

LEGISLATURE OF NEBRASKA

ONE HUNDRED THIRD LEGISLATURE

SECOND SESSION

**LEGISLATIVE BILL 191**

Final Reading

Introduced by Nordquist, 7; Ashford, 20; Coash, 27; Dubas, 34;  
Howard, 9; Lathrop, 12; Mello, 5; Schilz, 47; Cook,  
13; Kintner, 2; Johnson, 23.

Read first time January 14, 2013

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section 77-132,  
2 Reissue Revised Statutes of Nebraska, sections 77-908,  
3 77-2715.07, 77-2734.03, 77-3806, and 77-5007, Revised  
4 Statutes Cumulative Supplement, 2012, and sections  
5 49-801.01, 77-2717, and 77-27,119, Revised Statutes  
6 Supplement, 2013; to adopt the Nebraska Job Creation and  
7 Mainstreet Revitalization Act; to provide tax credits as  
8 prescribed; to require the use of the income approach to  
9 value certain real property for taxation purposes; to  
10 harmonize provisions; and to repeal the original  
11 sections.

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

1           Section 1. Sections 1 to 12 of this act shall be known  
2 and may be cited as the Nebraska Job Creation and Mainstreet  
3 Revitalization Act.

4           Sec. 2. For purposes of the Nebraska Job Creation and  
5 Mainstreet Revitalization Act:

6           (1) Department means the Department of Revenue;

7           (2) Eligible expenditure means any cost incurred for the  
8 improvement of historically significant real property located in the  
9 State of Nebraska, including, but not limited to, qualified  
10 rehabilitation expenditures as defined in section 47(c)(2) of the  
11 Internal Revenue Code of 1986, as amended, and the related  
12 regulations thereunder, if such improvement is in conformance with  
13 the standards;

14           (3) Historically significant real property means a  
15 building or structure used for any purpose, except for a single-  
16 family detached residence, which, at the time of final approval of  
17 the work by the officer pursuant to section 6 of this act, is:

18           (a) Individually listed in the National Register of  
19 Historic Places;

20           (b)(i) Located within a district listed in the National  
21 Register of Historic Places; and

22           (ii) Determined by the officer as being historically  
23 significant to such district;

24           (c)(i) Individually designated pursuant to a landmark  
25 ordinance or resolution enacted by a political subdivision of the

1 state, which ordinance or resolution has been approved by the  
2 officer; and

3 (ii) Determined by the officer as being historically  
4 significant; or

5 (d)(i) Located within a district designated pursuant to a  
6 preservation ordinance or resolution enacted by a county, city, or  
7 village of the state or political body comprised thereof providing  
8 for the rehabilitation, preservation, or restoration of historically  
9 significant real property, which ordinance or resolution has been  
10 approved by the officer; and

11 (ii) Determined by the officer as contributing to the  
12 historical significance of such district or to its economic  
13 viability;

14 (4) Improvement means a rehabilitation, preservation, or  
15 restoration project that contributes to the basis, functionality, or  
16 value of the historically significant real property and has a total  
17 cost which equals or exceeds the following:

18 (a) For historically significant real property that is  
19 not located in a city of the metropolitan or primary class, twenty-  
20 five thousand dollars; or

21 (b) For historically significant real property that is  
22 located in a city of the metropolitan or primary class, the greater  
23 of (i) twenty-five thousand dollars or (ii) twenty-five percent of  
24 the historically significant real property's assessed value;

25 (5) Officer means the State Historic Preservation

1 Officer;

2 (6) Person means any natural person, political  
3 subdivision, limited liability company, partnership, private domestic  
4 or private foreign corporation, or domestic or foreign nonprofit  
5 corporation certified pursuant to section 501(c)(3) of the Internal  
6 Revenue Code of 1986, as amended;

7 (7) Placed in service means that either (a) a temporary  
8 or final certificate of occupancy has been issued for the improvement  
9 or (b) the improvement is sufficiently complete to allow for the  
10 intended use of the improvement; and

11 (8) Standards means (a) the Secretary of the Interior's  
12 Standards for the Treatment of Historic Properties as promulgated by  
13 the United States Department of the Interior or (b) specific  
14 standards for the rehabilitation, preservation, and restoration of  
15 historically significant real property contained in a duly adopted  
16 local preservation ordinance or resolution that has been approved by  
17 the officer pursuant to section 3 of this act.

18 Sec. 3. For purposes of establishing standards under  
19 subdivision (8)(b) of section 2 of this act, the officer shall  
20 approve a duly adopted local preservation ordinance or resolution if  
21 such ordinance or resolution meets the following requirements:

22 (1) The ordinance or resolution provides for specific  
23 standards and requirements that reflect the heritage, values, and  
24 character of the political subdivision adopting such ordinance or  
25 resolution; and

1           (2) The ordinance or resolution requires that any  
2 building to be rehabilitated, preserved, or restored shall have been  
3 originally constructed at least fifty years prior to the proposed  
4 rehabilitation, preservation, or restoration and the facade of such  
5 building shall not have undergone material structural alteration  
6 since its original construction, unless the rehabilitation,  
7 preservation, or restoration to be performed proposes to restore the  
8 facade to substantially its original condition.

9           Sec. 4. (1) Any person incurring eligible expenditures  
10 may receive a nonrefundable credit against any income tax imposed by  
11 the Nebraska Revenue Act of 1967 or any tax imposed pursuant to  
12 sections 77-907 to 77-918 or 77-3801 to 77-3807 for the year the  
13 historically significant real property is placed in service. The  
14 amount of the credit shall be equal to twenty percent of eligible  
15 expenditures up to a maximum credit of one million dollars.

16           (2) To claim the credit authorized under this section, a  
17 person must first apply and receive an allocation of credits and  
18 application approval under section 5 of this act and then request and  
19 receive final approval under section 6 of this act.

20           Sec. 5. (1) Prior to commencing work on the historically  
21 significant real property, a person shall file an application for  
22 credits under the Nebraska Job Creation and Mainstreet Revitalization  
23 Act containing all required information with the officer on a form  
24 prescribed by the officer and shall include an application fee  
25 established by the officer pursuant to section 7 of this act. The

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

1 allocation under this section, the officer shall determine whether  
2 the application conforms to the standards, and, if so, the officer  
3 shall approve such application or approve such application with  
4 conditions. If the application does not conform to the standards, the  
5 officer shall deny such application. The officer shall promptly  
6 provide the person filing the application and the department with  
7 written notice of the officer's determination. If the officer does  
8 not provide a written notice of his or her determination within  
9 thirty days after the date the application is determined or deemed to  
10 be complete pursuant to this section, the application shall be deemed  
11 approved. The officer shall notify the department of any applications  
12 that are deemed approved pursuant to this section. If the officer  
13 denies the application, the credits allocated to the applicant under  
14 this subsection shall be added to the annual amount available for  
15 allocation under subsection (2) of this section. Any denial of an  
16 application by the officer pursuant to this section may be appealed,  
17 and the appeal shall be in accordance with the Administrative  
18 Procedure Act.

19           (2) The total amount of credits that may be allocated by  
20 the officer under this section in any calendar year shall be limited  
21 to fifteen million dollars. If the amount of credits allocated in any  
22 calendar year is less than fifteen million dollars, the unused amount  
23 shall be carried forward to subsequent years and shall be available  
24 for allocation in subsequent years until fully utilized, except as  
25 otherwise provided in section 12 of this act. The officer shall

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

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

22 (4) The holder of an allocation of credits whose  
23 application was approved under this section shall start substantial  
24 work pursuant to the approved application within twenty-four months  
25 after receiving notice of approval of the application or, if no



1 notice of approval is sent by the officer, within twenty-four months  
2 after the application is deemed approved pursuant to this section.  
3 Failure to comply with this subsection shall result in forfeiture of  
4 the allocation of credits received under this section. Any such  
5 forfeited allocation shall be added to the aggregate amount of  
6 credits available for allocation for the year in which the forfeiture  
7 occurred.

8 (5) Notwithstanding subsection (1) of this section, the  
9 person applying for the credit under this section may, at its own  
10 risk, incur eligible expenditures up to six months prior to the  
11 submission of the application required under subsection (1) of this  
12 section if such eligible expenditures are limited to architectural  
13 fees, accounting and legal fees, and any costs related to the  
14 protection of the historically significant real property from  
15 deterioration.

16 Sec. 6. (1) Within twelve months after the date on which  
17 the historically significant real property is placed in service, a  
18 person whose application was approved under section 5 of this act  
19 shall file a request for final approval containing all required  
20 information with the officer on a form prescribed by the officer and  
21 shall include a fee established by the officer pursuant to section 7  
22 of this act. The officer shall then determine whether the work  
23 substantially conforms to the application approved under section 5 of  
24 this act. If the work substantially conforms and no other significant  
25 improvements have been made to the historically significant real

1 property that do not substantially comply with the standards, the  
2 officer shall approve the request for final approval and refer the  
3 application to the department to determine the amount of eligible  
4 expenditures, calculate the amount of the credit, and issue a  
5 certificate to the person evidencing the credit. If the work does not  
6 substantially conform to the approved application or if other  
7 significant improvements have been made to the historically  
8 significant real property that do not substantially comply with the  
9 standards, the officer shall deny the request for final approval and  
10 provide the person with a written explanation of the decision. The  
11 officer shall make a determination on the request for final approval  
12 in writing within thirty days after the filing of the request. If the  
13 officer does not make a determination within thirty days after the  
14 filing of the request, the request shall be deemed approved and the  
15 person may petition the department directly to determine the amount  
16 of eligible expenditures, calculate the amount of the credit, and  
17 issue a certificate evidencing the credit. Any denial of a request  
18 for final approval by the officer pursuant to this section may be  
19 appealed, and the appeal shall be in accordance with the  
20 Administrative Procedure Act.

21 (2) The department shall divide the credit and issue  
22 multiple certificates to a person who qualifies for the credit upon  
23 reasonable request.

24 (3) In calculating the amount of the credits to be issued  
25 pursuant to this section, the department may issue credits in an

1 amount that differs from the amount of credits allocated by the  
2 officer under section 5 of this act if such credits are supported by  
3 eligible expenditures as determined by the department, except that  
4 the department shall not issue credits in an amount exceeding one  
5 hundred ten percent of the amount of credits allocated by the officer  
6 under section 5 of this act. If the amount of credits to be issued  
7 under this section is more than the amount of credits allocated by  
8 the officer pursuant to section 5 of this act, the department shall  
9 notify the officer of the difference and such amount shall be  
10 subtracted from the annual amount available for allocation under  
11 section 5 of this act. If the amount of credits to be issued under  
12 this section is less than the amount of credits allocated by the  
13 officer pursuant to section 5 of this act, the department shall  
14 notify the officer of the difference and such amount shall be added  
15 to the annual amount available for allocation under section 5 of this  
16 act.

17 (4) The department shall not issue any certificates for  
18 credits under this section until the recipient of the credit has paid  
19 to the department a fee equal to one-quarter of one percent of the  
20 credit amount. The department shall remit such fees to the State  
21 Treasurer for credit to the Civic and Community Center Financing  
22 Fund.

23 (5) If the recipient of the credit is (a) a corporation  
24 having an election in effect under subchapter S of the Internal  
25 Revenue Code of 1986, as amended, (b) a partnership, or (c) a limited

1 liability company, the credit may be claimed by the shareholders of  
2 the corporation, the partners of the partnership, or the members of  
3 the limited liability company in the same manner as those  
4 shareholders, partners, or members account for their proportionate  
5 shares of the income or losses of the corporation, partnership, or  
6 limited liability company, or as provided in the bylaws or other  
7 executed agreement of the corporation, partnership, or limited  
8 liability company. Credits granted to a partnership, a limited  
9 liability company taxed as a partnership, or other multiple owners of  
10 property shall be passed through to the partners, members, or owners,  
11 respectively, on a pro rata basis or pursuant to an executed  
12 agreement among the partners, members, or owners documenting any  
13 alternate distribution method.

14 (6) Subject to section 12 of this act, any credit amount  
15 that is unused may be carried forward to subsequent tax years until  
16 fully utilized.

17 (7) Credits allowed under this section may be claimed for  
18 taxable years beginning or deemed to begin on or after January 1,  
19 2015, under the Internal Revenue Code of 1986, as amended.

20 Sec. 7. The officer shall establish and collect the  
21 application fee required under section 5 of this act and the fee for  
22 the request for final approval required under section 6 of this act.  
23 Such fees shall be in amounts sufficient to offset the costs of  
24 processing and monitoring applications filed under the Nebraska Job  
25 Creation and Mainstreet Revitalization Act. Such fees shall be

1 remitted by the officer to the State Treasurer for credit to the  
2 Nebraska Job Creation and Mainstreet Revitalization Fund.

3           Sec. 8. All or a portion of the credits received under  
4 the Nebraska Job Creation and Mainstreet Revitalization Act shall be  
5 subject to recapture by the department from the foreclosure of a lien  
6 which shall, as a condition of the department issuing credits under  
7 the act, be imposed on the historically significant real property as  
8 a lien having the priority of a tax lien pursuant to the filing of a  
9 notice of lien. Credits shall be subject to recapture from the person  
10 owning the historically significant real property on the date the  
11 officer determines the recapture event occurred if at any time during  
12 the five years after the historically significant real property is  
13 placed into service the officer determines the historically  
14 significant real property has been the subject of work not in  
15 substantial conformance with the approved application or the  
16 documents from which the credit was calculated. If the person owning  
17 the historically significant real property on the date the officer  
18 determines the recapture event occurred is a corporation having an  
19 election in effect under subchapter S of the Internal Revenue Code of  
20 1986, as amended, a partnership, or a limited liability company, the  
21 liability of the shareholders, partners, or members for recapture  
22 shall be proportionate to their ownership in the applicable  
23 corporation, partnership, or limited liability company. Any action to  
24 recapture credits under this section may proceed only after a written  
25 notice is given to the person owning the historically significant

1 real property on the date the officer determines the recapture event  
2 occurred and that person is allowed a six-month cure period.  
3 Thereafter, the credit shall be subject to recapture as follows:

4 (1) If the event causing recapture occurs during the  
5 first year after the historically significant real property is placed  
6 into service, one hundred percent of the credit may be recaptured;

7 (2) If the event causing recapture occurs during the  
8 second year after the historically significant real property is  
9 placed into service, eighty percent of the credit may be recaptured;

10 (3) If the event causing recapture occurs during the  
11 third year after the historically significant real property is placed  
12 into service, sixty percent of the credit may be recaptured;

13 (4) If the event causing recapture occurs during the  
14 fourth year after the historically significant real property is  
15 placed into service, forty percent of the credit may be recaptured;

16 and

17 (5) If the event causing recapture occurs during the  
18 fifth year after the historically significant real property is placed  
19 into service, twenty percent of the credit may be recaptured.

20 Sec. 9. (1) Persons who receive the original issuance of  
21 credits from the department under section 6 of this act may transfer,  
22 sell, or assign up to fifty percent of such credits to any person or  
23 legal entity. If the person who receives the original issuance of  
24 credits from the department is a political subdivision or a tax-  
25 exempt entity under section 501(c)(3) of the Internal Revenue Code of

1 1986, as amended, such fifty-percent limitation shall not apply.

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

6 (3) Any person acquiring credits under this section may  
7 use such credits to offset up to one hundred percent of such person's  
8 income tax due under the Nebraska Revenue Act of 1967 or any tax due  
9 under sections 77-907 to 77-918 or 77-3801 to 77-3807 in the year the  
10 historically significant real property is placed in service and in  
11 subsequent years until all credits have been utilized, except as  
12 otherwise provided in section 12 of this act.

13 (4) The person transferring, selling, or assigning the  
14 credits shall notify the officer and the department in writing within  
15 fifteen calendar days following the effective date of the transfer,  
16 sale, or assignment and shall remit to the department the certificate  
17 issued for the credits that were transferred, sold, or assigned. The  
18 department shall then issue new certificates as necessary to  
19 effectuate the transfer, sale, or assignment. The issuance of the new  
20 credits by the department shall perfect the transfer, sale, or  
21 assignment of credits.

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

25 (6) The department shall have, with respect to the

1 Nebraska Job Creation and Mainstreet Revitalization Act, all  
2 authority granted to it in section 77-27,119.

3           Sec. 10. (1) The Nebraska State Historical Society and  
4 the department may each adopt and promulgate rules and regulations to  
5 carry out the Nebraska Job Creation and Mainstreet Revitalization  
6 Act.

7           (2) The Nebraska State Historical Society and the  
8 department shall issue a joint report electronically to the Revenue  
9 Committee of the Legislature no later than December 31, 2017. The  
10 report shall include, but not be limited to, (a) the total number of  
11 applications submitted under the Nebraska Job Creation and Mainstreet  
12 Revitalization Act, (b) the number of applications approved or  
13 conditionally approved, (c) the number of applications outstanding,  
14 if any, (d) the number of applications denied and the basis for  
15 denial, (e) the total amount of eligible expenditures approved, (f)  
16 the total amount of credits issued, claimed, and still available for  
17 use, (g) the total amount of fees collected, (h) the name and address  
18 location of each historically significant real property identified in  
19 each application, whether approved or denied, (i) the total amount of  
20 credits transferred, sold, and assigned and a certification of the  
21 ownership of the credits, (j) the total amount of credits claimed  
22 against each tax type by category, and (k) the total amount of  
23 credits recaptured, if any. No information shall be provided in the  
24 report that is protected by state or federal confidentiality laws.

25           Sec. 11. The Nebraska Job Creation and Mainstreet



1 Revitalization Fund is created. The fund shall be administered by the  
2 Nebraska State Historical Society and shall consist of all fees  
3 credited to the fund pursuant to section 7 of this act. The fund  
4 shall be used to administer and enforce the Nebraska Job Creation and  
5 Mainstreet Revitalization Act. Any money in the fund available for  
6 investment shall be invested by the state investment officer pursuant  
7 to the Nebraska Capital Expansion Act and the Nebraska State Funds  
8 Investment Act.

9           Sec. 12. There shall be no new applications filed under  
10 the Nebraska Job Creation and Mainstreet Revitalization Act after  
11 December 31, 2018. All applications and all credits pending or  
12 approved before such date shall continue in full force and effect,  
13 except that no credits shall be allocated under section 5 of this  
14 act, issued under section 6 of this act, or used on any tax return or  
15 similar filing after December 31, 2024.

16           Sec. 13. Section 49-801.01, Revised Statutes Supplement,  
17 2013, is amended to read:

18           49-801.01 Except as provided by Article VIII, section 1B,  
19 of the Constitution of Nebraska and in sections 77-1106, 77-1108,  
20 77-1109, 77-1117, 77-1119, 77-2701.01, 77-2714 to 77-27,123,  
21 77-27,191, 77-4103, 77-4104, 77-4108, 77-5509, 77-5515, 77-5527 to  
22 77-5529, 77-5539, 77-5717 to 77-5719, 77-5728, 77-5802, 77-5803,  
23 77-5806, 77-5903, 77-6302, and 77-6306 and sections 2, 6, 8, and 9 of  
24 this act, any reference to the Internal Revenue Code refers to the  
25 Internal Revenue Code of 1986 as it exists on March 8, 2013.

1                   Sec. 14. Section 77-132, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3                   77-132 (1) Parcel means a contiguous tract of land  
4 determined by its boundaries, under the same ownership, and in the  
5 same tax district and section. Parcel also means an improvement on  
6 leased land.

7                   (2) If all or several lots in the same block are owned by  
8 the same person and are contained in the same subdivision and the  
9 same tax district, they may be included in one parcel.

10                   (3) If two or more vacant or unimproved lots in the same  
11 subdivision and the same tax district are owned by the same person  
12 and are held for sale or resale, such lots shall be included in one  
13 parcel if elected to be treated as one parcel by the owner. Such  
14 election shall be made annually by filing an application with the  
15 county assessor by December 31.

16                   (4) For purposes of this section, subdivision means the  
17 common overall plan or approved preliminary plat.

18                   Sec. 15. Section 77-908, Revised Statutes Cumulative  
19 Supplement, 2012, is amended to read:

20                   77-908 Every insurance company organized under the stock,  
21 mutual, assessment, or reciprocal plan, except fraternal benefit  
22 societies, which is transacting business in this state shall, on or  
23 before March 1 of each year, pay a tax to the director of one percent  
24 of the gross amount of direct writing premiums received by it during  
25 the preceding calendar year for business done in this state, except

1 that (1) for group sickness and accident insurance the rate of such  
2 tax shall be five-tenths of one percent and (2) for property and  
3 casualty insurance, excluding individual sickness and accident  
4 insurance, the rate of such tax shall be one percent. A captive  
5 insurer authorized under the Captive Insurers Act that is transacting  
6 business in this state shall, on or before March 1 of each year, pay  
7 to the director a tax of one-fourth of one percent of the gross  
8 amount of direct writing premiums received by such insurer during the  
9 preceding calendar year for business transacted in the state. The  
10 taxable premiums shall include premiums paid on the lives of persons  
11 residing in this state and premiums paid for risks located in this  
12 state whether the insurance was written in this state or not,  
13 including that portion of a group premium paid which represents the  
14 premium for insurance on Nebraska residents or risks located in  
15 Nebraska included within the group when the number of lives in the  
16 group exceeds five hundred. The tax shall also apply to premiums  
17 received by domestic companies for insurance written on individuals  
18 residing outside this state or risks located outside this state if no  
19 comparable tax is paid by the direct writing domestic company to any  
20 other appropriate taxing authority. Companies whose scheme of  
21 operation contemplates the return of a portion of premiums to  
22 policyholders, without such policyholders being claimants under the  
23 terms of their policies, may deduct such return premiums or dividends  
24 from their gross premiums for the purpose of tax calculations. Any  
25 such insurance company shall receive a credit on the tax imposed as

1 provided in the Community Development Assistance Act, the Nebraska  
2 Job Creation and Mainstreet Revitalization Act, and ~~in~~ the New  
3 Markets Job Growth Investment Act.

4           Sec. 16. (1) When determining the actual value of two or  
5 more vacant or unimproved lots in the same subdivision and the same  
6 tax district that are owned by the same person and are held for sale  
7 or resale and that were elected to be treated as one parcel pursuant  
8 to subsection (3) of section 77-132, the county assessor shall  
9 utilize the income approach, including the use of a discounted cash-  
10 flow analysis.

11           (2) If a county assessor, based on the facts and  
12 circumstances, believes that the income approach, including the use  
13 of a discounted cash-flow analysis, does not result in a valuation at  
14 actual value, then the county assessor shall present such facts and  
15 circumstances to the county board of equalization. If the county  
16 board of equalization, based on such facts and circumstances, concurs  
17 with the county assessor, then the county board of equalization shall  
18 petition the Tax Equalization and Review Commission to consider the  
19 county assessor's utilization of another professionally accepted mass  
20 appraisal technique that, based on the facts and circumstances  
21 presented by a county board of equalization, would result in a  
22 substantially different determination of actual value. Petitions must  
23 be filed within thirty days after the property is assessed. Hearings  
24 held pursuant to this section may be held by means of videoconference  
25 or telephone conference. The burden of proof is on the petitioning

1 county board of equalization to show that failure to make an  
2 adjustment to the professionally accepted mass appraisal technique  
3 utilized would result in a value that is not equitable and in  
4 accordance with the law. At the hearing, the commission may receive  
5 testimony from any interested person. After a hearing, the commission  
6 shall, within the powers granted in section 77-5023, enter its order  
7 based on evidence presented to it at such hearing.

8           Sec. 17. Section 77-2715.07, Revised Statutes Cumulative  
9 Supplement, 2012, is amended to read:

10           77-2715.07 (1) There shall be allowed to qualified  
11 resident individuals as a nonrefundable credit against the income tax  
12 imposed by the Nebraska Revenue Act of 1967:

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

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

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

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

24           (b) For returns filed reporting federal adjusted gross  
25 income of twenty-nine thousand dollars or less, a refundable credit

1 equal to a percentage of the federal credit allowable under section  
2 21 of the Internal Revenue Code of 1986, as amended, whether or not  
3 the federal credit was limited by the federal tax liability. The  
4 percentage of the federal credit shall be one hundred percent for  
5 incomes not greater than twenty-two thousand dollars, and the  
6 percentage shall be reduced by ten percent for each one thousand  
7 dollars, or fraction thereof, by which the reported federal adjusted  
8 gross income exceeds twenty-two thousand dollars;

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

15 (d) A refundable credit for individuals who qualify for  
16 an income tax credit under the Angel Investment Tax Credit Act, the  
17 Nebraska Advantage Microenterprise Tax Credit Act, or the Nebraska  
18 Advantage Research and Development Act; and

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

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

25 (a) A credit for personal exemptions allowed under

1 section 77-2716.01;

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

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

12 (d) A credit as provided in the New Markets Job Growth  
13 Investment Act; ~~and~~ -

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

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

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

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

23 (c) A refundable credit for individuals who qualify for  
24 an income tax credit as an owner of agricultural assets under the  
25 Beginning Farmer Tax Credit Act for all taxable years beginning or

1 deemed to begin on or after January 1, 2009, under the Internal  
2 Revenue Code of 1986, as amended. The credit allowed for each  
3 partner, shareholder, member, or beneficiary of a partnership,  
4 corporation, limited liability company, or estate or trust qualifying  
5 for an income tax credit as an owner of agricultural assets under the  
6 Beginning Farmer Tax Credit Act shall be equal to the partner's,  
7 shareholder's, member's, or beneficiary's portion of the amount of  
8 tax credit distributed pursuant to subsection (4) of section 77-5211.

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

19           (b) For all taxable years beginning on or after January  
20 1, 2009, under the Internal Revenue Code of 1986, as amended, there  
21 shall be allowed to each partner, shareholder, member, or beneficiary  
22 of a partnership, subchapter S corporation, limited liability  
23 company, or estate or trust a nonrefundable credit against the income  
24 tax imposed by the Nebraska Revenue Act of 1967 equal to the  
25 partner's, shareholder's, member's, or beneficiary's portion of the



1 amount of franchise tax paid to the state under sections 77-3801 to  
2 77-3807 by a financial institution.

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

10 Sec. 18. Section 77-2717, Revised Statutes Supplement,  
11 2013, is amended to read:

12 77-2717 (1)(a)(i) For taxable years beginning or deemed  
13 to begin before January 1, 2014, the tax imposed on all resident  
14 estates and trusts shall be a percentage of the federal taxable  
15 income of such estates and trusts as modified in section 77-2716,  
16 plus a percentage of the federal alternative minimum tax and the  
17 federal tax on premature or lump-sum distributions from qualified  
18 retirement plans. The additional taxes shall be recomputed by (A)  
19 substituting Nebraska taxable income for federal taxable income, (B)  
20 calculating what the federal alternative minimum tax would be on  
21 Nebraska taxable income and adjusting such calculations for any items  
22 which are reflected differently in the determination of federal  
23 taxable income, and (C) applying Nebraska rates to the result. The  
24 federal credit for prior year minimum tax, after the recomputations  
25 required by the Nebraska Revenue Act of 1967, and the credits

1 provided in the Nebraska Advantage Microenterprise Tax Credit Act and  
2 the Nebraska Advantage Research and Development Act shall be allowed  
3 as a reduction in the income tax due. A refundable income tax credit  
4 shall be allowed for all resident estates and trusts under the Angel  
5 Investment Tax Credit Act, the Nebraska Advantage Microenterprise Tax  
6 Credit Act, and the Nebraska Advantage Research and Development Act.  
7 A nonrefundable income tax credit shall be allowed for all resident  
8 estates and trusts as provided in the New Markets Job Growth  
9 Investment Act.

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

1 Mainstreet Revitalization Act and the New Markets Job Growth  
2 Investment Act.

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

1 Growth Investment Act.

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

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

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

19                   (5) In the absence of the nonresident beneficiary's  
20 executed agreement being attached to the Nebraska fiduciary return,  
21 the estate or trust shall remit a portion of such beneficiary's  
22 income which was derived from or attributable to Nebraska sources  
23 with its Nebraska return for the taxable year. For taxable years  
24 beginning or deemed to begin before January 1, 2013, the amount of  
25 remittance, in such instance, shall be the highest individual income

1 tax rate determined under section 77-2715.02 multiplied by the  
2 nonresident beneficiary's share of the estate or trust income which  
3 was derived from or attributable to sources within this state. For  
4 taxable years beginning or deemed to begin on or after January 1,  
5 2013, the amount of remittance, in such instance, shall be the  
6 highest individual income tax rate determined under section  
7 77-2715.03 multiplied by the nonresident beneficiary's share of the  
8 estate or trust income which was derived from or attributable to  
9 sources within this state. The amount remitted shall be allowed as a  
10 credit against the Nebraska income tax liability of the beneficiary.

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

21 (7) For purposes of this section, unless the context  
22 otherwise requires, simple trust shall mean any trust instrument  
23 which (a) requires that all income shall be distributed currently to  
24 the beneficiaries, (b) does not allow amounts to be paid, permanently  
25 set aside, or used in the tax year for charitable purposes, and (c)

1 does not distribute amounts allocated in the corpus of the trust. Any  
2 trust which does not qualify as a simple trust shall be deemed a  
3 complex trust.

4 (8) For purposes of this section, any beneficiary of an  
5 estate or trust that is a grantor trust of a nonresident shall be  
6 disregarded and this section shall apply as though the nonresident  
7 grantor was the beneficiary.

8 Sec. 19. Section 77-2734.03, Revised Statutes Cumulative  
9 Supplement, 2012, is amended to read:

10 77-2734.03 (1)(a) For taxable years commencing prior to  
11 January 1, 1997, any (i) insurer paying a tax on premiums and  
12 assessments pursuant to section 77-908 or 81-523, (ii) electric  
13 cooperative organized under the Joint Public Power Authority Act, or  
14 (iii) credit union shall be credited, in the computation of the tax  
15 due under the Nebraska Revenue Act of 1967, with the amount paid  
16 during the taxable year as taxes on such premiums and assessments and  
17 taxes in lieu of intangible tax.

18 (b) For taxable years commencing on or after January 1,  
19 1997, any insurer paying a tax on premiums and assessments pursuant  
20 to section 77-908 or 81-523, any electric cooperative organized under  
21 the Joint Public Power Authority Act, or any credit union shall be  
22 credited, in the computation of the tax due under the Nebraska  
23 Revenue Act of 1967, with the amount paid during the taxable year as  
24 (i) taxes on such premiums and assessments included as Nebraska  
25 premiums and assessments under section 77-2734.05 and (ii) taxes in

1 lieu of intangible tax.

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

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

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

16 (4) The changes made to this section by Laws 2004, LB  
17 983, apply to motor fuels purchased during any tax year ending or  
18 deemed to end on or after January 1, 2005, under the Internal Revenue  
19 Code of 1986, as amended.

20 (5) There shall be allowed to corporate taxpayers  
21 refundable income tax credits under the Nebraska Advantage  
22 Microenterprise Tax Credit Act and the Nebraska Advantage Research  
23 and Development Act.

24 (6) There shall be allowed to corporate taxpayers a  
25 nonrefundable income tax credit for investment in a biodiesel



1 facility as provided in section 77-27,236.

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

6 Sec. 20. Section 77-27,119, Revised Statutes Supplement,  
7 2013, is amended to read:

8 77-27,119 (1) The Tax Commissioner shall administer and  
9 enforce the income tax imposed by sections 77-2714 to 77-27,135, and  
10 he or she is authorized to conduct hearings, to adopt and promulgate  
11 such rules and regulations, and to require such facts and information  
12 to be reported as he or she may deem necessary to enforce the income  
13 tax provisions of such sections, except that such rules, regulations,  
14 and reports shall not be inconsistent with the laws of this state or  
15 the laws of the United States. The Tax Commissioner may for  
16 enforcement and administrative purposes divide the state into a  
17 reasonable number of districts in which branch offices may be  
18 maintained.

19 (2)(a) The Tax Commissioner may prescribe the form and  
20 contents of any return or other document required to be filed under  
21 the income tax provisions. Such return or other document shall be  
22 compatible as to form and content with the return or document  
23 required by the laws of the United States. The form shall have a  
24 place where the taxpayer shall designate the high school district in  
25 which he or she lives and the county in which the high school

1 district is headquartered. The Tax Commissioner shall adopt and  
2 promulgate such rules and regulations as may be necessary to insure  
3 compliance with this requirement.

4 (b) The State Department of Education, with the  
5 assistance and cooperation of the Department of Revenue, shall  
6 develop a uniform system for numbering all school districts in the  
7 state. Such system shall be consistent with the data processing needs  
8 of the Department of Revenue and shall be used for the school  
9 district identification required by subdivision (a) of this  
10 subsection.

11 (c) The proper filing of an income tax return shall  
12 consist of the submission of such form as prescribed by the Tax  
13 Commissioner or an exact facsimile thereof with sufficient  
14 information provided by the taxpayer on the face of the form from  
15 which to compute the actual tax liability. Each taxpayer shall  
16 include such taxpayer's correct social security number or state  
17 identification number and the school district identification number  
18 of the school district in which the taxpayer resides on the face of  
19 the form. A filing is deemed to occur when the required information  
20 is provided.

21 (3) The Tax Commissioner, for the purpose of ascertaining  
22 the correctness of any return or other document required to be filed  
23 under the income tax provisions, for the purpose of determining  
24 corporate income, individual income, and withholding tax due, or for  
25 the purpose of making an estimate of taxable income of any person,

1 shall have the power to examine or to cause to have examined, by any  
2 agent or representative designated by him or her for that purpose,  
3 any books, papers, records, or memoranda bearing upon such matters  
4 and may by summons require the attendance of the person responsible  
5 for rendering such return or other document or remitting any tax, or  
6 any officer or employee of such person, or the attendance of any  
7 other person having knowledge in the premises, and may take testimony  
8 and require proof material for his or her information, with power to  
9 administer oaths or affirmations to such person or persons.

10 (4) The time and place of examination pursuant to this  
11 section shall be such time and place as may be fixed by the Tax  
12 Commissioner and as are reasonable under the circumstances. In the  
13 case of a summons, the date fixed for appearance before the Tax  
14 Commissioner shall not be less than twenty days from the time of  
15 service of the summons.

16 (5) No taxpayer shall be subjected to unreasonable or  
17 unnecessary examinations or investigations.

18 (6) Except in accordance with proper judicial order or as  
19 otherwise provided by law, it shall be unlawful for the Tax  
20 Commissioner, any officer or employee of the Tax Commissioner, any  
21 person engaged or retained by the Tax Commissioner on an independent  
22 contract basis, any person who pursuant to this section is permitted  
23 to inspect any report or return or to whom a copy, an abstract, or a  
24 portion of any report or return is furnished, any employee of the  
25 State Treasurer or the Department of Administrative Services, or any

1 other person to divulge, make known, or use in any manner the amount  
2 of income or any particulars set forth or disclosed in any report or  
3 return required except for the purpose of enforcing sections 77-2714  
4 to 77-27,135. The officers charged with the custody of such reports  
5 and returns shall not be required to produce any of them or evidence  
6 of anything contained in them in any action or proceeding in any  
7 court, except on behalf of the Tax Commissioner in an action or  
8 proceeding under the provisions of the tax law to which he or she is  
9 a party or on behalf of any party to any action or proceeding under  
10 such sections when the reports or facts shown thereby are directly  
11 involved in such action or proceeding, in either of which events the  
12 court may require the production of, and may admit in evidence, so  
13 much of such reports or of the facts shown thereby as are pertinent  
14 to the action or proceeding and no more. Nothing in this section  
15 shall be construed (a) to prohibit the delivery to a taxpayer, his or  
16 her duly authorized representative, or his or her successors,  
17 receivers, trustees, personal representatives, administrators,  
18 assignees, or guarantors, if directly interested, of a certified copy  
19 of any return or report in connection with his or her tax, (b) to  
20 prohibit the publication of statistics so classified as to prevent  
21 the identification of particular reports or returns and the items  
22 thereof, (c) to prohibit the inspection by the Attorney General,  
23 other legal representatives of the state, or a county attorney of the  
24 report or return of any taxpayer who brings an action to review the  
25 tax based thereon, against whom an action or proceeding for

1 collection of tax has been instituted, or against whom an action,  
2 proceeding, or prosecution for failure to comply with the Nebraska  
3 Revenue Act of 1967 is being considered or has been commenced, (d) to  
4 prohibit furnishing to the Nebraska Workers' Compensation Court the  
5 names, addresses, and identification numbers of employers, and such  
6 information shall be furnished on request of the court, (e) to  
7 prohibit the disclosure of information and records to a collection  
8 agency contracting with the Tax Commissioner pursuant to sections  
9 77-377.01 to 77-377.04, (f) to prohibit the disclosure of information  
10 pursuant to section 77-27,195, 77-4110, or 77-5731, (g) to prohibit  
11 the disclosure to the Public Employees Retirement Board of the  
12 addresses of individuals who are members of the retirement systems  
13 administered by the board, and such information shall be furnished to  
14 the board solely for purposes of its administration of the retirement  
15 systems upon written request, which request shall include the name  
16 and social security number of each individual for whom an address is  
17 requested, (h) to prohibit the disclosure of information to the  
18 Department of Labor necessary for the administration of the  
19 Employment Security Law, the Contractor Registration Act, or the  
20 Employee Classification Act, (i) to prohibit the disclosure to the  
21 Department of Motor Vehicles of tax return information pertaining to  
22 individuals, corporations, and businesses determined by the  
23 Department of Motor Vehicles to be delinquent in the payment of  
24 amounts due under agreements pursuant to the International Fuel Tax  
25 Agreement Act, and such disclosure shall be strictly limited to

1 information necessary for the administration of the act, ~~or~~(j) to  
2 prohibit the disclosure under section 42-358.08, 43-512.06, or  
3 43-3327 to any court-appointed individuals, the county attorney, any  
4 authorized attorney, or the Department of Health and Human Services  
5 of an absent parent's address, social security number, amount of  
6 income, health insurance information, and employer's name and address  
7 for the exclusive purpose of establishing and collecting child,  
8 spousal, or medical support, or (k) to prohibit the disclosure of  
9 information to the Department of Insurance, the Nebraska State  
10 Historical Society, or the State Historic Preservation Officer as  
11 necessary to carry out the Department of Revenue's responsibilities  
12 under the Nebraska Job Creation and Mainstreet Revitalization Act.  
13 Information so obtained shall be used for no other purpose. Any  
14 person who violates this subsection shall be guilty of a felony and  
15 shall upon conviction thereof be fined not less than one hundred  
16 dollars nor more than five hundred dollars, or be imprisoned not more  
17 than five years, or be both so fined and imprisoned, in the  
18 discretion of the court and shall be assessed the costs of  
19 prosecution. If the offender is an officer or employee of the state,  
20 he or she shall be dismissed from office and be ineligible to hold  
21 any public office in this state for a period of two years thereafter.

22 (7) Reports and returns required to be filed under income  
23 tax provisions of sections 77-2714 to 77-27,135 shall be preserved  
24 until the Tax Commissioner orders them to be destroyed.

25 (8) Notwithstanding the provisions of subsection (6) of

1 this section, the Tax Commissioner may permit the Secretary of the  
2 Treasury of the United States or his or her delegates or the proper  
3 officer of any state imposing an income tax, or the authorized  
4 representative of either such officer, to inspect the income tax  
5 returns of any taxpayer or may furnish to such officer or his or her  
6 authorized representative an abstract of the return of income of any  
7 taxpayer or supply him or her with information concerning an item of  
8 income contained in any return or disclosed by the report of any  
9 investigation of the income or return of income of any taxpayer, but  
10 such permission shall be granted only if the statutes of the United  
11 States or of such other state, as the case may be, grant  
12 substantially similar privileges to the Tax Commissioner of this  
13 state as the officer charged with the administration of the income  
14 tax imposed by sections 77-2714 to 77-27,135.

15 (9) Notwithstanding the provisions of subsection (6) of  
16 this section, the Tax Commissioner may permit the Postal Inspector of  
17 the United States Postal Service or his or her delegates to inspect  
18 the reports or returns of any person filed pursuant to the Nebraska  
19 Revenue Act of 1967 when information on the reports or returns is  
20 relevant to any action or proceeding instituted or being considered  
21 by the United States Postal Service against such person for the  
22 fraudulent use of the mails to carry and deliver false and fraudulent  
23 tax returns to the Tax Commissioner with the intent to defraud the  
24 State of Nebraska or to evade the payment of Nebraska state taxes.

25 (10)(a) Notwithstanding the provisions of subsection (6)

1 of this section, the Tax Commissioner shall, upon written request by  
2 the Auditor of Public Accounts or the Legislative Performance Audit  
3 Committee, make tax returns and tax return information open to  
4 inspection by or disclosure to officers and employees of the Auditor  
5 of Public Accounts or employees of the office of Legislative Audit  
6 for the purpose of and to the extent necessary in making an audit of  
7 the Department of Revenue pursuant to section 50-1205 or 84-304. The  
8 Auditor of Public Accounts or office of Legislative Audit shall  
9 statistically and randomly select the tax returns and tax return  
10 information to be audited based upon a computer tape provided by the  
11 Department of Revenue which contains only total population documents  
12 without specific identification of taxpayers. The Tax Commissioner  
13 shall have the authority to approve the statistical sampling method  
14 used by the Auditor of Public Accounts or office of Legislative  
15 Audit. Confidential tax returns and tax return information shall be  
16 audited only upon the premises of the Department of Revenue. All  
17 audit workpapers pertaining to the audit of the Department of Revenue  
18 shall be stored in a secure place in the Department of Revenue.

19 (b) No officer or employee of the Auditor of Public  
20 Accounts or office of Legislative Audit employee shall disclose to  
21 any person, other than another officer or employee of the Auditor of  
22 Public Accounts or office of Legislative Audit whose official duties  
23 require such disclosure or as provided in subsections (2) and (3) of  
24 section 50-1213, any return or return information described in the  
25 Nebraska Revenue Act of 1967 in a form which can be associated with



1 or otherwise identify, directly or indirectly, a particular taxpayer.

2 (c) Any person who violates the provisions of this  
3 subsection shall be guilty of a Class IV felony and, in the  
4 discretion of the court, may be assessed the costs of prosecution.  
5 The guilty officer or employee shall be dismissed from employment and  
6 be ineligible to hold any position of employment with the State of  
7 Nebraska for a period of two years thereafter. For purposes of this  
8 subsection, officer or employee shall include a former officer or  
9 employee of the Auditor of Public Accounts or former employee of the  
10 office of Legislative Audit.

11 (11) For purposes of subsections (10) through (13) of  
12 this section:

13 (a) Tax returns shall mean any tax or information return  
14 or claim for refund required by, provided for, or permitted under  
15 sections 77-2714 to 77-27,135 which is filed with the Tax  
16 Commissioner by, on behalf of, or with respect to any person and any  
17 amendment or supplement thereto, including supporting schedules,  
18 attachments, or lists which are supplemental to or part of the filed  
19 return;

20 (b) Return information shall mean:

21 (i) A taxpayer's identification number and (A) the  
22 nature, source, or amount of his or her income, payments, receipts,  
23 deductions, exemptions, credits, assets, liabilities, net worth, tax  
24 liability, tax withheld, deficiencies, overassessments, or tax  
25 payments, whether the taxpayer's return was, is being, or will be

1 examined or subject to other investigation or processing or (B) any  
2 other data received by, recorded by, prepared by, furnished to, or  
3 collected by the Tax Commissioner with respect to a return or the  
4 determination of the existence or possible existence of liability or  
5 the amount of liability of any person for any tax, penalty, interest,  
6 fine, forfeiture, or other imposition or offense; and

7 (ii) Any part of any written determination or any  
8 background file document relating to such written determination; and

9 (c) Disclosures shall mean the making known to any person  
10 in any manner a return or return information.

11 (12) The Auditor of Public Accounts or the Legislative  
12 Auditor shall (a) notify the Tax Commissioner in writing thirty days  
13 prior to the beginning of an audit of his or her intent to conduct an  
14 audit, (b) provide an audit plan, and (c) provide a list of the tax  
15 returns and tax return information identified for inspection during  
16 the audit.

17 (13) The Auditor of Public Accounts or the office of  
18 Legislative Audit shall, as a condition for receiving tax returns and  
19 tax return information: (a) Subject employees involved in the audit  
20 to the same confidential information safeguards and disclosure  
21 procedures as required of Department of Revenue employees; (b)  
22 establish and maintain a permanent system of standardized records  
23 with respect to any request for tax returns or tax return  
24 information, the reason for such request, and the date of such  
25 request and any disclosure of the tax return or tax return

1 information; (c) establish and maintain a secure area or place in the  
2 Department of Revenue in which the tax returns, tax return  
3 information, or audit workpapers shall be stored; (d) restrict access  
4 to the tax returns or tax return information only to persons whose  
5 duties or responsibilities require access; (e) provide such other  
6 safeguards as the Tax Commissioner determines to be necessary or  
7 appropriate to protect the confidentiality of the tax returns or tax  
8 return information; (f) provide a report to the Tax Commissioner  
9 which describes the procedures established and utilized by the  
10 Auditor of Public Accounts or office of Legislative Audit for  
11 insuring the confidentiality of tax returns, tax return information,  
12 and audit workpapers; and (g) upon completion of use of such returns  
13 or tax return information, return to the Tax Commissioner such  
14 returns or tax return information, along with any copies.

15 (14) The Tax Commissioner may permit other tax officials  
16 of this state to inspect the tax returns and reports filed under  
17 sections 77-2714 to 77-27,135, but such inspection shall be permitted  
18 only for purposes of enforcing a tax law and only to the extent and  
19 under the conditions prescribed by the rules and regulations of the  
20 Tax Commissioner.

21 (15) The Tax Commissioner shall compile the school  
22 district information required by subsection (2) of this section.  
23 Insofar as it is possible, such compilation shall include, but not be  
24 limited to, the total adjusted gross income of each school district  
25 in the state. The Tax Commissioner shall adopt and promulgate such

1 rules and regulations as may be necessary to insure that such  
2 compilation does not violate the confidentiality of any individual  
3 income tax return nor conflict with any other provisions of state or  
4 federal law.

5           Sec. 21. Section 77-3806, Revised Statutes Cumulative  
6 Supplement, 2012, is amended to read:

7           77-3806 (1) The tax return shall be filed and the total  
8 amount of the franchise tax shall be due on the fifteenth day of the  
9 third month after the end of the taxable year. No extension of time  
10 to pay the tax shall be granted. If the Tax Commissioner determines  
11 that the amount of tax can be computed from available information  
12 filed by the financial institutions with either state or federal  
13 regulatory agencies, the Tax Commissioner may, by regulation, waive  
14 the requirement for the financial institutions to file returns.

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

22           (3) No refund of the tax imposed by section 77-3802 shall  
23 be allowed unless a claim for such refund is filed within ninety days  
24 of the date on which (a) the tax is due or was paid, whichever is  
25 later, or (b) a change is made to the amount of deposits or the net

1 financial income of the financial institution by a state or federal  
2 regulatory agency.

3 (4) Any such financial institution shall receive a credit  
4 on the franchise tax as provided under the Community Development  
5 Assistance Act, the Nebraska Job Creation and Mainstreet  
6 Revitalization Act, and ~~under~~ the New Markets Job Growth Investment  
7 Act.

8 Sec. 22. Section 77-5007, Revised Statutes Cumulative  
9 Supplement, 2012, is amended to read:

10 77-5007 The commission has the power and duty to hear and  
11 determine appeals of:

12 (1) Decisions of any county board of equalization  
13 equalizing the value of individual tracts, lots, or parcels of real  
14 property so that all real property is assessed uniformly and  
15 proportionately;

16 (2) Decisions of any county board of equalization  
17 granting or denying tax-exempt status for real or personal property  
18 or an exemption from motor vehicle taxes and fees;

19 (3) Decisions of the Tax Commissioner determining the  
20 taxable property of a railroad company, car company, public service  
21 entity, or air carrier within the state;

22 (4) Decisions of the Tax Commissioner determining  
23 adjusted valuation pursuant to section 79-1016;

24 (5) Decisions of any county board of equalization on the  
25 valuation of personal property or any penalties imposed under

1 sections 77-1233.04 and 77-1233.06;

2 (6) Decisions of any county board of equalization on  
3 claims that a levy is or is not for an unlawful or unnecessary  
4 purpose or in excess of the requirements of the county;

5 (7) Decisions of any county board of equalization  
6 granting or rejecting an application for a homestead exemption;

7 (8) Decisions of the Department of Motor Vehicles  
8 determining the taxable value of motor vehicles pursuant to section  
9 60-3,188;

10 (9) Decisions of the Tax Commissioner made under section  
11 77-1330;

12 (10) Any other decision of any county board of  
13 equalization;

14 (11) Any other decision of the Tax Commissioner regarding  
15 property valuation, exemption, or taxation;

16 (12) Decisions of the Tax Commissioner pursuant to  
17 section 77-3520;

18 (13) Final decisions of a county board of equalization  
19 appealed by the Tax Commissioner or Property Tax Administrator  
20 pursuant to section 77-701; and

21 (14) The requirement under section 16 of this act that  
22 the income approach, including the use of a discounted cash-flow  
23 analysis, be used by county assessors; and

24 ~~(14)~~-(15) Any other decision, determination, action, or  
25 order from which an appeal to the commission is authorized.

1                   The commission has the power and duty to hear and grant  
2 or deny relief on petitions.

3                   Sec. 23. Original section 77-132, Reissue Revised  
4 Statutes of Nebraska, sections 77-908, 77-2715.07, 77-2734.03,  
5 77-3806, and 77-5007, Revised Statutes Cumulative Supplement, 2012,  
6 and sections 49-801.01, 77-2717, and 77-27,119, Revised Statutes  
7 Supplement, 2013, are repealed.