

LEGISLATURE OF NEBRASKA
ONE HUNDRED THIRD LEGISLATURE
SECOND SESSION
LEGISLATIVE BILL 938

Introduced by Janssen, 15.

Read first time January 16, 2014

Committee:

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section
2 77-2715.07, Revised Statutes Cumulative Supplement, 2012;
3 to provide an income tax credit to individuals who pay a
4 federal penalty relating to health insurance; to provide
5 an operative date; and to repeal the original section.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2715.07, Revised Statutes
2 Cumulative Supplement, 2012, is amended to read:

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

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

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

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

13 (a) For returns filed reporting federal adjusted gross
14 incomes of greater than twenty-nine thousand dollars, a nonrefundable
15 credit equal to twenty-five percent of the federal credit allowed
16 under section 21 of the Internal Revenue Code of 1986, as amended;

17 (b) For returns filed reporting federal adjusted gross
18 income of twenty-nine thousand dollars or less, a refundable credit
19 equal to a percentage of the federal credit allowable under section
20 21 of the Internal Revenue Code of 1986, as amended, whether or not
21 the federal credit was limited by the federal tax liability. The
22 percentage of the federal credit shall be one hundred percent for
23 incomes not greater than twenty-two thousand dollars, and the
24 percentage shall be reduced by ten percent for each one thousand
25 dollars, or fraction thereof, by which the reported federal adjusted

1 gross income exceeds twenty-two thousand dollars;

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

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

12 (e) A refundable credit equal to ten percent of the
13 federal credit allowed under section 32 of the Internal Revenue Code
14 of 1986, as amended.

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

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

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

1 reports the partnership, subchapter S corporation, estate, trust, or
2 limited liability company income;

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

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

7 (e) A credit equal to the amount of any penalty paid
8 pursuant to section 5000A of the Internal Revenue Code of 1986, as
9 amended. The credit allowed under this subdivision shall be taken in
10 the same taxable year in which such penalty was paid.

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

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

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

18 (c) A refundable credit for individuals who qualify for
19 an income tax credit as an owner of agricultural assets under the
20 Beginning Farmer Tax Credit Act for all taxable years beginning or
21 deemed to begin on or after January 1, 2009, under the Internal
22 Revenue Code of 1986, as amended. The credit allowed for each
23 partner, shareholder, member, or beneficiary of a partnership,
24 corporation, limited liability company, or estate or trust qualifying
25 for an income tax credit as an owner of agricultural assets under the

1 Beginning Farmer Tax Credit Act shall be equal to the partner's,
2 shareholder's, member's, or beneficiary's portion of the amount of
3 tax credit distributed pursuant to subsection (4) of section 77-5211.

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

14 (b) For all taxable years beginning on or after January
15 1, 2009, under the Internal Revenue Code of 1986, as amended, there
16 shall be allowed to each partner, shareholder, member, or beneficiary
17 of a partnership, subchapter S corporation, limited liability
18 company, or estate or trust a nonrefundable credit against the income
19 tax imposed by the Nebraska Revenue Act of 1967 equal to the
20 partner's, shareholder's, member's, or beneficiary's portion of the
21 amount of franchise tax paid to the state under sections 77-3801 to
22 77-3807 by a financial institution.

23 (c) Each partner, shareholder, member, or beneficiary
24 shall report his or her share of the credit in the same manner and
25 proportion as he or she reports the partnership, subchapter S

1 corporation, limited liability company, or estate or trust income. If
2 any partner, shareholder, member, or beneficiary cannot fully utilize
3 the credit for that year, the credit may not be carried forward or
4 back.

5 Sec. 2. This act becomes operative for all taxable years
6 beginning or deemed to begin on or after January 1, 2014, under the
7 Internal Revenue Code of 1986, as amended.

8 Sec. 3. Original section 77-2715.07, Revised Statutes
9 Cumulative Supplement, 2012, is repealed.