

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FIFTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 919**

Introduced by Bolz, 29.

Read first time January 09, 2018

Committee:

1 A BILL FOR AN ACT relating to law; to amend sections 81-1204, 81-1210.02,  
2 85-1539, and 85-1540, Reissue Revised Statutes of Nebraska, and  
3 sections 77-2715.07, 77-2716, 77-2717, 77-2734.03, 77-2912, and  
4 77-3806, Revised Statutes Cumulative Supplement, 2016; to adopt the  
5 Student Loan Repayment Tax Credit Act; to change provisions relating  
6 to a child and dependent care tax credit, adjustments to income, job  
7 training grants, and internship grants; to provide a sunset date for  
8 the Nebraska Job Creation and Mainstreet Revitalization Act; to  
9 create the Nebraska Integrated Education and Training Grant Program;  
10 to state intent; to harmonize provisions; to provide an operative  
11 date; and to repeal the original sections.  
12 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 Student Loan Repayment Tax Credit Act.

3           Sec. 2. For purposes of the Student Loan Repayment Tax Credit Act:

4           (1) Department means the Department of Revenue;

5           (2) Employer means any individual, partnership, limited liability  
6 partnership, limited liability company, association, corporation,  
7 business trust, legal representative, or other business entity that (a)  
8 employs one or more qualified employees in this state, (b) is subject to  
9 income tax under the Nebraska Revenue Act of 1967 or franchise tax under  
10 sections 77-3801 to 77-3807, and (c) is physically located in this state;

11           (3) Postsecondary educational institution means a two-year or four-  
12 year college or university that is accredited by an accrediting body  
13 recognized by the United States Department of Education;

14           (4) Qualified employee means an individual who:

15           (a) Is employed by the employer for at least four hundred eighty  
16 hours in this state during the calendar year in which the student loan  
17 repayment is made;

18           (b) Graduated or earned a certification from a postsecondary  
19 educational institution; and

20           (c) Incurred a student loan while attending the postsecondary  
21 educational institution;

22           (5) Student loan means a student educational loan for higher  
23 education expenses that is authorized by Title 20 of the United States  
24 Code; and

25           (6) Student loan repayment means a repayment of principal and  
26 interest on a student loan that is paid by an employer directly to the  
27 relevant lender or servicer of the loan on behalf of a qualified employee  
28 of the employer.

29           Sec. 3. (1) An employer that plans to make student loan repayments  
30 during a calendar year may apply to the department from January 1 to  
31 March 31 of that calendar year to receive tax credits under the Student

1 Loan Repayment Tax Credit Act. The department shall accept applications  
2 under this section beginning January 1, 2019.

3 (2) The amount of the credit shall be equal to fifty percent of the  
4 student loan repayments to be made during the calendar year by such  
5 employer, up to a maximum credit of one thousand eight hundred dollars  
6 for each qualified employee for whom student loan repayments will be  
7 made. An employer may earn credits for up to twenty qualified employees  
8 per calendar year.

9 (3) The credit shall be a nonrefundable credit against the income  
10 tax imposed by the Nebraska Revenue Act of 1967 or the franchise tax  
11 imposed under sections 77-3801 to 77-3807.

12 (4) Applications shall be submitted on a form prescribed by the  
13 department and shall include the following information:

14 (a) The name and address of the employer;

15 (b) The total number of employees of the employer;

16 (c) The number of qualified employees of the employer for whom  
17 student loan repayments will be made during the calendar year;

18 (d) The amount of the student loan repayment that will be made  
19 during the calendar year for each such qualified employee; and

20 (e) Any other documentation required by the department.

21 Sec. 4. (1) If the department determines that an application is  
22 complete and that the employer qualifies for tax credits, the department  
23 shall approve the application within the limits set forth in this section  
24 and shall certify the amount of tax credits approved to the employer.

25 (2) The department shall consider applications in the order in which  
26 they are received and may approve up to two million dollars in tax  
27 credits in any calendar year. At least twenty-five percent of the credits  
28 approved in any calendar year must be awarded to employers that have no  
29 more than thirty employees or that are located in a city of the first  
30 class, a city of the second class, or a village in this state.

31 Sec. 5. (1) An employer shall claim the tax credit by attaching the

1 tax credit certification received from the department under section 4 of  
2 this act to the employer's tax return for the taxable year during which  
3 the student loan repayment was made. Credits may be claimed for taxable  
4 years beginning or deemed to begin on or after January 1, 2019.

5 (2) Any tax credit claimed but not used in a taxable year may be  
6 carried forward to subsequent taxable years until fully utilized.

7 (3) Any employer claiming a tax credit shall, pursuant to subsection  
8 (15) of section 77-2716, add back to its federal adjusted gross income  
9 or, for corporations and fiduciaries, its federal taxable income any  
10 amounts deducted under the Internal Revenue Code for student loan  
11 repayments for which the employer is claiming a credit under the Student  
12 Loan Repayment Tax Credit Act.

13 Sec. 6. If the department determines that an employer failed to  
14 make the student loan repayments for which tax credits were claimed under  
15 the Student Loan Repayment Tax Credit Act or failed to comply with  
16 subsection (3) of section 5 of this act, the department shall recapture  
17 all or a portion of the tax credits claimed. Such recapture shall be  
18 allowed for a period of three years after the end of the taxable year in  
19 which the credits were claimed.

20 Sec. 7. There shall be no new applications for tax credits filed  
21 under the Student Loan Repayment Tax Credit Act after December 31, 2023.  
22 All applications and all credits pending or approved before such date  
23 shall continue in full force and effect.

24 Sec. 8. (1) On or before July 1, 2020, and on or before July 1 of  
25 each year thereafter, the department shall submit a report to the  
26 Governor and shall electronically submit a report to the Legislature  
27 regarding the Student Loan Repayment Tax Credit Act. The report shall  
28 include the following:

29 (a) The total number of employers receiving tax credits under the  
30 act;

31 (b) The total amount of tax credits claimed by employers;

1        (c) The total amount of tax credits outstanding;

2        (d) The total number of qualified employees for whom student loan  
3 repayments have been made; and

4        (e) Of the total amount of qualified employees reported under  
5 subdivision (1)(d) of this section, the number of such employees who, as  
6 of the most recently completed taxable year, pay income taxes to the  
7 State of Nebraska.

8        (2) The department may request information from employers as  
9 necessary to fulfill the requirements of this section.

10        Sec. 9.     The department may adopt and promulgate rules and  
11 regulations to carry out the Student Loan Repayment Tax Credit Act.

12        Sec. 10. Section 77-2715.07, Revised Statutes Cumulative Supplement,  
13 2016, is amended to read:

14        77-2715.07 (1) There shall be allowed to qualified resident  
15 individuals as a nonrefundable credit against the income tax imposed by  
16 the Nebraska Revenue Act of 1967:

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

19        (b) A credit for taxes paid to another state as provided in section  
20 77-2730.

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

23        (a) For returns filed reporting federal adjusted gross incomes of  
24 greater than twenty-nine thousand dollars but no more than one hundred  
25 fifty thousand dollars, a nonrefundable credit equal to thirty-five  
26 ~~twenty-five~~ percent of the federal credit allowed under section 21 of the  
27 Internal Revenue Code of 1986, as amended, except that for taxable years  
28 beginning or deemed to begin on or after January 1, 2015, such  
29 nonrefundable credit shall be allowed only if the individual would have  
30 received the federal credit allowed under section 21 of the code after  
31 adding back in any carryforward of a net operating loss that was deducted

1 pursuant to such section in determining eligibility for the federal  
2 credit;

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

18 (c) A refundable credit as provided in section 77-5209.01 for  
19 individuals who qualify for an income tax credit as a qualified beginning  
20 farmer or livestock producer under the Beginning Farmer Tax Credit Act  
21 for all taxable years beginning or deemed to begin on or after January 1,  
22 2006, under the Internal Revenue Code of 1986, as amended;

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

28 (e) A refundable credit equal to ten percent of the federal credit  
29 allowed under section 32 of the Internal Revenue Code of 1986, as  
30 amended, except that for taxable years beginning or deemed to begin on or  
31 after January 1, 2015, such refundable credit shall be allowed only if

1 the individual would have received the federal credit allowed under  
2 section 32 of the code after adding back in any carryforward of a net  
3 operating loss that was deducted pursuant to such section in determining  
4 eligibility for the federal credit.

5 (3) There shall be allowed to all individuals as a nonrefundable  
6 credit against the income tax imposed by the Nebraska Revenue Act of  
7 1967:

8 (a) A credit for personal exemptions allowed under section  
9 77-2716.01;

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

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

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

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

23 (f) A credit to employers as provided in section 77-27,238;~~and~~

24 (g) A credit as provided in the Affordable Housing Tax Credit Act;  
25 and -

26 (h) A credit to employers as provided in the Student Loan Repayment  
27 Tax Credit Act.

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

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

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

4 (c) A refundable credit for individuals who qualify for an income  
5 tax credit as an owner of agricultural assets under the Beginning Farmer  
6 Tax Credit Act for all taxable years beginning or deemed to begin on or  
7 after January 1, 2009, under the Internal Revenue Code of 1986, as  
8 amended. The credit allowed for each partner, shareholder, member, or  
9 beneficiary of a partnership, corporation, limited liability company, or  
10 estate or trust qualifying for an income tax credit as an owner of  
11 agricultural assets under the Beginning Farmer Tax Credit Act shall be  
12 equal to the partner's, shareholder's, member's, or beneficiary's portion  
13 of the amount of tax credit distributed pursuant to subsection (4) of  
14 section 77-5211.

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

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



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

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

12 Sec. 11. Section 77-2716, Revised Statutes Cumulative Supplement,  
13 2016, is amended to read:

14 77-2716 (1) The following adjustments to federal adjusted gross  
15 income or, for corporations and fiduciaries, federal taxable income shall  
16 be made for interest or dividends received:

17 (a)(i) There shall be subtracted interest or dividends received by  
18 the owner of obligations of the United States and its territories and  
19 possessions or of any authority, commission, or instrumentality of the  
20 United States to the extent includable in gross income for federal income  
21 tax purposes but exempt from state income taxes under the laws of the  
22 United States; and

23 (ii) There shall be subtracted interest received by the owner of  
24 obligations of the State of Nebraska or its political subdivisions or  
25 authorities which are Build America Bonds to the extent includable in  
26 gross income for federal income tax purposes;

27 (b) There shall be subtracted that portion of the total dividends  
28 and other income received from a regulated investment company which is  
29 attributable to obligations described in subdivision (a) of this  
30 subsection as reported to the recipient by the regulated investment  
31 company;

1 (c) There shall be added interest or dividends received by the owner  
2 of obligations of the District of Columbia, other states of the United  
3 States, or their political subdivisions, authorities, commissions, or  
4 instrumentalities to the extent excluded in the computation of gross  
5 income for federal income tax purposes except that such interest or  
6 dividends shall not be added if received by a corporation which is a  
7 regulated investment company;

8 (d) There shall be added that portion of the total dividends and  
9 other income received from a regulated investment company which is  
10 attributable to obligations described in subdivision (c) of this  
11 subsection and excluded for federal income tax purposes as reported to  
12 the recipient by the regulated investment company; and

13 (e)(i) Any amount subtracted under this subsection shall be reduced  
14 by any interest on indebtedness incurred to carry the obligations or  
15 securities described in this subsection or the investment in the  
16 regulated investment company and by any expenses incurred in the  
17 production of interest or dividend income described in this subsection to  
18 the extent that such expenses, including amortizable bond premiums, are  
19 deductible in determining federal taxable income.

20 (ii) Any amount added under this subsection shall be reduced by any  
21 expenses incurred in the production of such income to the extent  
22 disallowed in the computation of federal taxable income.

23 (2) There shall be allowed a net operating loss derived from or  
24 connected with Nebraska sources computed under rules and regulations  
25 adopted and promulgated by the Tax Commissioner consistent, to the extent  
26 possible under the Nebraska Revenue Act of 1967, with the laws of the  
27 United States. For a resident individual, estate, or trust, the net  
28 operating loss computed on the federal income tax return shall be  
29 adjusted by the modifications contained in this section. For a  
30 nonresident individual, estate, or trust or for a partial-year resident  
31 individual, the net operating loss computed on the federal return shall

1 be adjusted by the modifications contained in this section and any  
2 carryovers or carrybacks shall be limited to the portion of the loss  
3 derived from or connected with Nebraska sources.

4 (3) There shall be subtracted from federal adjusted gross income for  
5 all taxable years beginning on or after January 1, 1987, the amount of  
6 any state income tax refund to the extent such refund was deducted under  
7 the Internal Revenue Code, was not allowed in the computation of the tax  
8 due under the Nebraska Revenue Act of 1967, and is included in federal  
9 adjusted gross income.

10 (4) Federal adjusted gross income, or, for a fiduciary, federal  
11 taxable income shall be modified to exclude the portion of the income or  
12 loss received from a small business corporation with an election in  
13 effect under subchapter S of the Internal Revenue Code or from a limited  
14 liability company organized pursuant to the Nebraska Uniform Limited  
15 Liability Company Act that is not derived from or connected with Nebraska  
16 sources as determined in section 77-2734.01.

17 (5) There shall be subtracted from federal adjusted gross income or,  
18 for corporations and fiduciaries, federal taxable income dividends  
19 received or deemed to be received from corporations which are not subject  
20 to the Internal Revenue Code.

21 (6) There shall be subtracted from federal taxable income a portion  
22 of the income earned by a corporation subject to the Internal Revenue  
23 Code of 1986 that is actually taxed by a foreign country or one of its  
24 political subdivisions at a rate in excess of the maximum federal tax  
25 rate for corporations. The taxpayer may make the computation for each  
26 foreign country or for groups of foreign countries. The portion of the  
27 taxes that may be deducted shall be computed in the following manner:

28 (a) The amount of federal taxable income from operations within a  
29 foreign taxing jurisdiction shall be reduced by the amount of taxes  
30 actually paid to the foreign jurisdiction that are not deductible solely  
31 because the foreign tax credit was elected on the federal income tax

1 return;

2 (b) The amount of after-tax income shall be divided by one minus the  
3 maximum tax rate for corporations in the Internal Revenue Code; and

4 (c) The result of the calculation in subdivision (b) of this  
5 subsection shall be subtracted from the amount of federal taxable income  
6 used in subdivision (a) of this subsection. The result of such  
7 calculation, if greater than zero, shall be subtracted from federal  
8 taxable income.

9 (7) Federal adjusted gross income shall be modified to exclude any  
10 amount repaid by the taxpayer for which a reduction in federal tax is  
11 allowed under section 1341(a)(5) of the Internal Revenue Code.

12 (8)(a) Federal adjusted gross income or, for corporations and  
13 fiduciaries, federal taxable income shall be reduced, to the extent  
14 included, by income from interest, earnings, and state contributions  
15 received from the Nebraska educational savings plan trust created in  
16 sections 85-1801 to 85-1814 and any account established under the  
17 achieving a better life experience program as provided in sections  
18 77-1401 to 77-1409.

19 (b) Federal adjusted gross income or, for corporations and  
20 fiduciaries, federal taxable income shall be reduced by any contributions  
21 as a participant in the Nebraska educational savings plan trust or  
22 contributions to an account established under the achieving a better life  
23 experience program made for the benefit of a beneficiary as provided in  
24 sections 77-1401 to 77-1409, to the extent not deducted for federal  
25 income tax purposes, but not to exceed five thousand dollars per married  
26 filing separate return or ten thousand dollars for any other return. With  
27 respect to a qualified rollover within the meaning of section 529 of the  
28 Internal Revenue Code from another state's plan, any interest, earnings,  
29 and state contributions received from the other state's educational  
30 savings plan which is qualified under section 529 of the code shall  
31 qualify for the reduction provided in this subdivision. For contributions

1 by a custodian of a custodial account including rollovers from another  
2 custodial account, the reduction shall only apply to funds added to the  
3 custodial account after January 1, 2014.

4 (c) Federal adjusted gross income or, for corporations and  
5 fiduciaries, federal taxable income shall be increased by:

6 (i) The amount resulting from the cancellation of a participation  
7 agreement refunded to the taxpayer as a participant in the Nebraska  
8 educational savings plan trust to the extent previously deducted under  
9 subdivision (8)(b) of this section; and

10 (ii) The amount of any withdrawals by the owner of an account  
11 established under the achieving a better life experience program as  
12 provided in sections 77-1401 to 77-1409 for nonqualified expenses to the  
13 extent previously deducted under subdivision (8)(b) of this section.

14 (9)(a) For income tax returns filed after September 10, 2001, for  
15 taxable years beginning or deemed to begin before January 1, 2006, under  
16 the Internal Revenue Code of 1986, as amended, federal adjusted gross  
17 income or, for corporations and fiduciaries, federal taxable income shall  
18 be increased by eighty-five percent of any amount of any federal bonus  
19 depreciation received under the federal Job Creation and Worker  
20 Assistance Act of 2002 or the federal Jobs and Growth Tax Act of 2003,  
21 under section 168(k) or section 1400L of the Internal Revenue Code of  
22 1986, as amended, for assets placed in service after September 10, 2001,  
23 and before December 31, 2005.

24 (b) For a partnership, limited liability company, cooperative,  
25 including any cooperative exempt from income taxes under section 521 of  
26 the Internal Revenue Code of 1986, as amended, limited cooperative  
27 association, subchapter S corporation, or joint venture, the increase  
28 shall be distributed to the partners, members, shareholders, patrons, or  
29 beneficiaries in the same manner as income is distributed for use against  
30 their income tax liabilities.

31 (c) For a corporation with a unitary business having activity both

1 inside and outside the state, the increase shall be apportioned to  
2 Nebraska in the same manner as income is apportioned to the state by  
3 section 77-2734.05.

4 (d) The amount of bonus depreciation added to federal adjusted gross  
5 income or, for corporations and fiduciaries, federal taxable income by  
6 this subsection shall be subtracted in a later taxable year. Twenty  
7 percent of the total amount of bonus depreciation added back by this  
8 subsection for tax years beginning or deemed to begin before January 1,  
9 2003, under the Internal Revenue Code of 1986, as amended, may be  
10 subtracted in the first taxable year beginning or deemed to begin on or  
11 after January 1, 2005, under the Internal Revenue Code of 1986, as  
12 amended, and twenty percent in each of the next four following taxable  
13 years. Twenty percent of the total amount of bonus depreciation added  
14 back by this subsection for tax years beginning or deemed to begin on or  
15 after January 1, 2003, may be subtracted in the first taxable year  
16 beginning or deemed to begin on or after January 1, 2006, under the  
17 Internal Revenue Code of 1986, as amended, and twenty percent in each of  
18 the next four following taxable years.

19 (10) For taxable years beginning or deemed to begin on or after  
20 January 1, 2003, and before January 1, 2006, under the Internal Revenue  
21 Code of 1986, as amended, federal adjusted gross income or, for  
22 corporations and fiduciaries, federal taxable income shall be increased  
23 by the amount of any capital investment that is expensed under section  
24 179 of the Internal Revenue Code of 1986, as amended, that is in excess  
25 of twenty-five thousand dollars that is allowed under the federal Jobs  
26 and Growth Tax Act of 2003. Twenty percent of the total amount of  
27 expensing added back by this subsection for tax years beginning or deemed  
28 to begin on or after January 1, 2003, may be subtracted in the first  
29 taxable year beginning or deemed to begin on or after January 1, 2006,  
30 under the Internal Revenue Code of 1986, as amended, and twenty percent  
31 in each of the next four following tax years.

1           (11)(a) For taxable years beginning or deemed to begin before  
2 January 1, 2018, under the Internal Revenue Code of 1986, as amended,  
3 federal adjusted gross income shall be reduced by contributions, up to  
4 two thousand dollars per married filing jointly return or one thousand  
5 dollars for any other return, and any investment earnings made as a  
6 participant in the Nebraska long-term care savings plan under the Long-  
7 Term Care Savings Plan Act, to the extent not deducted for federal income  
8 tax purposes.

9           (b) For taxable years beginning or deemed to begin before January 1,  
10 2018, under the Internal Revenue Code of 1986, as amended, federal  
11 adjusted gross income shall be increased by the withdrawals made as a  
12 participant in the Nebraska long-term care savings plan under the act by  
13 a person who is not a qualified individual or for any reason other than  
14 transfer of funds to a spouse, long-term care expenses, long-term care  
15 insurance premiums, or death of the participant, including withdrawals  
16 made by reason of cancellation of the participation agreement, to the  
17 extent previously deducted as a contribution or as investment earnings.

18           (12) There shall be added to federal adjusted gross income for  
19 individuals, estates, and trusts any amount taken as a credit for  
20 franchise tax paid by a financial institution under sections 77-3801 to  
21 77-3807 as allowed by subsection (5) of section 77-2715.07.

22           (13) For taxable years beginning or deemed to begin on or after  
23 January 1, 2015, under the Internal Revenue Code of 1986, as amended,  
24 federal adjusted gross income shall be reduced by the amount received as  
25 benefits under the federal Social Security Act which are included in the  
26 federal adjusted gross income if:

27           (a) For taxpayers filing a married filing joint return, federal  
28 adjusted gross income is fifty-eight thousand dollars or less; or

29           (b) For taxpayers filing any other return, federal adjusted gross  
30 income is forty-three thousand dollars or less.

31           (14) For taxable years beginning or deemed to begin on or after

1 January 1, 2015, under the Internal Revenue Code of 1986, as amended, an  
2 individual may make a one-time election within two calendar years after  
3 the date of his or her retirement from the military to exclude income  
4 received as a military retirement benefit by the individual to the extent  
5 included in federal adjusted gross income and as provided in this  
6 subsection. The individual may elect to exclude forty percent of his or  
7 her military retirement benefit income for seven consecutive taxable  
8 years beginning with the year in which the election is made or may elect  
9 to exclude fifteen percent of his or her military retirement benefit  
10 income for all taxable years beginning with the year in which he or she  
11 turns sixty-seven years of age. For purposes of this subsection, military  
12 retirement benefit means retirement benefits that are periodic payments  
13 attributable to service in the uniformed services of the United States  
14 for personal services performed by an individual prior to his or her  
15 retirement.

16 (15) Federal adjusted gross income or, for corporations and  
17 fiduciaries, federal taxable income shall be increased by the amount of  
18 deductions taken under the Internal Revenue Code for any student loan  
19 repayments for which the taxpayer is claiming a credit under the Student  
20 Loan Repayment Tax Credit Act.

21 Sec. 12. Section 77-2717, Revised Statutes Cumulative Supplement,  
22 2016, is amended to read:

23 77-2717 (1)(a)(i) For taxable years beginning or deemed to begin  
24 before January 1, 2014, the tax imposed on all resident estates and  
25 trusts shall be a percentage of the federal taxable income of such  
26 estates and trusts as modified in section 77-2716, plus a percentage of  
27 the federal alternative minimum tax and the federal tax on premature or  
28 lump-sum distributions from qualified retirement plans. The additional  
29 taxes shall be recomputed by (A) substituting Nebraska taxable income for  
30 federal taxable income, (B) calculating what the federal alternative  
31 minimum tax would be on Nebraska taxable income and adjusting such



1 calculations for any items which are reflected differently in the  
2 determination of federal taxable income, and (C) applying Nebraska rates  
3 to the result. The federal credit for prior year minimum tax, after the  
4 recomputations required by the Nebraska Revenue Act of 1967, and the  
5 credits provided in the Nebraska Advantage Microenterprise Tax Credit Act  
6 and the Nebraska Advantage Research and Development Act shall be allowed  
7 as a reduction in the income tax due. A refundable income tax credit  
8 shall be allowed for all resident estates and trusts under the Angel  
9 Investment Tax Credit Act, the Nebraska Advantage Microenterprise Tax  
10 Credit Act, and the Nebraska Advantage Research and Development Act. A  
11 nonrefundable income tax credit shall be allowed for all resident estates  
12 and trusts as provided in the New Markets Job Growth Investment Act.

13 (ii) For taxable years beginning or deemed to begin on or after  
14 January 1, 2014, the tax imposed on all resident estates and trusts shall  
15 be a percentage of the federal taxable income of such estates and trusts  
16 as modified in section 77-2716, plus a percentage of the federal tax on  
17 premature or lump-sum distributions from qualified retirement plans. The  
18 additional taxes shall be recomputed by substituting Nebraska taxable  
19 income for federal taxable income and applying Nebraska rates to the  
20 result. The credits provided in the Nebraska Advantage Microenterprise  
21 Tax Credit Act and the Nebraska Advantage Research and Development Act  
22 shall be allowed as a reduction in the income tax due. A refundable  
23 income tax credit shall be allowed for all resident estates and trusts  
24 under the Angel Investment Tax Credit Act, the Nebraska Advantage  
25 Microenterprise Tax Credit Act, and the Nebraska Advantage Research and  
26 Development Act. A nonrefundable income tax credit shall be allowed for  
27 all resident estates and trusts as provided in the Nebraska Job Creation  
28 and Mainstreet Revitalization Act, the New Markets Job Growth Investment  
29 Act, the School Readiness Tax Credit Act, the Affordable Housing Tax  
30 Credit Act, the Student Loan Repayment Tax Credit Act, and section  
31 77-27,238.

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

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 Affordable Housing Tax Credit Act, the Student Loan  
15 Repayment Tax Credit Act, and section 77-27,238. There shall be allowed  
16 to a beneficiary a refundable income tax credit under the Beginning  
17 Farmer Tax Credit Act for all taxable years beginning or deemed to begin  
18 on or after January 1, 2001, under the Internal Revenue Code of 1986, as  
19 amended.

20 (4) If any beneficiary of such estate or trust is a nonresident  
21 during any part of the estate's or trust's taxable year, he or she shall  
22 file a Nebraska income tax return which shall include (a) in Nebraska  
23 adjusted gross income that portion of the estate's or trust's Nebraska  
24 income, as determined under sections 77-2724 and 77-2725, allocable to  
25 his or her interest in the estate or trust and (b) a reduction of the  
26 Nebraska tax liability by his or her proportionate share of the credits  
27 as provided in the Angel Investment Tax Credit Act, the Nebraska  
28 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research  
29 and Development Act, the Nebraska Job Creation and Mainstreet  
30 Revitalization Act, the New Markets Job Growth Investment Act, the School  
31 Readiness Tax Credit Act, the Affordable Housing Tax Credit Act, the

1 Student Loan Repayment Tax Credit Act, and section 77-27,238 and shall  
2 execute and forward to the fiduciary, on or before the original due date  
3 of the Nebraska fiduciary return, an agreement which states that he or  
4 she will file a Nebraska income tax return and pay income tax on all  
5 income derived from or connected with sources in this state, and such  
6 agreement shall be attached to the Nebraska fiduciary return for such  
7 taxable year.

8 (5) In the absence of the nonresident beneficiary's executed  
9 agreement being attached to the Nebraska fiduciary return, the estate or  
10 trust shall remit a portion of such beneficiary's income which was  
11 derived from or attributable to Nebraska sources with its Nebraska return  
12 for the taxable year. For taxable years beginning or deemed to begin  
13 before January 1, 2013, the amount of remittance, in such instance, shall  
14 be the highest individual income tax rate determined under section  
15 77-2715.02 multiplied by the nonresident beneficiary's share of the  
16 estate or trust income which was derived from or attributable to sources  
17 within this state. For taxable years beginning or deemed to begin on or  
18 after January 1, 2013, the amount of remittance, in such instance, shall  
19 be the highest individual income tax rate determined under section  
20 77-2715.03 multiplied by the nonresident beneficiary's share of the  
21 estate or trust income which was derived from or attributable to sources  
22 within this state. The amount remitted shall be allowed as a credit  
23 against the Nebraska income tax liability of the beneficiary.

24 (6) The Tax Commissioner may allow a nonresident beneficiary to not  
25 file a Nebraska income tax return if the nonresident beneficiary's only  
26 source of Nebraska income was his or her share of the estate's or trust's  
27 income which was derived from or attributable to sources within this  
28 state, the nonresident did not file an agreement to file a Nebraska  
29 income tax return, and the estate or trust has remitted the amount  
30 required by subsection (5) of this section on behalf of such nonresident  
31 beneficiary. The amount remitted shall be retained in satisfaction of the

1 Nebraska income tax liability of the nonresident beneficiary.

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

9 (8) For purposes of this section, any beneficiary of an estate or  
10 trust that is a grantor trust of a nonresident shall be disregarded and  
11 this section shall apply as though the nonresident grantor was the  
12 beneficiary.

13 Sec. 13. Section 77-2734.03, Revised Statutes Cumulative Supplement,  
14 2016, is amended to read:

15 77-2734.03 (1)(a) For taxable years commencing prior to January 1,  
16 1997, any (i) insurer paying a tax on premiums and assessments pursuant  
17 to section 77-908 or 81-523, (ii) electric cooperative organized under  
18 the Joint Public Power Authority Act, or (iii) credit union shall be  
19 credited, in the computation of the tax due under the Nebraska Revenue  
20 Act of 1967, with the amount paid during the taxable year as taxes on  
21 such premiums and assessments and taxes in lieu of intangible tax.

22 (b) For taxable years commencing on or after January 1, 1997, any  
23 insurer paying a tax on premiums and assessments pursuant to section  
24 77-908 or 81-523, any electric cooperative organized under the Joint  
25 Public Power Authority Act, or any credit union shall be credited, in the  
26 computation of the tax due under the Nebraska Revenue Act of 1967, with  
27 the amount paid during the taxable year as (i) taxes on such premiums and  
28 assessments included as Nebraska premiums and assessments under section  
29 77-2734.05 and (ii) taxes in lieu of intangible tax.

30 (c) For taxable years commencing or deemed to commence prior to, on,  
31 or after January 1, 1998, any insurer paying a tax on premiums and

1 assessments pursuant to section 77-908 or 81-523 shall be credited, in  
2 the computation of the tax due under the Nebraska Revenue Act of 1967,  
3 with the amount paid during the taxable year as assessments allowed as an  
4 offset against premium and related retaliatory tax liability pursuant to  
5 section 44-4233.

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

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

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

17 (5) There shall be allowed to corporate taxpayers refundable income  
18 tax credits under the Nebraska Advantage Microenterprise Tax Credit Act  
19 and the Nebraska Advantage Research and Development Act.

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

23 (7) There shall be allowed to corporate taxpayers a nonrefundable  
24 income tax credit as provided in the Nebraska Job Creation and Mainstreet  
25 Revitalization Act, the New Markets Job Growth Investment Act, the School  
26 Readiness Tax Credit Act, the Affordable Housing Tax Credit Act, the  
27 Student Loan Repayment Tax Credit Act, and section 77-27,238.

28 Sec. 14. Section 77-2912, Revised Statutes Cumulative Supplement,  
29 2016, is amended to read:

30 77-2912 Beginning January 1, 2019, there There shall be no new  
31 applications filed under the Nebraska Job Creation and Mainstreet

1 Revitalization Act ~~after December 31, 2022~~. All applications and all  
2 credits pending or approved before such date shall continue in full force  
3 and effect, except that no credits shall be allocated under section  
4 77-2905, issued under section 77-2906, or used on any tax return or  
5 similar filing after December 31, 2027.

6 Sec. 15. Section 77-3806, Revised Statutes Cumulative Supplement,  
7 2016, is amended to read:

8 77-3806 (1) The tax return shall be filed and the total amount of  
9 the franchise tax shall be due on the fifteenth day of the third month  
10 after the end of the taxable year. No extension of time to pay the tax  
11 shall be granted. If the Tax Commissioner determines that the amount of  
12 tax can be computed from available information filed by the financial  
13 institutions with either state or federal regulatory agencies, the Tax  
14 Commissioner may, by regulation, waive the requirement for the financial  
15 institutions to file returns.

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

22 (3) No refund of the tax imposed by section 77-3802 shall be allowed  
23 unless a claim for such refund is filed within ninety days of the date on  
24 which (a) the tax is due or was paid, whichever is later, (b) a change is  
25 made to the amount of deposits or the net financial income of the  
26 financial institution by a state or federal regulatory agency, or (c) the  
27 Nebraska Investment Finance Authority issues an eligibility statement to  
28 the financial institution pursuant to the Affordable Housing Tax Credit  
29 Act.

30 (4) Any such financial institution shall receive a credit on the  
31 franchise tax as provided under the Affordable Housing Tax Credit Act,

1 the Community Development Assistance Act, the Nebraska Job Creation and  
2 Mainstreet Revitalization Act, ~~and~~ the New Markets Job Growth Investment  
3 Act, and the Student Loan Repayment Tax Credit Act.

4 Sec. 16. Section 81-1204, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6 81-1204 (1) Except as otherwise provided in subsection (2) of this  
7 section, the Department of Economic Development shall not approve a job  
8 training grant (a) which exceeds an average expenditure of five thousand  
9 dollars per job created if the proposed wage levels do not exceed thirty  
10 thousand dollars per year, (b) which exceeds an average expenditure of  
11 ten thousand dollars per job if the proposed wage levels exceed thirty  
12 thousand dollars per year but do not exceed fifty thousand dollars per  
13 year, or (c) which exceeds an average expenditure of twenty thousand  
14 dollars per job if the proposed wage levels exceed fifty thousand dollars  
15 per year or if the jobs created are located in a high-poverty area as  
16 defined in section 81-1203.

17 (2) If the application is approved with provisions described in  
18 subsection (3) of section 81-1203, the Department of Economic Development  
19 may approve a job training grant (a) up to ten thousand dollars per job  
20 created if the proposed wage levels do not exceed thirty thousand dollars  
21 per year, (b) up to fifteen thousand dollars per job if the proposed wage  
22 levels exceed thirty thousand dollars per year but do not exceed fifty  
23 thousand dollars per year, or (c) up to twenty-five thousand dollars per  
24 job if the proposed wage levels exceed fifty thousand dollars per year or  
25 if the jobs created are located in a high-poverty area as defined in  
26 section 81-1203.

27 (3) The Department of Economic Development may approve up to five  
28 million dollars of job training grants each year.

29 Sec. 17. Section 81-1210.02, Reissue Revised Statutes of Nebraska,  
30 is amended to read:

31 81-1210.02 (1) The intent of sections 81-1210.01 to 81-1210.03 is to



1 provide students with valuable internship opportunities in order to  
2 retain such students and attract workers to Nebraska by assisting  
3 Nebraska businesses willing to provide paid internships.

4 (2) A business may apply to the department for a grant to assist in  
5 providing a student an internship if:

6 (a) The business certifies that the internship meets the definition  
7 of internship in section 81-1210.01;

8 (b) The business will pay the student at least the federal minimum  
9 hourly wage for the internship;

10 (c) The internship will be completed within the State of Nebraska;

11 (d) The internship will be completed within a period of no more than  
12 twelve months; and

13 (e) The internship will be for a duration sufficient to allow the  
14 student to gain significant valuable work experience and knowledge.

15 (3) The department may provide grants for internships in the  
16 following amounts:

17 (a) If the student receiving the internship is a Federal Pell Grant  
18 recipient at the time of grant application, the grant may be up to the  
19 lesser of seventy-five percent of the cost of the internship or seven  
20 thousand five hundred dollars. The business applying for the grant shall  
21 provide the department with documentation to prove that the student is a  
22 Federal Pell Grant recipient; and

23 (b) For all other students, the grant may be up to the lesser of  
24 seventy-five percent of the cost of the internship or five thousand  
25 dollars.

26 (4) A business may apply for no more than two grants for the same  
27 student, shall not be awarded more than five grants at any one location  
28 in any twelve-month period, and shall not be awarded more than ten grants  
29 total in any twelve-month period.

30 (5) A business may allow a student to telecommute if the business is  
31 located more than thirty miles from the college, university, or other

1 institution of higher education in which the student is enrolled and if  
2 the college, university, or other institution of higher education is in  
3 Nebraska.

4 (6) The department shall, to the extent possible, assure that the  
5 distribution of grants under sections 81-1210.01 to 81-1210.03 provides  
6 equitable access to the grants by all geographic areas of the state.

7 (7) The department shall, to the extent possible, assure that the  
8 grants awarded pursuant to sections 81-1210.01 to 81-1210.03 are for  
9 internships which provide valuable learning opportunities for students  
10 who will be seeking employment in a professional or technical field.

11 (8) The department shall not allocate more than ~~two~~ ~~one million five~~  
12 ~~hundred thousand~~ dollars in any one fiscal year from the Job Training  
13 Cash Fund or its subaccounts for purposes of this section. The department  
14 may receive funds from public, private, or other sources for purposes of  
15 this section.

16 (9) The department shall develop a qualified action plan by January  
17 1 of each even-numbered year. The plan shall, at a minimum, set forth the  
18 department's priorities and selection criteria for awarding grants for  
19 internships. In order to encourage students from across Nebraska to  
20 pursue internships, the plan shall also include strategies for  
21 affirmatively marketing internships to Nebraska students in high schools,  
22 colleges, universities, and other institutions of higher education in  
23 Nebraska. Such strategies shall place an emphasis on marketing to  
24 underserved student populations as defined by the department in the plan.  
25 The department shall submit the plan to the Governor for approval.

26 Sec. 18. The Legislature finds that in order to be competitive in a  
27 global economy, Nebraska must develop educational programs in high-demand  
28 fields. The Legislature further finds that business interests in Nebraska  
29 have identified development of a skilled workforce as essential to  
30 building Nebraska's economy. Additionally, the federal Workforce  
31 Innovation and Opportunity Act, 29 U.S.C. 3101, as such act existed on

1 January 1, 2018, included the first requirement for states to provide  
2 integrated education and training services. Finally, community colleges  
3 in Nebraska are positioned to establish innovative approaches to  
4 developing credentials with meaning in the workforce that meet  
5 educational demand.

6 Sec. 19. For purposes of sections 18 to 22 of this act:

7 (1) Adult education means academic instruction and education  
8 services below the postsecondary level for any person who is sixteen  
9 years of age or older and who is not enrolled in high school and is not  
10 required to be enrolled in school, that increase the ability to read,  
11 write, and speak in English and perform mathematics or other activities  
12 necessary for the attainment of a high school diploma or a diploma of  
13 high school equivalency, for the transition to postsecondary education  
14 and training, and for obtaining employment;

15 (2) Commission means the Coordinating Commission for Postsecondary  
16 Education;

17 (3) Committee means the Nebraska Community College Student  
18 Performance and Occupational Education Grant Committee;

19 (4) Integrated education and training means instruction that  
20 provides adult education and literacy activities or remedial education  
21 concurrently and contextually with workforce preparation activities and  
22 workforce training for a specific occupation or occupational cluster for  
23 the purpose of educational and career advancement; and

24 (5) Remedial education means instruction and support to prepare a  
25 student who is assessed by the postsecondary educational institution that  
26 the student has chosen as being academically underprepared to  
27 successfully complete a program of study at such postsecondary  
28 educational institution.

29 Sec. 20. (1) The Nebraska Integrated Education and Training Grant  
30 Program is established. The grant program shall provide grants to  
31 community colleges for the purpose of developing and implementing local

1 programs of integrated education and training. The committee shall  
2 administer the program and shall develop grant applications, procedures,  
3 and guidelines as needed.

4 (2) The committee shall allocate grants of up to three years to  
5 community colleges through a competitive process. To be eligible, a  
6 community college shall submit an application to the committee  
7 describing:

8 (a) The specific integrated education and training instructional  
9 model to be implemented by the local program of integrated education and  
10 training;

11 (b) How the local program of integrated education and training will  
12 be designed and implemented by educators with expertise in adult  
13 education and occupational skills training;

14 (c) How the local program of integrated education and training will  
15 prepare students to receive a high school diploma or diploma of high  
16 school equivalency if necessary;

17 (d) How the local program of integrated education and training will  
18 prepare students to obtain postsecondary credentials;

19 (e) If applicable, how the local program of integrated education and  
20 training will offer industry-recognized credentials;

21 (f) The occupations or industries for which the local program of  
22 integrated education and training will prepare students for employment  
23 and how the program will fit into a career pathway;

24 (g) Evidence of employer demand for individuals who complete the  
25 local program of integrated education and training;

26 (h) How the local program of integrated education and training will  
27 provide student support services, including guidance counseling, to  
28 assist with student success;

29 (i) Strategies for tracking and reporting outcomes and evaluation  
30 reporting for the local program of integrated education and training;

31 (j) Evidence of matching funds from local or philanthropic sources

1 of at least one quarter of the total projected cost for the local program  
2 of integrated education and training;

3 (k) The target population, such as unemployed, underemployed, low-  
4 income, youth, dislocated workers, other, or a combination of target  
5 populations and how the local program of integrated education and  
6 training will serve such target population; and

7 (l) Other information as required by the committee.

8 Sec. 21. The commission shall develop an annual evaluation of the  
9 Nebraska Integrated Education and Training Grant Program that includes  
10 the following:

11 (1) The local programs of integrated education and training that  
12 each community college offers by name;

13 (2) The number of students who enrolled in each local program of  
14 integrated education and training;

15 (3) The number of students who successfully complete each local  
16 program of integrated education and training; and

17 (4) The percentage of students who obtained employment in the  
18 occupation or industry indicated in the grant application or who enrolled  
19 for additional education related to such occupation or industry within  
20 six months after successful completion for each local program of  
21 integrated education and training.

22 Sec. 22. It is the intent of the Legislature to appropriate three  
23 million dollars to carry out the Nebraska Integrated Education and  
24 Training Grant Program. Up to fifteen percent of such funds may be  
25 retained by the commission for administering grants, providing technical  
26 assistance, and conducting the annual evaluation required pursuant to  
27 section 21 of this act.

28 Sec. 23. Section 85-1539, Reissue Revised Statutes of Nebraska, is  
29 amended to read:

30 85-1539 (1) There is hereby created the Nebraska Community College  
31 Student Performance and Occupational Education Grant Committee. The

1 committee shall consist of (a) a representative of the Coordinating  
2 Commission for Postsecondary Education who shall serve as chairperson of  
3 the committee, (b) a representative of the Department of Economic  
4 Development, (c) a representative of the Department of Labor, (d) a  
5 representative of the State Department of Education, (e) a representative  
6 affiliated with one of the two community college areas with the two  
7 smallest full-time equivalent student enrollment totals for the most  
8 recent fiscal year, (f) a representative affiliated with one of the two  
9 community college areas with the two largest full-time equivalent student  
10 enrollment totals for the most recent fiscal year, and (g) a  
11 representative affiliated with one of the two community college areas not  
12 included in the categories provided in subdivisions (1)(e) and (f) of  
13 this section. Each member shall be appointed by the agency or community  
14 college areas being represented. The representatives appointed pursuant  
15 to subdivisions (1)(e) through (g) of this section shall serve terms of  
16 two years and shall be succeeded by a representative affiliated with the  
17 community college areas not represented for the preceding term. The  
18 committee shall administer the grant program provided in subsection (2)  
19 of this section and the Nebraska Integrated Education and Training Grant  
20 Program provided in sections 18 to 22 of this act.

21 (2) The committee shall develop guidelines for and annually  
22 determine the allocation of aid or grants to the community colleges for  
23 (a) applied technology and occupational faculty training, instructional  
24 equipment upgrades, employee assessment, preemployment training,  
25 employment training, and dislocated worker programs benefiting the State  
26 of Nebraska or (b) programs or activities to enhance (i) student  
27 performance in the areas of degree, certificate, or diploma completion,  
28 retention, or foundations education as defined in section 85-932.01 or  
29 (ii) the collection, reporting, analysis, and utilization of student  
30 data. The total amount allocated for a fiscal year shall not exceed the  
31 amounts appropriated from the Nebraska Community College Student

1 Performance and Occupational Education Grant Fund and such other funds as  
2 may be appropriated by the Legislature for purposes of this section for  
3 such fiscal year. The commission shall certify the allocation determined  
4 by the committee on or before September 10 of the fiscal year for which  
5 such allocation is being certified and shall report such allocation to  
6 the Department of Administrative Services. The commission shall  
7 distribute the allocated funds to the selected community college board or  
8 boards in a single payment between the fifth and twentieth day of October  
9 of each year.

10 (3) Applications for aid or grants pursuant to subsection (2) of  
11 this section may be submitted by a community college area independently  
12 or in collaboration with other community college areas.

13 Sec. 24. Section 85-1540, Reissue Revised Statutes of Nebraska, is  
14 amended to read:

15 85-1540 There is hereby created the Nebraska Community College  
16 Student Performance and Occupational Education Grant Fund. The fund shall  
17 be under the direction of the Nebraska Community College Student  
18 Performance and Occupational Education Grant Committee and shall be  
19 administered by the Coordinating Commission for Postsecondary Education.  
20 The fund shall consist of money received by the state in the form of  
21 grants or gifts from nonfederal sources, such other amounts as may be  
22 transferred or otherwise accrue to the fund, and any investment income  
23 earned on the fund. The fund shall be used to provide aid or grants to  
24 the community colleges pursuant to subsections (2) and (3) of section  
25 85-1539. Any money in the fund available for investment shall be invested  
26 by the state investment officer pursuant to the Nebraska Capital  
27 Expansion Act and the Nebraska State Funds Investment Act.

28 Sec. 25. This act becomes operative on January 1, 2019.

29 Sec. 26. Original sections 81-1204, 81-1210.02, 85-1539, and  
30 85-1540, Reissue Revised Statutes of Nebraska, and sections 77-2715.07,  
31 77-2716, 77-2717, 77-2734.03, 77-2912, and 77-3806, Revised Statutes

1 Cumulative Supplement, 2016, are repealed.