

E AND R AMENDMENTS TO LB 774

Introduced by Hansen, 26, Chairman Enrollment and Review

1 1. Strike the original sections and all amendments thereto and
2 insert the following new sections:

3 Section 1. Section 3-613, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 3-613 Any authority established under sections 3-601 to 3-622 shall
6 have power:

7 (1) To sue and be sued;

8 (2) To have a seal and alter the same at pleasure;

9 (3) To acquire, hold, and dispose of personal property for its
10 corporate purposes;

11 (4) To acquire in the name of the county, by purchase or
12 condemnation, real property or rights or easements therein necessary or
13 convenient for its corporate purposes and, except as may otherwise be
14 provided in such sections, to use the same so long as its corporate
15 existence continues. Such power shall not be exercised by authorities
16 created after September 2, 1973, without further approval until such time
17 as three or more members of the authority have been elected. If the
18 exercise of such power is necessary while three or more appointed members
19 remain on the authority, the appointing body shall approve all
20 proceedings under this subdivision;

21 (5) To make bylaws for the management and regulation of its affairs
22 and, subject to agreements with bondholders, to make rules and
23 regulations for the use of projects and the establishment and collection
24 of rentals, fees, and all other charges for services or commodities sold,
25 furnished, or supplied by such authority. Any person violating such rules
26 shall be guilty of a Class III misdemeanor;

27 (6) With the consent of the county, to use the services of agents,

1 employees, and facilities of the county, for which the authority may
2 reimburse the county a proper proportion of the compensation or cost
3 thereof, and also to use the services of the county attorney as legal
4 advisor to the authority;

5 (7) To appoint officers, agents, and employees and fix their
6 compensation;

7 (8) To make contracts, leases, and all other instruments necessary
8 or convenient to the corporate purposes of the authority;

9 (9) To design, construct, maintain, operate, improve, and
10 reconstruct, so long as its corporate existence continues, such projects
11 as are necessary and convenient to the maintenance and development of
12 aviation services to and for the county in which such authority is
13 established, including landing fields, heliports, hangars, shops,
14 passenger and freight terminals, control towers, and all facilities
15 necessary or convenient in connection with any such project, to contract
16 for the construction, operation, or maintenance of any parts thereof or
17 for services to be performed thereon, and to rent parts thereof and grant
18 concessions thereon, all on such terms and conditions as the authority
19 may determine. This subdivision shall not be construed to affect the
20 obligation of a lessee to pay taxes if taxes are due under sections
21 77-202, 77-202.11, and 77-202.12;

22 (10) To include in such project, subject to zoning restrictions,
23 space and facilities for any or all of the following: Public recreation;
24 business, trade, or other exhibitions; sporting or athletic events;
25 public meetings; conventions; and all other kinds of assemblages and, in
26 order to obtain additional revenue, space and facilities for business and
27 commercial purposes. Whenever the authority deems it to be in the public
28 interest, the authority may lease any such project or any part or parts
29 thereof or contract for the management and operation thereof or any part
30 or parts thereof. Any such lease or contract may be for such period of
31 years as the authority shall determine. This subdivision shall not be

1 construed to affect the obligation of a lessee to pay taxes if taxes are
2 due under sections 77-202, 77-202.11, and 77-202.12;

3 (11) To charge fees, rentals, and other charges for the use of
4 projects under the jurisdiction of such authority subject to and in
5 accordance with such agreement with bondholders as may be made as
6 hereinafter provided. Subject to contracts with bondholders, all fees,
7 rentals, charges, and other revenue derived from any project shall be
8 applied to the payment of operating, administration, and other necessary
9 expenses of the authority properly chargeable to such project and to the
10 payment of the interest on and principal of bonds or for making sinking-
11 fund payments therefor. Subject to contracts with bondholders, the
12 authority may treat one or more projects as a single enterprise with
13 respect to revenue, expenses, the issuance of bonds, maintenance,
14 operation, or other purposes;

15 (12) To annually request of the county board the amount of tax to be
16 levied for airport purposes subject to section 77-3443, not to exceed
17 three and five-tenths cents on each one hundred dollars of taxable
18 valuation of all the taxable property in such county. Property tax levies
19 for bonds issued by the authority pursuant to section 3-617 are not
20 included in the levy limits established by this subdivision. The
21 governing body shall levy and collect the taxes so requested at the same
22 time and in the same manner as other taxes are levied and collected, and
23 the proceeds of such taxes when due and as collected shall be set aside
24 and deposited in the special account or accounts in which other revenue
25 of the authority is deposited;

26 (13) To construct and maintain under, along, over, or across a
27 project, telephone, telegraph, or electric wires and cables, fuel lines,
28 gas mains, water mains, and other mechanical equipment not inconsistent
29 with the appropriate use of such project, to contract for such
30 construction and to lease the right to construct and use the same, or to
31 use the same on such terms for such period of time and for such

1 consideration as the authority shall determine;

2 (14) To accept grants, loans, or contributions from the United
3 States, the State of Nebraska, any agency or instrumentality of either of
4 them, or the county in which such authority is established and to expend
5 the proceeds thereof for any corporate purposes;

6 (15) To incur debt and issue negotiable bonds and to provide for the
7 rights of the holders thereof;

8 (16) To enter on any lands, waters, and premises for the purposes of
9 making surveys, soundings, and examinations; and

10 (17) To do all things necessary or convenient to carry out the
11 powers expressly conferred on such authorities by sections 3-601 to
12 3-622.

13 Sec. 2. Section 77-2701, Revised Statutes Supplement, 2015, is
14 amended to read:

15 77-2701 Sections 77-2701 to 77-27,135.01, 77-27,235, and 77-27,236
16 and section 10 of this act shall be known and may be cited as the
17 Nebraska Revenue Act of 1967.

18 Sec. 3. Section 77-2704.12, Revised Statutes Cumulative Supplement,
19 2014, is amended to read:

20 77-2704.12 (1) Sales and use taxes shall not be imposed on the gross
21 receipts from the sale, lease, or rental of and the storage, use, or
22 other consumption in this state of purchases by (a) any nonprofit
23 organization created exclusively for religious purposes, (b) any
24 nonprofit organization providing services exclusively to the blind, (c)
25 any nonprofit private educational institution established under sections
26 79-1601 to 79-1607, (d) any regionally or nationally accredited,
27 nonprofit, privately controlled college or university with its primary
28 campus physically located in Nebraska, (e) any nonprofit (i) hospital,
29 (ii) health clinic when one or more hospitals or the parent corporations
30 of the hospitals own or control the health clinic for the purpose of
31 reducing the cost of health services or when the health clinic receives

1 federal funds through the United States Public Health Service for the
2 purpose of serving populations that are medically underserved, (iii)
3 skilled nursing facility, (iv) intermediate care facility, (v) assisted-
4 living facility, (vi) intermediate care facility for persons with
5 developmental disabilities, (vii) nursing facility, (viii) home health
6 agency, (ix) hospice or hospice service, (x) respite care service,~~or~~
7 (xi) mental health center licensed under the Health Care Facility
8 Licensure Act, (xii) substance abuse treatment center licensed under the
9 Health Care Facility Licensure Act, or (xiii) center for independent
10 living as defined in 29 U.S.C. 796a, (f) any nonprofit licensed
11 residential child-caring agency, (g) any nonprofit licensed child-placing
12 agency, or (h) any nonprofit organization certified by the Department of
13 Health and Human Services to provide community-based services for persons
14 with developmental disabilities.

15 (2) Any organization listed in subsection (1) of this section shall
16 apply for an exemption on forms provided by the Tax Commissioner. The
17 application shall be approved and a numbered certificate of exemption
18 received by the applicant organization in order to be exempt from the
19 sales and use tax.

20 (3) The appointment of purchasing agents shall be recognized for the
21 purpose of altering the status of the construction contractor as the
22 ultimate consumer of building materials which are physically annexed to
23 the structure and which subsequently belong to the owner of the
24 organization or institution. The appointment of purchasing agents shall
25 be in writing and occur prior to having any building materials annexed to
26 real estate in the construction, improvement, or repair. The contractor
27 who has been appointed as a purchasing agent may apply for a refund of or
28 use as a credit against a future use tax liability the tax paid on
29 inventory items annexed to real estate in the construction, improvement,
30 or repair of a project for a licensed not-for-profit institution.

31 (4) Any organization listed in subsection (1) of this section which

1 enters into a contract of construction, improvement, or repair upon
2 property annexed to real estate without first issuing a purchasing agent
3 authorization to a contractor or repairperson prior to the building
4 materials being annexed to real estate in the project may apply to the
5 Tax Commissioner for a refund of any sales and use tax paid by the
6 contractor or repairperson on the building materials physically annexed
7 to real estate in the construction, improvement, or repair.

8 (5) Any person purchasing, storing, using, or otherwise consuming
9 building materials in the performance of any construction, improvement,
10 or repair by or for any institution enumerated in subsection (1) of this
11 section which is licensed upon completion although not licensed at the
12 time of construction or improvement, which building materials are annexed
13 to real estate and which subsequently belong to the owner of the
14 institution, shall pay any applicable sales or use tax thereon. Upon
15 becoming licensed and receiving a numbered certificate of exemption, the
16 institution organized not for profit shall be entitled to a refund of the
17 amount of taxes so paid in the performance of such construction,
18 improvement, or repair and shall submit whatever evidence is required by
19 the Tax Commissioner sufficient to establish the total sales and use tax
20 paid upon the building materials physically annexed to real estate in the
21 construction, improvement, or repair.

22 Sec. 4. Section 77-2704.13, Revised Statutes Cumulative Supplement,
23 2014, is amended to read:

24 77-2704.13 Sales and use taxes shall not be imposed on the gross
25 receipts from the sale, lease, or rental of and the storage, use, or
26 other consumption in this state of:

27 (1) Sales and purchases of electricity, coal, gas, fuel oil, diesel
28 fuel, tractor fuel, propane, gasoline, coke, nuclear fuel, butane, wood
29 as fuel, and corn as fuel when more than fifty percent of the amount
30 purchased is for use directly in irrigation or farming;

31 (2) Sales and purchases of such energy sources or fuels when more

1 than fifty percent of the amount purchased is for use directly in
2 processing, manufacturing, or refining, in the generation of electricity,
3 in the compression of natural gas for retail sale as a vehicle fuel, or
4 by any hospital. For purposes of this subdivision, processing includes
5 the drying and aerating of grain in commercial agricultural facilities;
6 and

7 (3) Sales and purchases of water used for irrigation of agricultural
8 lands and manufacturing purposes.

9 Sec. 5. Section 77-2704.15, Revised Statutes Supplement, 2015, is
10 amended to read:

11 77-2704.15 (1)(a) Sales and use taxes shall not be imposed on the
12 gross receipts from the sale, lease, or rental of and the storage, use,
13 or other consumption in this state of purchases by the state, including
14 public educational institutions recognized or established under the
15 provisions of Chapter 85, or by any county, township, city, village,
16 rural or suburban fire protection district, city airport authority,
17 county airport authority, joint airport authority, drainage district
18 organized under sections 31-401 to 31-450, sanitary drainage district
19 organized under sections 31-501 to 31-553, land bank created under the
20 Nebraska Municipal Land Bank Act, natural resources district, county
21 agricultural society, elected county fair board, housing agency as
22 defined in section 71-1575 except for purchases for any commercial
23 operation that does not exclusively benefit the residents of an
24 affordable housing project, cemetery created under section 12-101, or
25 joint entity or agency formed by any combination of two or more counties,
26 townships, cities, villages, or other exempt governmental units pursuant
27 to the Interlocal Cooperation Act, the Integrated Solid Waste Management
28 Act, or the Joint Public Agency Act, except for purchases for use in the
29 business of furnishing gas, water, electricity, or heat, or by any
30 irrigation or reclamation district, the irrigation division of any public
31 power and irrigation district, or public schools or learning communities

1 established under Chapter 79.

2 (b) For purposes of this subsection, purchases by the state or by a
3 governmental unit listed in subdivision (a) of this subsection include
4 purchases by a nonprofit corporation under a lease-purchase agreement,
5 financing lease, or other instrument which provides for transfer of title
6 to the property to the state or governmental unit upon payment of all
7 amounts due thereunder. If a nonprofit corporation will be making
8 purchases under a lease-purchase agreement, financing lease, or other
9 instrument as part of a project with a total estimated cost that exceeds
10 the threshold amount, then such purchases shall qualify for an exemption
11 under this section only if the question of proceeding with such project
12 has been submitted at a primary, general, or special election held within
13 the governmental unit that will be a party to the lease-purchase
14 agreement, financing lease, or other instrument and has been approved by
15 the voters of such governmental unit. For purposes of this subdivision,
16 (i) project means the acquisition of real property or the construction of
17 a public building and (ii) threshold amount means the greater of fifty
18 thousand dollars or six-tenths of one percent of the total actual value
19 of real and personal property of the governmental unit that will be a
20 party to the lease-purchase agreement, financing lease, or other
21 instrument as of the end of the governmental unit's prior fiscal year.

22 (2) The appointment of purchasing agents shall be recognized for the
23 purpose of altering the status of the construction contractor as the
24 ultimate consumer of building materials which are physically annexed to
25 the structure and which subsequently belong to the state or the
26 governmental unit. The appointment of purchasing agents shall be in
27 writing and occur prior to having any building materials annexed to real
28 estate in the construction, improvement, or repair. The contractor who
29 has been appointed as a purchasing agent may apply for a refund of or use
30 as a credit against a future use tax liability the tax paid on inventory
31 items annexed to real estate in the construction, improvement, or repair

1 of a project for the state or a governmental unit.

2 (3) Any governmental unit listed in subsection (1) of this section,
3 except the state, which enters into a contract of construction,
4 improvement, or repair upon property annexed to real estate without first
5 issuing a purchasing agent authorization to a contractor or repairperson
6 prior to the building materials being annexed to real estate in the
7 project may apply to the Tax Commissioner for a refund of any sales and
8 use tax paid by the contractor or repairperson on the building materials
9 physically annexed to real estate in the construction, improvement, or
10 repair.

11 Sec. 6. Section 77-2704.56, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 77-2704.56 Sales and use taxes shall not be imposed on the gross
14 receipts from the sale, lease, or rental of and the storage, use, or
15 other consumption in this state of purchases of property as defined in
16 subdivision (8) of section 51-702 or fine art by any museum as defined in
17 subdivision (6) of section 51-702.

18 Sec. 7. Section 77-2715.07, Revised Statutes Supplement, 2015, is
19 amended to read:

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

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

25 (b) A credit for taxes paid to another state as provided in section
26 77-2730.

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

29 (a) For returns filed reporting federal adjusted gross incomes of
30 greater than twenty-nine thousand dollars, a nonrefundable credit equal
31 to twenty-five percent of the federal credit allowed under section 21 of

1 the Internal Revenue Code of 1986, as amended, except that for taxable
2 years beginning or deemed to begin on or after January 1, 2015, such
3 nonrefundable credit shall be allowed only if the individual would have
4 received the federal credit allowed under section 21 of the code after
5 adding back in any carryforward of a net operating loss that was deducted
6 pursuant to such section in determining eligibility for the federal
7 credit;

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

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

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

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

9 (3) There shall be allowed to all individuals as a nonrefundable
10 credit against the income tax imposed by the Nebraska Revenue Act of
11 1967:

12 (a) A credit for personal exemptions allowed under section
13 77-2716.01;

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

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

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

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

27 (f) A credit to employers as provided in section 10 of this 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 Sec. 8. Section 77-2717, Revised Statutes Cumulative Supplement,
8 2014, is amended to read:

9 77-2717 (1)(a)(i) For taxable years beginning or deemed to begin
10 before January 1, 2014, the tax imposed on all resident estates and
11 trusts shall be a percentage of the federal taxable income of such
12 estates and trusts as modified in section 77-2716, plus a percentage of
13 the federal alternative minimum tax and the federal tax on premature or
14 lump-sum distributions from qualified retirement plans. The additional
15 taxes shall be recomputed by (A) substituting Nebraska taxable income for
16 federal taxable income, (B) calculating what the federal alternative
17 minimum tax would be on Nebraska taxable income and adjusting such
18 calculations for any items which are reflected differently in the
19 determination of federal taxable income, and (C) applying Nebraska rates
20 to the result. The federal credit for prior year minimum tax, after the
21 recomputations required by the Nebraska Revenue Act of 1967, and the
22 credits provided in the Nebraska Advantage Microenterprise Tax Credit Act
23 and the Nebraska Advantage Research and Development Act shall be allowed
24 as a reduction in the income tax due. A refundable income tax credit
25 shall be allowed for all resident estates and trusts under the Angel
26 Investment Tax Credit Act, the Nebraska Advantage Microenterprise Tax
27 Credit Act, and the Nebraska Advantage Research and Development Act. A
28 nonrefundable income tax credit shall be allowed for all resident estates
29 and trusts as provided in the New Markets Job Growth Investment Act.

30 (ii) For taxable years beginning or deemed to begin on or after
31 January 1, 2014, the tax imposed on all resident estates and trusts shall

1 be a percentage of the federal taxable income of such estates and trusts
2 as modified in section 77-2716, plus a percentage of the federal tax on
3 premature or lump-sum distributions from qualified retirement plans. The
4 additional taxes shall be recomputed by substituting Nebraska taxable
5 income for federal taxable income and applying Nebraska rates to the
6 result. The credits provided in the Nebraska Advantage Microenterprise
7 Tax Credit Act and the Nebraska Advantage Research and Development Act
8 shall be allowed as a reduction in the income tax due. A refundable
9 income tax credit shall be allowed for all resident estates and trusts
10 under the Angel Investment Tax Credit Act, the Nebraska Advantage
11 Microenterprise Tax Credit Act, and the Nebraska Advantage Research and
12 Development Act. A nonrefundable income tax credit shall be allowed for
13 all resident estates and trusts as provided in the Nebraska Job Creation
14 and Mainstreet Revitalization Act, ~~and~~ the New Markets Job Growth
15 Investment Act, and section 10 of this act.

16 (b) The tax imposed on all nonresident estates and trusts shall be
17 the portion of the tax imposed on resident estates and trusts which is
18 attributable to the income derived from sources within this state. The
19 tax which is attributable to income derived from sources within this
20 state shall be determined by multiplying the liability to this state for
21 a resident estate or trust with the same total income by a fraction, the
22 numerator of which is the nonresident estate's or trust's Nebraska income
23 as determined by sections 77-2724 and 77-2725 and the denominator of
24 which is its total federal income after first adjusting each by the
25 amounts provided in section 77-2716. The federal credit for prior year
26 minimum tax, after the recomputations required by the Nebraska Revenue
27 Act of 1967, reduced by the percentage of the total income which is
28 attributable to income from sources outside this state, and the credits
29 provided in the Nebraska Advantage Microenterprise Tax Credit Act and the
30 Nebraska Advantage Research and Development Act shall be allowed as a
31 reduction in the income tax due. A refundable income tax credit shall be

1 allowed for all nonresident estates and trusts under the Angel Investment
2 Tax Credit Act, the Nebraska Advantage Microenterprise Tax Credit Act,
3 and the Nebraska Advantage Research and Development Act. A nonrefundable
4 income tax credit shall be allowed for all nonresident estates and trusts
5 as provided in the Nebraska Job Creation and Mainstreet Revitalization
6 Act, ~~and~~ the New Markets Job Growth Investment Act, and section 10 of
7 this act.

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

20 (3) The beneficiaries of such estate or trust who are residents of
21 this state shall include in their income their proportionate share of
22 such estate's or trust's federal income and shall reduce their Nebraska
23 tax liability by their proportionate share of the credits as provided in
24 the Angel Investment Tax Credit Act, the Nebraska Advantage
25 Microenterprise Tax Credit Act, the Nebraska Advantage Research and
26 Development Act, the Nebraska Job Creation and Mainstreet Revitalization
27 Act, ~~and~~ the New Markets Job Growth Investment Act, and section 10 of
28 this act. There shall be allowed to a beneficiary a refundable income tax
29 credit under the Beginning Farmer Tax Credit Act for all taxable years
30 beginning or deemed to begin on or after January 1, 2001, under the
31 Internal Revenue Code of 1986, as amended.

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

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

1 within this state. The amount remitted shall be allowed as a credit
2 against the Nebraska income tax liability of the beneficiary.

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

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

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

23 Sec. 9. Section 77-2734.03, Revised Statutes Cumulative Supplement,
24 2014, is amended to read:

25 77-2734.03 (1)(a) For taxable years commencing prior to January 1,
26 1997, any (i) insurer paying a tax on premiums and assessments pursuant
27 to section 77-908 or 81-523, (ii) electric cooperative organized under
28 the Joint Public Power Authority Act, or (iii) credit union shall be
29 credited, in the computation of the tax due under the Nebraska Revenue
30 Act of 1967, with the amount paid during the taxable year as taxes on
31 such premiums and assessments and taxes in lieu of intangible tax.

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

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

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

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

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

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

30 (6) There shall be allowed to corporate taxpayers a nonrefundable
31 income tax credit for investment in a biodiesel facility as provided in

1 section 77-27,236.

2 (7) There shall be allowed to corporate taxpayers a nonrefundable
3 income tax credit as provided in the Nebraska Job Creation and Mainstreet
4 Revitalization Act, ~~and~~ the New Markets Job Growth Investment Act, ~~and~~
5 section 10 of this act.

6 Sec. 10. (1) For taxable years beginning or deemed to begin on or
7 after January 1, 2017, there shall be allowed to an employer of any
8 eligible employee a nonrefundable credit, for not more than two years,
9 against the income tax imposed by the Nebraska Revenue Act of 1967 in the
10 amount of twenty percent of the employer's annual expenditures for any of
11 the following services that are provided to eligible employees and that
12 are incidental to the employer's business:

13 (a) The payment of tuition at a Nebraska public institution of
14 postsecondary education or the payment of the costs associated with a
15 high school equivalency program for eligible employees; and

16 (b) The provision of transportation of eligible employees to and
17 from work.

18 (2) The credit allowed under this section for any taxable year shall
19 not exceed the employer's actual tax liability for such taxable year.

20 (3) The Department of Revenue shall submit a report electronically
21 to the Clerk of the Legislature on or before July 1 of each year on (a)
22 the number of employers claiming a credit under this section and (b) the
23 number of eligible employees receiving the services for which credits are
24 claimed.

25 (4) The Department of Revenue, in consultation with the Department
26 of Health and Human Services, shall develop a process to verify that any
27 employer claiming credits under this section qualifies for such credits.

28 (5) The Department of Revenue may adopt and promulgate rules and
29 regulations necessary to carry out this section.

30 (6) For purposes of this section, eligible employee means a parent
31 or responsible relative who is a member of a family that received

1 benefits under the state or federally funded Temporary Assistance for
2 Needy Families program established in 42 U.S.C. 601 et seq., for any nine
3 months of the eighteen-month period immediately prior to the employee's
4 hiring date.

5 Sec. 11. Section 77-2904, Revised Statutes Supplement, 2015, is
6 amended to read:

7 77-2904 (1) Any person incurring eligible expenditures may receive a
8 nonrefundable credit against any income tax imposed by the Nebraska
9 Revenue Act of 1967 or any tax imposed pursuant to sections 44-101 to
10 44-165, 77-907 to 77-918, or 77-3801 to 77-3807 for the year the
11 historically significant real property is placed in service. The amount
12 of the credit shall be equal to twenty percent of eligible expenditures
13 up to a maximum credit of one million dollars. Any taxpayer that claims a
14 tax credit shall not be required to pay any additional retaliatory tax
15 under section 44-150 as a result of claiming such tax credit. Any tax
16 credit claimed under this section shall be considered a payment of tax
17 for purposes of subsection (1) of section 77-2734.03.

18 (2) To claim the credit authorized under this section, a person must
19 first apply and receive an allocation of credits and application approval
20 under section 77-2905 and then request and receive final approval under
21 section 77-2906.

22 (3) Interest shall not be allowed on any refund paid under the
23 Nebraska Job Creation and Mainstreet Revitalization Act.

24 Sec. 12. Section 77-2905, Revised Statutes Cumulative Supplement,
25 2014, is amended to read:

26 77-2905 (1) Prior to commencing work on the historically significant
27 real property, a person shall file an application for credits under the
28 Nebraska Job Creation and Mainstreet Revitalization Act containing all
29 required information with the officer on a form prescribed by the officer
30 and shall include an application fee established by the officer pursuant
31 to section 77-2907. The officer shall not accept any application for

1 credits prior to January 1, 2015. The application shall include plans and
2 specifications, an estimate of the cost of the project prepared by a
3 licensed architect, licensed engineer, or licensed contractor, and a
4 request for a specific amount of credits based on such estimate. The
5 officer shall review the application and, within twenty-one days after
6 receiving the application, shall determine whether the information
7 contained therein is complete. The officer shall notify the applicant in
8 writing of the determination within five business days after making the
9 determination. If the officer fails to provide such notification as
10 required, the application shall be deemed complete as of the twenty-first
11 day after the application is received by the officer. If the officer
12 determines the application is complete or if the application is deemed
13 complete pursuant to this section, the officer shall reserve for the
14 benefit of the applicant an allocation of credits in the amount specified
15 in the application and determined by the officer to be reasonable and
16 shall notify the applicant in writing of the amount of the allocation.
17 The allocation does not entitle the applicant to an issuance of credits
18 until the applicant complies with all other requirements of the Nebraska
19 Job Creation and Mainstreet Revitalization Act for the issuance of
20 credits. The date the officer determines the application is complete or
21 the date the application is deemed complete pursuant to this section
22 shall constitute the applicant's priority date for purposes of allocating
23 credits under this section. For complete applications receiving an
24 allocation under this section, the officer shall determine whether the
25 application conforms to the standards, and, if so, the officer shall
26 approve such application or approve such application with conditions. If
27 the application does not conform to the standards, the officer shall deny
28 such application. The officer shall promptly provide the person filing
29 the application and the department with written notice of the officer's
30 determination. If the officer does not provide a written notice of his or
31 her determination within thirty days after the date the application is

1 determined or deemed to be complete pursuant to this section, the
2 application shall be deemed approved. The officer shall notify the
3 department of any applications that are deemed approved pursuant to this
4 section. If the officer denies the application, the credits allocated to
5 the applicant under this subsection shall be added to the annual amount
6 available for allocation under subsection (2) of this section. Any denial
7 of an application by the officer pursuant to this section may be
8 appealed, and the appeal shall be in accordance with the Administrative
9 Procedure Act.

10 (2) For calendar years beginning before January 1, 2017, the The
11 total amount of credits that may be allocated by the officer under this
12 section in any calendar year shall be limited to fifteen million dollars.
13 For calendar years beginning on or after January 1, 2017, the total
14 amount of credits that may be allocated by the officer under this section
15 in any calendar year shall be limited to fifteen million dollars, of
16 which four million dollars shall be reserved for applications seeking an
17 allocation of credits of less than one hundred thousand dollars. If the
18 amount of credits allocated in any calendar year is less than fifteen
19 million dollars, the unused amount shall be carried forward to subsequent
20 years and shall be available for allocation in subsequent years until
21 fully utilized, except as otherwise provided in section 77-2912. If the
22 amount of credits reserved for applications seeking an allocation of
23 credits of less than one hundred thousand dollars is not allocated by
24 April 1 of any calendar year, such unallocated credits for the calendar
25 year shall be available for any application seeking an allocation of
26 credits based upon the applicant's priority date as determined by the
27 officer. The officer shall allocate credits based on priority date, from
28 earliest to latest. If the officer determines that the complete
29 applications for credits in any calendar year exceed the maximum amount
30 of credits available under this section for that year, only those
31 applications with a priority date on or before the date on which the

1 officer makes that determination may receive an allocation in that year,
2 and the officer shall not make additional allocations until sufficient
3 credits are available. If the officer suspends allocations of credits
4 pursuant to this section, applications with priority dates on or before
5 the date of such suspension shall retain their priority dates. Once
6 additional credits are available for allocation, the officer shall once
7 again allocate credits based on priority date, from earliest to latest,
8 even if the priority dates are from a prior calendar year.

9 (3) Prior to December 1 of any year, the holder of an allocation of
10 credits under this section who has not commenced the improvements in his
11 or her approved application shall notify the officer of his or her intent
12 to retain or release the allocation. Any released allocation shall be
13 added to the aggregate amount of credits available for allocation in the
14 following year. Any holder of an allocation who fails to timely notify
15 the officer of such intent shall be deemed to have released the
16 allocation.

17 (4) The holder of an allocation of credits whose application was
18 approved under this section shall start substantial work pursuant to the
19 approved application within twenty-four months after receiving notice of
20 approval of the application or, if no notice of approval is sent by the
21 officer, within twenty-four months after the application is deemed
22 approved pursuant to this section. Failure to comply with this subsection
23 shall result in forfeiture of the allocation of credits received under
24 this section. Any such forfeited allocation shall be added to the
25 aggregate amount of credits available for allocation for the year in
26 which the forfeiture occurred.

27 (5) Notwithstanding subsection (1) of this section, the person
28 applying for the credit under this section may, at its own risk, incur
29 eligible expenditures up to six months prior to the submission of the
30 application required under subsection (1) of this section if such
31 eligible expenditures are limited to architectural fees, accounting and

1 legal fees, and any costs related to the protection of the historically
2 significant real property from deterioration.

3 Sec. 13. Section 77-2909, Revised Statutes Cumulative Supplement,
4 2014, is amended to read:

5 77-2909 (1) Persons who receive the original issuance of credits
6 from the department under section 77-2906 may transfer, sell, or assign
7 up to fifty percent of such credits to any person or legal entity. If the
8 person who receives the original issuance of credits from the department
9 is a political subdivision or a tax-exempt entity under section 501(c)(3)
10 of the Internal Revenue Code of 1986, as amended, such fifty-percent
11 limitation shall not apply.

12 (2) The credits allowed to be transferred, sold, or assigned
13 pursuant to subsection (1) of this section may thereafter be transferred,
14 sold, or assigned multiple times, either in whole or in part, by or to
15 any person or legal entity.

16 (3) Any person acquiring credits under this section may use such
17 credits to offset up to one hundred percent of such person's income tax
18 due under the Nebraska Revenue Act of 1967 or any tax due under sections
19 44-101 to 44-165, 77-907 to 77-918, or 77-3801 to 77-3807 in the year the
20 historically significant real property is placed in service and in
21 subsequent years until all credits have been utilized, except as
22 otherwise provided in section 77-2912. Any taxpayer that claims a tax
23 credit shall not be required to pay any additional retaliatory tax under
24 section 44-150 as a result of claiming such tax credit. Any tax credit
25 claimed shall be considered a payment of tax for purposes of subsection
26 (1) of section 77-2734.03.

27 (4) The person transferring, selling, or assigning the credits shall
28 notify the officer and the department in writing within fifteen calendar
29 days following the effective date of the transfer, sale, or assignment
30 and shall remit to the department the certificate issued for the credits
31 that were transferred, sold, or assigned. The department shall then issue

1 new certificates as necessary to effectuate the transfer, sale, or
2 assignment. The issuance of the new credits by the department shall
3 perfect the transfer, sale, or assignment of credits.

4 (5) The department shall develop a system to track the transfer,
5 sale, and assignment of credits and to certify the ownership of the
6 credits.

7 (6) The department shall have, with respect to the Nebraska Job
8 Creation and Mainstreet Revitalization Act, all authority granted to it
9 in section 77-27,119.

10 Sec. 14. Sections 1, 2, 7, 8, 9, 10, and 16 of this act become
11 operative three calendar months after the adjournment of this legislative
12 session. Sections 3, 4, 5, 6, and 17 of this act become operative on
13 October 1, 2016. The other sections of this act become operative on their
14 effective date.

15 Sec. 15. Original sections 77-2905 and 77-2909, Revised Statutes
16 Cumulative Supplement, 2014, and section 77-2904, Revised Statutes
17 Supplement, 2015, are repealed.

18 Sec. 16. Original section 3-613, Reissue Revised Statutes of
19 Nebraska, sections 77-2717 and 77-2734.03, Revised Statutes Cumulative
20 Supplement, 2014, and sections 77-2701 and 77-2715.07, Revised Statutes
21 Supplement, 2015, are repealed.

22 Sec. 17. Original section 77-2704.56, Reissue Revised Statutes of
23 Nebraska, sections 77-2704.12 and 77-2704.13, Revised Statutes Cumulative
24 Supplement, 2014, and section 77-2704.15, Revised Statutes Supplement,
25 2015, are repealed.

26 Sec. 18. Since an emergency exists, this act takes effect when
27 passed and approved according to law.

28 2. On page 1, strike beginning with "section" in line 1 through line
29 5 and insert "sections 3-613 and 77-2704.56, Reissue Revised Statutes of
30 Nebraska, sections 77-2704.12, 77-2704.13, 77-2717, 77-2734.03, 77-2905,
31 and 77-2909, Revised Statutes Cumulative Supplement, 2014, and sections

1 77-2701, 77-2704.15, 77-2715.07, and 77-2904, Revised Statutes
2 Supplement, 2015; to change provisions relating to levy limitations for
3 certain airport authorities; to provide a sales and use tax exemption for
4 purchases by nonprofit centers for independent living and substance abuse
5 treatment centers and county agricultural societies; to change sales tax
6 exemption provisions relating to certain purchases of energy and fuels
7 and purchases by museums; to provide an income tax credit to employers of
8 recipients of certain public assistance as prescribed; to change the
9 Nebraska Job Creation and Mainstreet Revitalization Act; to harmonize
10 provisions; to provide operative dates; to repeal the original sections;
11 and to declare an emergency."