

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1025

Introduced by Bostar, 29.

Read first time January 05, 2024

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
- 2 77-2715.07, 77-2717, and 77-2734.03, Revised Statutes Supplement,
- 3 2023; to adopt the Individuals with Intellectual and Developmental
- 4 Disabilities Support Act; to provide tax credits; to harmonize
- 5 provisions; and to repeal the original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 9 of this act shall be known and may be
2 cited as the Individuals with Intellectual and Developmental Disabilities
3 Support Act.

4 Sec. 2. For purposes of the Individuals with Intellectual and
5 Developmental Disabilities Support Act:

6 (1) Comprehensive developmental disabilities waiver means a medicaid
7 home and community-based services waiver under the authority of section
8 1915(c) of the federal Social Security Act;

9 (2) Department means the Department of Revenue; and

10 (3) Direct support professional means any individual who is employed
11 in this state and provides direct care support or any other form of
12 treatment, services, or care for individuals with intellectual and
13 developmental disabilities.

14 Sec. 3. (1) For taxable years beginning or deemed to begin on or
15 after January 1, 2025, under the Internal Revenue Code of 1986, as
16 amended, any employer that employs one or more direct support
17 professionals during the taxable year shall be eligible to receive a
18 credit against the income tax imposed by the Nebraska Revenue Act of
19 1967.

20 (2) The tax credit shall be in an amount equal to five hundred
21 dollars multiplied by the number of direct support professionals who:

22 (a) Are employed by such employer for at least six months during the
23 taxable year; and

24 (b) Work at least five hundred hours for such employer during the
25 taxable year.

26 (3) The tax credit provided in this section shall be a nonrefundable
27 tax credit.

28 (4) An employer shall apply for the credit provided in this section
29 by submitting an application to the department on a form prescribed by
30 the department. Subject to subsection (5) of this section, if the
31 department determines that the employer qualifies for tax credits under

1 this section, the department shall approve the application and certify
2 the amount of credits approved to the employer.

3 (5) The department shall consider applications in the order in which
4 they are received and may approve tax credits under this section in any
5 year until the aggregate limit allowed under section 7 of this act has
6 been reached.

7 (6) An employer shall claim any tax credits granted under this
8 section by attaching the tax credit certification received from the
9 department under subsection (4) of this section to the employer's tax
10 return.

11 Sec. 4. (1) For taxable years beginning or deemed to begin on or
12 after January 1, 2025, under the Internal Revenue Code of 1986, as
13 amended, a direct support professional shall be eligible to receive a
14 credit against the income tax imposed by the Nebraska Revenue Act of 1967
15 if he or she:

16 (a) Is employed as a direct support professional for at least six
17 months during the taxable year; and

18 (b) Works at least five hundred hours as a direct support
19 professional during the taxable year.

20 (2) The tax credit shall be in an amount equal to five hundred
21 dollars.

22 (3) The tax credit provided in this section shall be a refundable
23 tax credit.

24 (4) A direct support professional shall apply for the credit
25 provided in this section by submitting an application to the department
26 on a form prescribed by the department. Subject to subsection (5) of this
27 section, if the department determines that the direct support
28 professional qualifies for tax credits under this section, the department
29 shall approve the application and certify the amount of credits approved
30 to the direct support professional.

31 (5) The department shall consider applications in the order in which

1 they are received and may approve tax credits under this section in any
2 year until the aggregate limit allowed under section 7 of this act has
3 been reached.

4 (6) A direct support professional shall claim any tax credits
5 granted under this section by attaching the tax credit certification
6 received from the department under subsection (4) of this section to the
7 direct support professional's tax return.

8 Sec. 5. (1) For taxable years beginning or deemed to begin on or
9 after January 1, 2025, under the Internal Revenue Code of 1986, as
10 amended, any employer that employs an individual receiving services
11 pursuant to a comprehensive developmental disabilities waiver shall be
12 eligible to receive a credit against the income tax imposed by the
13 Nebraska Revenue Act of 1967.

14 (2) The tax credit shall be in an amount equal to one thousand
15 dollars multiplied by the number of employees who:

16 (a) Are receiving services pursuant to a comprehensive developmental
17 disabilities waiver;

18 (b) Are employed by such employer for at least six months during the
19 taxable year; and

20 (c) Work at least two hundred hours for such employer during the
21 taxable year.

22 (3) The tax credit provided in this section shall be a nonrefundable
23 tax credit.

24 (4) An employer shall apply for the credit provided in this section
25 by submitting an application to the department on a form prescribed by
26 the department. Subject to subsection (5) of this section, if the
27 department determines that the employer qualifies for tax credits under
28 this section, the department shall approve the application and certify
29 the amount of credits approved to the employer.

30 (5) The department shall consider applications in the order in which
31 they are received and may approve tax credits under this section in any

1 year until the aggregate limit allowed under section 7 of this act has
2 been reached.

3 (6) An employer shall claim any tax credits granted under this
4 section by attaching the tax credit certification received from the
5 department under subsection (4) of this section to the employer's tax
6 return.

7 Sec. 6. (1) For taxable years beginning or deemed to begin on or
8 after January 1, 2025, under the Internal Revenue Code of 1986, as
9 amended, an employer shall be eligible to receive a credit against the
10 income tax imposed by the Nebraska Revenue Act of 1967 if such employer
11 provides any of the following types of services to an individual pursuant
12 to a comprehensive developmental disabilities waiver:

13 (a) Prevocational;

14 (b) Supported employment - individual;

15 (c) Small group vocational support; or

16 (d) Supported employment - follow along.

17 (2) The tax credit shall be in an amount equal to one thousand
18 dollars multiplied by the number of individuals described in subsection
19 (1) of this section who received the applicable services from the
20 employer during the taxable year.

21 (3) The tax credit provided in this section shall be a nonrefundable
22 tax credit.

23 (4) An employer shall apply for the credit provided in this section
24 by submitting an application to the department on a form prescribed by
25 the department. Subject to subsection (5) of this section, if the
26 department determines that the employer qualifies for tax credits under
27 this section, the department shall approve the application and certify
28 the amount of credits approved to the employer.

29 (5) The department shall consider applications in the order in which
30 they are received and may approve tax credits under this section in any
31 year until the aggregate limit allowed under section 7 of this act has

1 been reached.

2 (6) An employer shall claim any tax credits granted under this
3 section by attaching the tax credit certification received from the
4 department under subsection (4) of this section to the employer's tax
5 return.

6 Sec. 7. The department may approve tax credits under the
7 Individuals with Intellectual and Developmental Disabilities Support Act
8 each year until the total amount of credits approved for the year reaches
9 two million five hundred thousand dollars.

10 Sec. 8. If any employer receiving a tax credit under the
11 Individuals with Intellectual and Developmental Disabilities Support Act
12 is (1) a partnership, (2) a limited liability company, (3) a corporation
13 having an election in effect under subchapter S of the Internal Revenue
14 Code of 1986, as amended, or (4) an estate or trust, the tax credit may
15 be distributed in the same manner and proportion as the partner, member,
16 shareholder, or beneficiary reports the partnership, limited liability
17 company, subchapter S corporation, estate, or trust income.

18 Sec. 9. The department may adopt and promulgate rules and
19 regulations to carry out the Individuals with Intellectual and
20 Developmental Disabilities Support Act.

21 Sec. 10. Section 77-2715.07, Revised Statutes Supplement, 2023, is
22 amended to read:

23 77-2715.07 (1) There shall be allowed to qualified resident
24 individuals as a nonrefundable credit against the income tax imposed by
25 the Nebraska Revenue Act of 1967:

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

28 (b) A credit for taxes paid to another state as provided in section
29 77-2730.

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

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

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

26 (c) A refundable credit as provided in section 77-5209.01 for
27 individuals who qualify for an income tax credit as a qualified beginning
28 farmer or livestock producer under the Beginning Farmer Tax Credit Act
29 for all taxable years beginning or deemed to begin on or after January 1,
30 2006, under the Internal Revenue Code of 1986, as amended;

31 (d) A refundable credit for individuals who qualify for an income

1 tax credit under the Angel Investment Tax Credit Act, the Nebraska
2 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
3 and Development Act, or the Volunteer Emergency Responders Incentive Act;
4 and

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

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

16 (a) A credit for personal exemptions allowed under section
17 77-2716.01;

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

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

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

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

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

1 77-27,240;

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

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

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

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

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

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

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

24 (5)(a) For all taxable years beginning on or after January 1, 2007,
25 and before January 1, 2009, under the Internal Revenue Code of 1986, as
26 amended, there shall be allowed to each partner, shareholder, member, or
27 beneficiary of a partnership, subchapter S corporation, limited liability
28 company, or estate or trust a nonrefundable credit against the income tax
29 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the
30 partner's, shareholder's, member's, or beneficiary's portion of the
31 amount of franchise tax paid to the state under sections 77-3801 to

1 77-3807 by a financial institution.

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

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

16 (6) There shall be allowed to all individuals nonrefundable credits
17 against the income tax imposed by the Nebraska Revenue Act of 1967 as
18 provided in section 77-3604 and refundable credits against the income tax
19 imposed by the Nebraska Revenue Act of 1967 as provided in section
20 77-3605.

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

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

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

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

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

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

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

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

15 (8) There shall be allowed to all individuals refundable credits
16 against the income tax imposed by the Nebraska Revenue Act of 1967 as
17 provided in the Nebraska Biodiesel Tax Credit Act, the Nebraska Higher
18 Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, and the
19 Renewable Chemical Production Tax Credit Act.

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

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

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

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

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

31 (c) The credit shall be allowed for the taxable year in which the

1 stillbirth occurred.

2 (10) There shall be allowed to all individuals refundable credits
3 against the income tax imposed by the Nebraska Revenue Act of 1967 as
4 provided in section 77-7203 and nonrefundable credits against the income
5 tax imposed by the Nebraska Revenue Act of 1967 as provided in section
6 77-7204.

7 (11) There shall be allowed to all individuals refundable credits
8 against the income tax imposed by the Nebraska Revenue Act of 1967 as
9 provided in section 4 of this act and nonrefundable credits against the
10 income tax imposed by the Nebraska Revenue Act of 1967 as provided in
11 sections 3, 5, and 6 of this act.

12 Sec. 11. Section 77-2717, Revised Statutes Supplement, 2023, is
13 amended to read:

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

1 Credit Act, and the Nebraska Advantage Research and Development Act. A
2 nonrefundable income tax credit shall be allowed for all resident estates
3 and trusts as provided in the New Markets Job Growth Investment Act.

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

27 (b) The tax imposed on all nonresident estates and trusts shall be
28 the portion of the tax imposed on resident estates and trusts which is
29 attributable to the income derived from sources within this state. The
30 tax which is attributable to income derived from sources within this
31 state shall be determined by multiplying the liability to this state for

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

25 (2) In all instances wherein a fiduciary income tax return is
26 required under the provisions of the Internal Revenue Code, a Nebraska
27 fiduciary return shall be filed, except that a fiduciary return shall not
28 be required to be filed regarding a simple trust if all of the trust's
29 beneficiaries are residents of the State of Nebraska, all of the trust's
30 income is derived from sources in this state, and the trust has no
31 federal tax liability. The fiduciary shall be responsible for making the

1 return for the estate or trust for which he or she acts, whether the
2 income be taxable to the estate or trust or to the beneficiaries thereof.
3 The fiduciary shall include in the return a statement of each
4 beneficiary's distributive share of net income when such income is
5 taxable to such beneficiaries.

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

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

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

10 Sec. 13. Original sections 77-2715.07, 77-2717, and 77-2734.03,
11 Revised Statutes Supplement, 2023, are repealed.