

LEGISLATURE OF NEBRASKA  
ONE HUNDRED EIGHTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 180**

Introduced by Brandt, 32; Bostar, 29; Dover, 19; Halloran, 33; Ibach, 44;  
Jacobson, 42; Lippincott, 34; Murman, 38.

Read first time January 09, 2023

Committee:

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections  
2 77-908, 77-2715.07, 77-2717, 77-2734.03, and 77-3806, Revised  
3 Statutes Cumulative Supplement, 2022; to adopt the Nebraska  
4 Biodiesel Tax Credit Act; to harmonize provisions; and to repeal the  
5 original sections.

6 Be it enacted by the people of the State of Nebraska,

1           Section 1. Sections 1 to 8 of this act shall be known and may be  
2 cited as the Nebraska Biodiesel Tax Credit Act.

3           Sec. 2. For purposes of the Nebraska Biodiesel Tax Credit Act:

4           (1) Biodiesel means mono-alkyl esters of long chain fatty acids  
5 derived from vegetable oils or animal fats which conform to American  
6 Society for Testing and Materials D6751 specifications for use in diesel  
7 engines. Biodiesel refers to the pure fuel with less than one percent  
8 blended with diesel fuel;

9           (2) Department means the Department of Revenue;

10          (3) Motor fuel pump means a meter or similar commercial weighing and  
11 measuring device used to measure and dispense motor fuel originating from  
12 a motor fuel storage tank;

13          (4) Retail dealer means a person engaged in the business of storing  
14 and dispensing motor fuel from a motor fuel pump for sale on a retail  
15 basis;

16          (5) Retail motor fuel site means a geographic location in this state  
17 where a retail dealer sells and dispenses motor fuel from a motor fuel  
18 pump on a retail basis, including a permanent or mobile location; and

19          (6) Taxpayer means any natural person or any limited liability  
20 company, partnership, private domestic or private foreign corporation, or  
21 domestic or foreign nonprofit corporation certified pursuant to section  
22 501(c)(3) of the Internal Revenue Code of 1986, as amended.

23          Sec. 3. (1) Any taxpayer who is a retail dealer and who sold and  
24 dispensed biodiesel on a retail basis during the prior calendar year  
25 through a motor fuel pump located at the taxpayer's retail motor fuel  
26 site shall be eligible to receive tax credits under the Nebraska  
27 Biodiesel Tax Credit Act.

28          (2) The tax credit shall be in an amount equal to fourteen cents  
29 multiplied by the total number of gallons of biodiesel sold by the  
30 taxpayer on a retail basis during the prior calendar year through a motor  
31 fuel pump located at the taxpayer's retail motor fuel site.

1       (3) The tax credit shall be a refundable credit that may be used  
2 against any income tax imposed by the Nebraska Revenue Act of 1967 or any  
3 tax imposed pursuant to sections 77-907 to 77-918 or 77-3801 to 77-3807.

4       (4) Tax credits allowed under this section may be claimed for  
5 taxable years beginning or deemed to begin on or after January 1, 2024,  
6 under the Internal Revenue Code of 1986, as amended.

7       (5) To receive tax credits, a taxpayer shall submit an application  
8 to the department on a form prescribed by the department. Applications  
9 may be submitted from January 1 to April 15 of each calendar year  
10 beginning in 2024. The application shall include the following  
11 information:

12       (a) The name and address of the taxpayer;

13       (b) The total number of gallons of biodiesel sold by the taxpayer on  
14 a retail basis during the prior calendar year through a motor fuel pump  
15 located at the taxpayer's retail motor fuel site; and

16       (c) Any other documentation required by the department.

17       Sec. 4. (1) If the department determines that an application is  
18 complete and that the taxpayer qualifies for tax credits, the department  
19 shall approve the application within the limits set forth in this section  
20 and shall certify the amount of tax credits approved to the taxpayer.

21       (2) The department may approve up to five million dollars in tax  
22 credits in any calendar year. If the total amount of tax credits  
23 requested in any calendar year exceeds such limit, the department shall  
24 allocate the tax credits proportionally based upon amounts requested.

25       Sec. 5. (1) A taxpayer shall claim the tax credit by attaching the  
26 tax credit certification received from the department under section 4 of  
27 this act to the taxpayer's tax return.

28       (2) Any credit in excess of the taxpayer's tax liability shall be  
29 refunded to the taxpayer. In lieu of claiming a refund, the taxpayer may  
30 elect to have the excess carried forward to subsequent taxable years. A  
31 taxpayer may carry forward the excess tax credits until fully utilized.

1           Sec. 6. Any tax credit allowable to a partnership, a limited  
2 liability company, a subchapter S corporation, or an estate or trust may  
3 be distributed to the partners, limited liability company members,  
4 shareholders, or beneficiaries in the same manner as income is  
5 distributed.

6           Sec. 7. There shall be no new applications filed under the Nebraska  
7 Biodiesel Tax Credit Act after December 31, 2028. All applications and  
8 all tax credits pending or approved before such date shall continue in  
9 full force and effect.

10           Sec. 8. The department may adopt and promulgate rules and  
11 regulations to carry out the Nebraska Biodiesel Tax Credit Act.

12           Sec. 9. Section 77-908, Revised Statutes Cumulative Supplement,  
13 2022, is amended to read:

14           77-908 Every insurance company organized under the stock, mutual,  
15 assessment, or reciprocal plan, except fraternal benefit societies, which  
16 is transacting business in this state shall, on or before March 1 of each  
17 year, pay a tax to the director of one percent of the gross amount of  
18 direct writing premiums received by it during the preceding calendar year  
19 for business done in this state, except that (1) for group sickness and  
20 accident insurance the rate of such tax shall be five-tenths of one  
21 percent and (2) for property and casualty insurance, excluding individual  
22 sickness and accident insurance, the rate of such tax shall be one  
23 percent. A captive insurer authorized under the Captive Insurers Act that  
24 is transacting business in this state shall, on or before March 1 of each  
25 year, pay to the director a tax of one-fourth of one percent of the gross  
26 amount of direct writing premiums received by such insurer during the  
27 preceding calendar year for business transacted in the state. The taxable  
28 premiums shall include premiums paid on the lives of persons residing in  
29 this state and premiums paid for risks located in this state whether the  
30 insurance was written in this state or not, including that portion of a  
31 group premium paid which represents the premium for insurance on Nebraska

1 residents or risks located in Nebraska included within the group when the  
2 number of lives in the group exceeds five hundred. The tax shall also  
3 apply to premiums received by domestic companies for insurance written on  
4 individuals residing outside this state or risks located outside this  
5 state if no comparable tax is paid by the direct writing domestic company  
6 to any other appropriate taxing authority. Companies whose scheme of  
7 operation contemplates the return of a portion of premiums to  
8 policyholders, without such policyholders being claimants under the terms  
9 of their policies, may deduct such return premiums or dividends from  
10 their gross premiums for the purpose of tax calculations. Any such  
11 insurance company shall receive a credit on the tax imposed as provided  
12 in the Community Development Assistance Act, the Nebraska Job Creation  
13 and Mainstreet Revitalization Act, the New Markets Job Growth Investment  
14 Act, the Nebraska Biodiesel Tax Credit Act, the Nebraska Higher Blend Tax  
15 Credit Act, and the Affordable Housing Tax Credit Act.

16 Sec. 10. Section 77-2715.07, Revised Statutes Cumulative Supplement,  
17 2022, is amended to read:

18 77-2715.07 (1) There shall be allowed to qualified resident  
19 individuals as a nonrefundable credit against the income tax imposed by  
20 the Nebraska Revenue Act of 1967:

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

23 (b) A credit for taxes paid to another state as provided in section  
24 77-2730.

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

27 (a) For returns filed reporting federal adjusted gross incomes of  
28 greater than twenty-nine thousand dollars, a nonrefundable credit equal  
29 to twenty-five percent of the federal credit allowed under section 21 of  
30 the Internal Revenue Code of 1986, as amended, except that for taxable  
31 years beginning or deemed to begin on or after January 1, 2015, such

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

6 (b) For returns filed reporting federal adjusted gross income of  
7 twenty-nine thousand dollars or less, a refundable credit equal to a  
8 percentage of the federal credit allowable under section 21 of the  
9 Internal Revenue Code of 1986, as amended, whether or not the federal  
10 credit was limited by the federal tax liability. The percentage of the  
11 federal credit shall be one hundred percent for incomes not greater than  
12 twenty-two thousand dollars, and the percentage shall be reduced by ten  
13 percent for each one thousand dollars, or fraction thereof, by which the  
14 reported federal adjusted gross income exceeds twenty-two thousand  
15 dollars, 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 21 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 (c) A refundable credit as provided in section 77-5209.01 for  
22 individuals who qualify for an income tax credit as a qualified beginning  
23 farmer or livestock producer under the Beginning Farmer Tax Credit Act  
24 for all taxable years beginning or deemed to begin on or after January 1,  
25 2006, under the Internal Revenue Code of 1986, as amended;

26 (d) A refundable credit for individuals who qualify for an income  
27 tax credit under the Angel Investment Tax Credit Act, the Nebraska  
28 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research  
29 and Development Act, or the Volunteer Emergency Responders Incentive Act;  
30 and

31 (e) A refundable credit equal to ten percent of the federal credit

1 allowed under section 32 of the Internal Revenue Code of 1986, as  
2 amended, except that for taxable years beginning or deemed to begin on or  
3 after January 1, 2015, such refundable credit shall be allowed only if  
4 the individual would have received the federal credit allowed under  
5 section 32 of the code after adding back in any carryforward of a net  
6 operating loss that was deducted pursuant to such section in determining  
7 eligibility for the federal credit.

8 (3) There shall be allowed to all individuals as a nonrefundable  
9 credit against the income tax imposed by the Nebraska Revenue Act of  
10 1967:

11 (a) A credit for personal exemptions allowed under section  
12 77-2716.01;

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

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

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

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

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

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

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

31 (a) A credit to all resident estates and trusts for taxes paid to

1 another state as provided in section 77-2730;

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

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

16 (5)(a) For all taxable years beginning on or after January 1, 2007,  
17 and before January 1, 2009, under the Internal Revenue Code of 1986, as  
18 amended, there shall be allowed to each partner, shareholder, member, or  
19 beneficiary of a partnership, subchapter S corporation, limited liability  
20 company, or estate or trust a nonrefundable credit against the income tax  
21 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the  
22 partner's, shareholder's, member's, or beneficiary's portion of the  
23 amount of franchise tax paid to the state under sections 77-3801 to  
24 77-3807 by a financial institution.

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



1 the state under sections 77-3801 to 77-3807 by a financial institution.

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

8 (6) There shall be allowed to all individuals nonrefundable credits  
9 against the income tax imposed by the Nebraska Revenue Act of 1967 as  
10 provided in section 77-3604 and refundable credits against the income tax  
11 imposed by the Nebraska Revenue Act of 1967 as provided in section  
12 77-3605.

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

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

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

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

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

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

30 (d) The credit provided in this subsection shall be subject to  
31 recapture by the Department of Revenue if the individual claiming the

1 credit sells or otherwise transfers the residence or quits using the  
2 residence as his or her primary residence within five years after the end  
3 of the taxable year in which the credit was claimed.

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

7 (8) 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 the Nebraska Biodiesel Tax Credit Act, the Nebraska Higher  
10 Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, and the  
11 Renewable Chemical Production Tax Credit Act.

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

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

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

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

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

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

25 Sec. 11. Section 77-2717, Revised Statutes Cumulative Supplement,  
26 2022, is amended to read:

27 77-2717 (1)(a)(i) For taxable years beginning or deemed to begin  
28 before January 1, 2014, the tax imposed on all resident estates and  
29 trusts shall be a percentage of the federal taxable income of such  
30 estates and trusts as modified in section 77-2716, plus a percentage of  
31 the federal alternative minimum tax and the federal tax on premature or

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

17 (ii) For taxable years beginning or deemed to begin on or after  
18 January 1, 2014, the tax imposed on all resident estates and trusts shall  
19 be a percentage of the federal taxable income of such estates and trusts  
20 as modified in section 77-2716, plus a percentage of the federal tax on  
21 premature or lump-sum distributions from qualified retirement plans. The  
22 additional taxes shall be recomputed by substituting Nebraska taxable  
23 income for federal taxable income and applying Nebraska rates to the  
24 result. The credits provided in the Nebraska Advantage Microenterprise  
25 Tax Credit Act and the Nebraska Advantage Research and Development Act  
26 shall be allowed as a reduction in the income tax due. A refundable  
27 income tax credit shall be allowed for all resident estates and trusts  
28 under the Angel Investment Tax Credit Act, the Nebraska Advantage  
29 Microenterprise Tax Credit Act, the Nebraska Advantage Research and  
30 Development Act, the Nebraska Biodiesel Tax Credit Act, the Nebraska  
31 Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, and

1 the Renewable Chemical Production Tax Credit Act. A nonrefundable income  
2 tax credit shall be allowed for all resident estates and trusts as  
3 provided in the Nebraska Job Creation and Mainstreet Revitalization Act,  
4 the New Markets Job Growth Investment Act, the School Readiness Tax  
5 Credit Act, the Affordable Housing Tax Credit Act, and sections 77-27,238  
6 and 77-27,240.

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

1 Affordable Housing Tax Credit Act, and sections 77-27,238 and 77-27,240.

2 (2) In all instances wherein a fiduciary income tax return is  
3 required under the provisions of the Internal Revenue Code, a Nebraska  
4 fiduciary return shall be filed, except that a fiduciary return shall not  
5 be required to be filed regarding a simple trust if all of the trust's  
6 beneficiaries are residents of the State of Nebraska, all of the trust's  
7 income is derived from sources in this state, and the trust has no  
8 federal tax liability. The fiduciary shall be responsible for making the  
9 return for the estate or trust for which he or she acts, whether the  
10 income be taxable to the estate or trust or to the beneficiaries thereof.  
11 The fiduciary shall include in the return a statement of each  
12 beneficiary's distributive share of net income when such income is  
13 taxable to such beneficiaries.

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

29 (4) If any beneficiary of such estate or trust is a nonresident  
30 during any part of the estate's or trust's taxable year, he or she shall  
31 file a Nebraska income tax return which shall include (a) in Nebraska

1 adjusted gross income that portion of the estate's or trust's Nebraska  
2 income, as determined under sections 77-2724 and 77-2725, allocable to  
3 his or her interest in the estate or trust and (b) a reduction of the  
4 Nebraska tax liability by his or her proportionate share of the credits  
5 as provided in the Angel Investment Tax Credit Act, the Nebraska  
6 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research  
7 and Development Act, the Nebraska Job Creation and Mainstreet  
8 Revitalization Act, the New Markets Job Growth Investment Act, the School  
9 Readiness Tax Credit Act, the Affordable Housing Tax Credit Act, the  
10 Nebraska Biodiesel Tax Credit Act, the Nebraska Higher Blend Tax Credit  
11 Act, the Nebraska Property Tax Incentive Act, the Renewable Chemical  
12 Production Tax Credit Act, and sections 77-27,238 and 77-27,240 and shall  
13 execute and forward to the fiduciary, on or before the original due date  
14 of the Nebraska fiduciary return, an agreement which states that he or  
15 she will file a Nebraska income tax return and pay income tax on all  
16 income derived from or connected with sources in this state, and such  
17 agreement shall be attached to the Nebraska fiduciary return for such  
18 taxable year.

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

1 estate or trust income which was derived from or attributable to sources  
2 within this state. The amount remitted shall be allowed as a credit  
3 against the Nebraska income tax liability of the beneficiary.

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

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

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

24 Sec. 12. Section 77-2734.03, Revised Statutes Cumulative Supplement,  
25 2022, is amended to read:

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

1 such premiums and assessments and taxes in lieu of intangible tax.

2 (b) For taxable years commencing on or after January 1, 1997, any  
3 insurer paying a tax on premiums and assessments pursuant to section  
4 77-908 or 81-523, any electric cooperative organized under the Joint  
5 Public Power Authority Act, or any credit union shall be credited, in the  
6 computation of the tax due under the Nebraska Revenue Act of 1967, with  
7 the amount paid during the taxable year as (i) taxes on such premiums and  
8 assessments included as Nebraska premiums and assessments under section  
9 77-2734.05 and (ii) taxes in lieu of intangible tax.

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

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

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

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

28 (5) There shall be allowed to corporate taxpayers refundable income  
29 tax credits under the Nebraska Advantage Microenterprise Tax Credit Act,  
30 the Nebraska Advantage Research and Development Act, the Nebraska  
31 Biodiesel Tax Credit Act, the Nebraska Higher Blend Tax Credit Act, the



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

3 (6) There shall be allowed to corporate taxpayers a nonrefundable  
4 income tax credit for investment in a biodiesel facility as provided in  
5 section 77-27,236.

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

11 Sec. 13. Section 77-3806, Revised Statutes Cumulative Supplement,  
12 2022, is amended to read:

13 77-3806 (1) The tax return shall be filed and the total amount of  
14 the franchise tax shall be due on the fifteenth day of the third month  
15 after the end of the taxable year. No extension of time to pay the tax  
16 shall be granted. If the Tax Commissioner determines that the amount of  
17 tax can be computed from available information filed by the financial  
18 institutions with either state or federal regulatory agencies, the Tax  
19 Commissioner may, by regulation, waive the requirement for the financial  
20 institutions to file returns.

21 (2) Sections 77-2714 to 77-27,135 relating to deficiencies,  
22 penalties, interest, the collection of delinquent amounts, and appeal  
23 procedures for the tax imposed by section 77-2734.02 shall also apply to  
24 the tax imposed by section 77-3802. If the filing of a return is waived  
25 by the Tax Commissioner, the payment of the tax shall be considered the  
26 filing of a return for purposes of sections 77-2714 to 77-27,135.

27 (3) No refund of the tax imposed by section 77-3802 shall be allowed  
28 unless a claim for such refund is filed within ninety days of the date on  
29 which (a) the tax is due or was paid, whichever is later, (b) a change is  
30 made to the amount of deposits or the net financial income of the  
31 financial institution by a state or federal regulatory agency, or (c) the

1 Nebraska Investment Finance Authority issues an eligibility statement to  
2 the financial institution pursuant to the Affordable Housing Tax Credit  
3 Act.

4 (4) Any such financial institution shall receive a credit on the  
5 franchise tax as provided under the Affordable Housing Tax Credit Act,  
6 the Community Development Assistance Act, the Nebraska Biodiesel Tax  
7 Credit Act, the Nebraska Higher Blend Tax Credit Act, the Nebraska Job  
8 Creation and Mainstreet Revitalization Act, the Nebraska Property Tax  
9 Incentive Act, and the New Markets Job Growth Investment Act.

10 Sec. 14. Original sections 77-908, 77-2715.07, 77-2717, 77-2734.03,  
11 and 77-3806, Revised Statutes Cumulative Supplement, 2022, are repealed.