (a) A credit for personal exemptions allowed under section
25 77-2716.01;

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

1 corporation, estate, trust, or limited liability company income;

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

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

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

8 (f) A credit to employers as provided in sections 77-27,238 and
9 77-27,240;

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

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

13 (i) A credit as provided in the Opportunity Scholarships Act.

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

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

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

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

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

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

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

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

29 (7)(a) For taxable years beginning or deemed to begin on or after
30 January 1, 2020, and before January 1, 2026, under the Internal Revenue
31 Code of 1986, as amended, a nonrefundable credit against the income tax

1 imposed by the Nebraska Revenue Act of 1967 in the amount of five
2 thousand dollars shall be allowed to any individual who purchases a
3 residence during the taxable year if such residence:

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

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

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

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

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

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

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

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

29 (9)(a) For taxable years beginning or deemed to begin on or after
30 January 1, 2022, under the Internal Revenue Code of 1986, as amended, a
31 refundable credit against the income tax imposed by the Nebraska Revenue

1 Act of 1967 shall be allowed to the parent of a stillborn child if:

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

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

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

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

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

11 (10) There shall be allowed to all individuals refundable credits
12 against the income tax imposed by the Nebraska Revenue Act of 1967 as
13 provided in section 77-7203 and nonrefundable credits against the income
14 tax imposed by the Nebraska Revenue Act of 1967 as provided in section
15 77-7204.

16 Sec. 15. Section 77-2717, Revised Statutes Supplement, 2023, is
17 amended to read:

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

1 and the Nebraska Advantage Research and Development Act shall be allowed
2 as a reduction in the income tax due. A refundable income tax credit
3 shall be allowed for all resident estates and trusts under the Angel
4 Investment Tax Credit Act, the Nebraska Advantage Microenterprise Tax
5 Credit Act, and the Nebraska Advantage Research and Development Act. A
6 nonrefundable income tax credit shall be allowed for all resident estates
7 and trusts as provided in the New Markets Job Growth Investment Act.

8 (ii) For taxable years beginning or deemed to begin on or after
9 January 1, 2014, the tax imposed on all resident estates and trusts shall
10 be a percentage of the federal taxable income of such estates and trusts
11 as modified in section 77-2716, plus a percentage of the federal tax on
12 premature or lump-sum distributions from qualified retirement plans. The
13 additional taxes shall be recomputed by substituting Nebraska taxable
14 income for federal taxable income and applying Nebraska rates to the
15 result. The credits provided in the Nebraska Advantage Microenterprise
16 Tax Credit Act and the Nebraska Advantage Research and Development Act
17 shall be allowed as a reduction in the income tax due. A refundable
18 income tax credit shall be allowed for all resident estates and trusts
19 under the Angel Investment Tax Credit Act, the Cast and Crew Nebraska
20 Act, the Nebraska Advantage Microenterprise Tax Credit Act, the Nebraska
21 Advantage Research and Development Act, the Nebraska Biodiesel Tax Credit
22 Act, the Nebraska Higher Blend Tax Credit Act, the Nebraska Property Tax
23 Incentive Act, and the Renewable Chemical Production Tax Credit Act. A
24 nonrefundable income tax credit shall be allowed for all resident estates
25 and trusts as provided in the Nebraska Job Creation and Mainstreet
26 Revitalization Act, the New Markets Job Growth Investment Act, the School
27 Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable
28 Housing Tax Credit Act, the Opportunity Scholarships Act, and sections
29 77-27,238, 77-27,240, and 77-27,241.

30 (b) The tax imposed on all nonresident estates and trusts shall be
31 the portion of the tax imposed on resident estates and trusts which is

1 attributable to the income derived from sources within this state. The
2 tax which is attributable to income derived from sources within this
3 state shall be determined by multiplying the liability to this state for
4 a resident estate or trust with the same total income by a fraction, the
5 numerator of which is the nonresident estate's or trust's Nebraska income
6 as determined by sections 77-2724 and 77-2725 and the denominator of
7 which is its total federal income after first adjusting each by the
8 amounts provided in section 77-2716. The federal credit for prior year
9 minimum tax, after the recomputations required by the Nebraska Revenue
10 Act of 1967, reduced by the percentage of the total income which is
11 attributable to income from sources outside this state, and the credits
12 provided in the Nebraska Advantage Microenterprise Tax Credit Act and the
13 Nebraska Advantage Research and Development Act shall be allowed as a
14 reduction in the income tax due. A refundable income tax credit shall be
15 allowed for all nonresident estates and trusts under the Angel Investment
16 Tax Credit Act, the Cast and Crew Nebraska Act, the Nebraska Advantage
17 Microenterprise Tax Credit Act, the Nebraska Advantage Research and
18 Development Act, the Nebraska Biodiesel Tax Credit Act, the Nebraska
19 Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, and
20 the Renewable Chemical Production Tax Credit Act. A nonrefundable income
21 tax credit shall be allowed for all nonresident estates and trusts as
22 provided in the Nebraska Job Creation and Mainstreet Revitalization Act,
23 the New Markets Job Growth Investment Act, the School Readiness Tax
24 Credit Act, the Child Care Tax Credit Act, the Affordable Housing Tax
25 Credit Act, the Opportunity Scholarships Act, and sections 77-27,238,
26 77-27,240, and 77-27,241.

27 (2) In all instances wherein a fiduciary income tax return is
28 required under the provisions of the Internal Revenue Code, a Nebraska
29 fiduciary return shall be filed, except that a fiduciary return shall not
30 be required to be filed regarding a simple trust if all of the trust's
31 beneficiaries are residents of the State of Nebraska, all of the trust's

1 income is derived from sources in this state, and the trust has no
2 federal tax liability. The fiduciary shall be responsible for making the
3 return for the estate or trust for which he or she acts, whether the
4 income be taxable to the estate or trust or to the beneficiaries thereof.
5 The fiduciary shall include in the return a statement of each
6 beneficiary's distributive share of net income when such income is
7 taxable to such beneficiaries.

8 (3) The beneficiaries of such estate or trust who are residents of
9 this state shall include in their income their proportionate share of
10 such estate's or trust's federal income and shall reduce their Nebraska
11 tax liability by their proportionate share of the credits as provided in
12 the Angel Investment Tax Credit Act, the Cast and Crew Nebraska Act, the
13 Nebraska Advantage Microenterprise Tax Credit Act, the Nebraska Advantage
14 Research and Development Act, the Nebraska Job Creation and Mainstreet
15 Revitalization Act, the New Markets Job Growth Investment Act, the School
16 Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable
17 Housing Tax Credit Act, the Nebraska Biodiesel 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 Opportunity
20 Scholarships Act, and sections 77-27,238, 77-27,240, and 77-27,241. There
21 shall be allowed to a beneficiary a refundable income tax credit under
22 the Beginning Farmer Tax Credit Act for all taxable years beginning or
23 deemed to begin on or after January 1, 2001, under the Internal Revenue
24 Code of 1986, as amended.

25 (4) If any beneficiary of such estate or trust is a nonresident
26 during any part of the estate's or trust's taxable year, he or she shall
27 file a Nebraska income tax return which shall include (a) in Nebraska
28 adjusted gross income that portion of the estate's or trust's Nebraska
29 income, as determined under sections 77-2724 and 77-2725, allocable to
30 his or her interest in the estate or trust and (b) a reduction of the
31 Nebraska tax liability by his or her proportionate share of the credits

1 as provided in the Angel Investment Tax Credit Act, the Cast and Crew
2 Nebraska Act, the Nebraska Advantage Microenterprise Tax Credit Act, the
3 Nebraska Advantage Research and Development Act, the Nebraska Job
4 Creation and Mainstreet Revitalization Act, the New Markets Job Growth
5 Investment Act, the School Readiness Tax Credit Act, the Child Care Tax
6 Credit Act, the Affordable Housing Tax Credit Act, the Nebraska Biodiesel
7 Tax Credit Act, the Nebraska Higher Blend Tax Credit Act, the Nebraska
8 Property Tax Incentive Act, the Renewable Chemical Production Tax Credit
9 Act, the Opportunity Scholarships Act, and sections 77-27,238, 77-27,240,
10 and 77-27,241 and shall execute and forward to the fiduciary, on or
11 before the original due date of the Nebraska fiduciary return, an
12 agreement which states that he or she will file a Nebraska income tax
13 return and pay income tax on all income derived from or connected with
14 sources in this state, and such agreement shall be attached to the
15 Nebraska fiduciary return for such taxable year.

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

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

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

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

21 Sec. 16. Section 77-2734.03, Revised Statutes Supplement, 2023, is
22 amended to read:

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

30 (b) For taxable years commencing on or after January 1, 1997, any
31 insurer paying a tax on premiums and assessments pursuant to section

1 77-908 or 81-523, any electric cooperative organized under the Joint
2 Public Power Authority Act, or any credit union shall be credited, in the
3 computation of the tax due under the Nebraska Revenue Act of 1967, with
4 the amount paid during the taxable year as (i) taxes on such premiums and
5 assessments included as Nebraska premiums and assessments under section
6 77-2734.05 and (ii) taxes in lieu of intangible tax.

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

14 (2) There shall be allowed to corporate taxpayers a tax credit for
15 contributions to community betterment programs as provided in the
16 Community Development Assistance Act.

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

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

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

31 (6) There shall be allowed to corporate taxpayers a nonrefundable

1 income tax credit for investment in a biodiesel facility as provided in
2 section 77-27,236.

3 (7) There shall be allowed to corporate taxpayers a nonrefundable
4 income tax credit as provided in the Nebraska Job Creation and Mainstreet
5 Revitalization Act, the New Markets Job Growth Investment Act, the School
6 Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable
7 Housing Tax Credit Act, the Opportunity Scholarships Act, and sections
8 77-27,238, 77-27,240, and 77-27,241.

9 Sec. 17. Section 81-1220, Revised Statutes Cumulative Supplement,
10 2022, is amended to read:

11 81-1220 (1)(a) The Nebraska Film Office Fund is created. The fund
12 shall be administered by the Department of Economic Development and used
13 for grants for Nebraska-based films, Nebraska filmmakers, and tribal
14 communities in Nebraska as provided in this section.

15 (b) The fund shall consist of funds transferred by the Legislature,
16 gifts, grants, and bequests. ~~It is the intent of the Legislature to~~
17 ~~transfer the unexpended and unobligated balance in the Nebraska Film~~
18 ~~Office Fund on June 30, 2025, to the General Fund.~~

19 (c) Any money in the Nebraska Film Office Fund available for
20 investment shall be invested by the state investment officer pursuant to
21 the Nebraska Capital Expansion Act and the Nebraska State Funds
22 Investment Act.

23 (2)(a) The department shall administer a grant program for Nebraska-
24 based films and shall require applications to be submitted to the
25 department prior to beginning production.

26 (b) To be eligible for a grant under the program, the applicant
27 shall verify that:

28 (i) The film is to be produced in Nebraska;

29 (ii) The film tells a Nebraska story; and

30 (iii) At least fifty percent of the workforce for film production
31 will be composed of Nebraska residents for the duration of the production

1 except as otherwise provided in subdivision (c) of this subsection.

2 (c) The department may lower the fifty-percent requirement in
3 subdivision (b)(iii) of this subsection but shall not waive the
4 requirement. The applicant shall apply to the department to lower the
5 requirement and provide a certification that the requirement is an
6 unreasonable impediment to production of the film. The department shall
7 notify the applicant of the decision under this subdivision.

8 (d) The department shall review each application to determine
9 whether the film qualifies for a grant under this subsection ~~section~~ and
10 shall not award a grant that exceeds twenty-five percent of the projected
11 production cost of the film.

12 (3)(a) The department shall administer a grant program for Nebraska
13 filmmakers with the intention to create Nebraska film industry jobs and
14 shall require applications to be submitted to the department prior to
15 beginning production.

16 (b) To be eligible for a grant under the program, the applicant
17 shall verify that:

18 (i) One hundred percent of the principal photography of the film
19 will be in Nebraska;

20 (ii) The applicant is a resident that has a validated credit as a
21 producer, director, director of photography, or screenwriter for the
22 film;

23 (iii) The film will be a full-length film or documentary or a short-
24 length film or documentary;

25 (iv) The film will not contain any obscene or sexually explicit
26 material;

27 (v) All employees who will work on the film are residents; and

28 (vi) The total budget of the film is at least:

29 (A) For full-length films or documentaries, fifty thousand dollars;

30 or

31 (B) For short-length films or documentaries, five thousand dollars;

1 (c) The department shall review each application to determine
2 whether the film qualifies for a grant under this subsection.

3 (d) The department shall review applications for grants under this
4 subsection in the order in which the applications are received.

5 (e) The department shall award grants under this subsection for a
6 total of four full-length films or documentaries and ten short-length
7 films or documentaries each calendar year.

8 (f) The department shall not award a grant that exceeds two hundred
9 fifty thousand dollars for a full-length film or documentary or twenty-
10 five thousand dollars for a short-length film or documentary.

11 (g) The department shall not award total grants exceeding one
12 million three hundred twenty-five thousand dollars in any calendar year.

13 (h) The first grant awarded for each individual film shall not
14 exceed:

15 (i) For full-length films or documentaries, fifty thousand dollars;
16 or

17 (ii) For short-length films or documentaries, ten thousand dollars.

18 (i) If an applicant who receives a grant under this subsection does
19 not meet the requirements for eligibility under subdivision (b) of this
20 subsection during the entirety of the production of the film, the
21 applicant shall repay the entirety of the grant.

22 (j) For purposes of this subsection:

23 (i) Full-length means a production at least sixty minutes in length;

24 (ii) Short-length means a production at least thirty minutes and
25 less than sixty minutes in length; and

26 (iii) Resident means any individual domiciled in the State of
27 Nebraska and any other individual who maintains a permanent place of
28 residence within the state even though temporarily absent from the state
29 and who has not established a residence elsewhere.

30 (4)(a) The department shall administer a grant program for film and
31 entertainment education programs in tribal communities in Nebraska.

1 (b) The department shall award total grants of at least seventy-five
2 thousand dollars each calendar year.

3 Sec. 18. Original section 81-1220, Revised Statutes Cumulative
4 Supplement, 2022, and sections 77-2715.07, 77-2717, and 77-2734.03,
5 Revised Statutes Supplement, 2023, are repealed.