

AMENDMENTS TO LB243

(Amendments to Standing Committee amendments, AM977)

Introduced by Hunt, 8.

1 1. Strike section 13 and insert the following new sections:

2 Sec. 12. Section 77-2715.07, Revised Statutes Cumulative Supplement,
3 2022, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

1 1967:

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

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

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

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

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

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

19 (g) A credit as provided in the Affordable Housing Tax Credit Act.

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

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

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

27 (c) A refundable credit for individuals who qualify for an income
28 tax credit as an owner of agricultural assets under the Beginning Farmer
29 Tax Credit Act for all taxable years beginning or deemed to begin on or
30 after January 1, 2009, under the Internal Revenue Code of 1986, as
31 amended. The credit allowed for each partner, shareholder, member, or

1 beneficiary of a partnership, corporation, limited liability company, or
2 estate or trust qualifying for an income tax credit as an owner of
3 agricultural assets under the Beginning Farmer Tax Credit Act shall be
4 equal to the partner's, shareholder's, member's, or beneficiary's portion
5 of the amount of tax credit distributed pursuant to subsection (6) of
6 section 77-5211.

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

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

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

30 (6) There shall be allowed to all individuals nonrefundable credits
31 against the income tax imposed by the Nebraska Revenue Act of 1967 as

1 provided in section 77-3604 and refundable credits against the income tax
2 imposed by the Nebraska Revenue Act of 1967 as provided in section
3 77-3605.

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

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

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

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

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

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

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

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

29 (8) There shall be allowed to all individuals refundable credits
30 against the income tax imposed by the Nebraska Revenue Act of 1967 as
31 provided in the Nebraska Higher Blend Tax Credit Act, the Nebraska

1 Property Tax Incentive Act, and the Renewable Chemical Production Tax
2 Credit Act.

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

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

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

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

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

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

16 (10) For taxable years beginning or deemed to begin on or after
17 January 1, 2023, under the Internal Revenue Code of 1986, as amended, a
18 refundable credit against the income tax imposed by the Nebraska Revenue
19 Act of 1967 shall be allowed to any individual who rents a house,
20 apartment, or other residential unit in this state during the taxable
21 year for use as such individual's primary residence. The credit shall be
22 equal to the greater of (a) four percent of the total amount of rent paid
23 by the individual during the taxable year or (b) two hundred dollars, but
24 in no case shall the credit exceed one thousand dollars.

25 Sec. 14. Section 77-4212, Revised Statutes Cumulative Supplement,
26 2022, is amended to read:

27 77-4212 (1) For tax year 2007, the amount of relief granted under
28 the Property Tax Credit Act shall be one hundred five million dollars.
29 For tax year 2008, the amount of relief granted under the act shall be
30 one hundred fifteen million dollars. It is the intent of the Legislature
31 to fund the Property Tax Credit Act for tax years after tax year 2008

1 using available revenue. For tax year 2017, the amount of relief granted
2 under the act shall be two hundred twenty-four million dollars. For tax
3 ~~years year 2020 through 2022 and each tax year thereafter~~, the minimum
4 amount of relief granted under the act shall be two hundred seventy-five
5 million dollars. For tax year 2023 and each tax year thereafter, the
6 amount of relief granted under the act shall be two hundred million
7 dollars. If money is transferred or credited to the Property Tax Credit
8 Cash Fund pursuant to any other state law, such amount shall be added to
9 the ~~minimum~~ amount provided in ~~required~~ under this subsection when
10 determining the total amount of relief granted under the act. The relief
11 shall be in the form of a property tax credit which appears on the
12 property tax statement.

13 (2)(a) For tax years prior to tax year 2017, to determine the amount
14 of the property tax credit, the county treasurer shall multiply the
15 amount disbursed to the county under subdivision (4)(a) of this section
16 by the ratio of the real property valuation of the parcel to the total
17 real property valuation in the county. The amount determined shall be the
18 property tax credit for the property.

19 (b) Beginning with tax year 2017, to determine the amount of the
20 property tax credit, the county treasurer shall multiply the amount
21 disbursed to the county under subdivision (4)(b) of this section by the
22 ratio of the credit allocation valuation of the parcel to the total
23 credit allocation valuation in the county. The amount determined shall be
24 the property tax credit for the property.

25 (3) If the real property owner qualifies for a homestead exemption
26 under sections 77-3501 to 77-3529, the owner shall also be qualified for
27 the relief provided in the act to the extent of any remaining liability
28 after calculation of the relief provided by the homestead exemption. If
29 the credit results in a property tax liability on the homestead that is
30 less than zero, the amount of the credit which cannot be used by the
31 taxpayer shall be returned to the Property Tax Administrator by July 1 of

1 the year the amount disbursed to the county was disbursed. The Property
2 Tax Administrator shall immediately credit any funds returned under this
3 subsection to the Property Tax Credit Cash Fund. Upon the return of any
4 funds under this subsection, the county treasurer shall electronically
5 file a report with the Property Tax Administrator, on a form prescribed
6 by the Tax Commissioner, indicating the amount of funds distributed to
7 each taxing unit in the county in the year the funds were returned, any
8 collection fee retained by the county in such year, and the amount of
9 unused credits returned.

10 (4)(a) For tax years prior to tax year 2017, the amount disbursed to
11 each county shall be equal to the amount available for disbursement
12 determined under subsection (1) of this section multiplied by the ratio
13 of the real property valuation in the county to the real property
14 valuation in the state. By September 15, the Property Tax Administrator
15 shall determine the amount to be disbursed under this subdivision to each
16 county and certify such amounts to the State Treasurer and to each
17 county. The disbursements to the counties shall occur in two equal
18 payments, the first on or before January 31 and the second on or before
19 April 1. After retaining one percent of the receipts for costs, the
20 county treasurer shall allocate the remaining receipts to each taxing
21 unit levying taxes on taxable property in the tax district in which the
22 real property is located in the same proportion that the levy of such
23 taxing unit bears to the total levy on taxable property of all the taxing
24 units in the tax district in which the real property is located.

25 (b) Beginning with tax year 2017, the amount disbursed to each
26 county shall be equal to the amount available for disbursement determined
27 under subsection (1) of this section multiplied by the ratio of the
28 credit allocation valuation in the county to the credit allocation
29 valuation in the state. By September 15, the Property Tax Administrator
30 shall determine the amount to be disbursed under this subdivision to each
31 county and certify such amounts to the State Treasurer and to each

1 county. The disbursements to the counties shall occur in two equal
2 payments, the first on or before January 31 and the second on or before
3 April 1. After retaining one percent of the receipts for costs, the
4 county treasurer shall allocate the remaining receipts to each taxing
5 unit based on its share of the credits granted to all taxpayers in the
6 taxing unit.

7 (5) For purposes of this section, credit allocation valuation means
8 the taxable value for all real property except agricultural land and
9 horticultural land, one hundred twenty percent of taxable value for
10 agricultural land and horticultural land that is not subject to special
11 valuation, and one hundred twenty percent of taxable value for
12 agricultural land and horticultural land that is subject to special
13 valuation.

14 (6) The State Treasurer shall transfer from the General Fund to the
15 Property Tax Credit Cash Fund one hundred five million dollars by August
16 1, 2007, and one hundred fifteen million dollars by August 1, 2008.

17 (7) The Legislature shall have the power to transfer funds from the
18 Property Tax Credit Cash Fund to the General Fund.

19 2. Renumber the remaining sections and correct internal references
20 accordingly.

21 3. Correct the operative date and repealer sections so that the
22 sections added by this amendment become operative three calendar months
23 after the adjournment of this legislative session.