

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FIFTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 954**

Introduced by Hansen, 26.

Read first time January 10, 2018

Committee:

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend section
- 2 77-2715.07, Revised Statutes Cumulative Supplement, 2016; to provide
- 3 refundable income tax credits to individuals who rent their primary
- 4 residence as prescribed; to provide an operative date; and to repeal
- 5 the original section.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2715.07, Revised Statutes Cumulative  
2 Supplement, 2016, is amended to read:

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

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

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

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

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

22 (b) For returns filed reporting federal adjusted gross income of  
23 twenty-nine thousand dollars or less, a refundable credit equal to a  
24 percentage of the federal credit allowable under section 21 of the  
25 Internal Revenue Code of 1986, as amended, whether or not the federal  
26 credit was limited by the federal tax liability. The percentage of the  
27 federal credit shall be one hundred percent for incomes not greater than  
28 twenty-two thousand dollars, and the percentage shall be reduced by ten  
29 percent for each one thousand dollars, or fraction thereof, by which the  
30 reported federal adjusted gross income exceeds twenty-two thousand  
31 dollars, except that for taxable years beginning or deemed to begin on or

1 after January 1, 2015, such refundable credit shall be allowed only if  
2 the individual would have received the federal credit allowed under  
3 section 21 of the code after adding back in any carryforward of a net  
4 operating loss that was deducted pursuant to such section in determining  
5 eligibility for the federal credit;

6 (c) A refundable credit as provided in section 77-5209.01 for  
7 individuals who qualify for an income tax credit as a qualified beginning  
8 farmer or livestock producer under the Beginning Farmer Tax Credit Act  
9 for all taxable years beginning or deemed to begin on or after January 1,  
10 2006, under the Internal Revenue Code of 1986, as amended;

11 (d) A refundable credit for individuals who qualify for an income  
12 tax credit under the Angel Investment Tax Credit Act, the Nebraska  
13 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research  
14 and Development Act, or the Volunteer Emergency Responders Incentive Act;  
15 and

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

24 (f) A refundable credit for individuals who rent their primary  
25 residence in an amount equal to two percent of the rent paid by the  
26 individual during the taxable year for such primary residence, not to  
27 exceed five hundred dollars.

28 (3) There shall be allowed to all individuals as a nonrefundable  
29 credit against the income tax imposed by the Nebraska Revenue Act of  
30 1967:

31 (a) A credit for personal exemptions allowed under section

1 77-2716.01;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27 (6) There shall be allowed to all individuals nonrefundable credits  
28 against the income tax imposed by the Nebraska Revenue Act of 1967 as  
29 provided in section 77-3604 and refundable credits against the income tax  
30 imposed by the Nebraska Revenue Act of 1967 as provided in section  
31 77-3605.

1           Sec. 2. This act becomes operative for all taxable years beginning  
2 or deemed to begin on or after January 1, 2019, under the Internal  
3 Revenue Code of 1986, as amended.

4           Sec. 3. Original section 77-2715.07, Revised Statutes Cumulative  
5 Supplement, 2016, is repealed.