

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 38

Introduced by Lindstrom, 18.

Read first time January 07, 2021

Committee:

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
- 2 77-1113, 77-2505, and 77-2909, Reissue Revised Statutes of Nebraska;
- 3 to change provisions related to certain tax credits and retaliatory
- 4 taxes as prescribed; to harmonize provisions; and to repeal the
- 5 original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-1113, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 77-1113 A person or entity that acquires a qualified equity
4 investment earns a vested tax credit against the tax imposed by the
5 Nebraska Revenue Act of 1967 or sections 44-101 to 44-165, 77-907 to
6 77-918, or 77-3801 to 77-3807 that may be utilized as follows:

7 (1) On each credit allowance date of such qualified equity
8 investment such acquirer, or subsequent holder of the qualified equity
9 investment, shall be entitled to utilize a portion of such tax credit
10 during the taxable year that includes such credit allowance date;

11 (2) The tax credit amount shall be equal to the applicable
12 percentage for such credit allowance date multiplied by the purchase
13 price paid to the issuer of such qualified equity investment; and

14 (3) The amount of the tax credit claimed shall not exceed the amount
15 of the taxpayer's tax liability for the tax year for which the tax credit
16 is claimed.

17 Any taxpayer that claims a tax credit shall not be required to pay
18 any additional related retaliatory tax due under sections section 44-150
19 and 77-908, up to the full amount of the claimed as a result of claiming
20 such tax credit. Any tax credit claimed under this section shall be
21 considered a payment of tax for purposes of subsection (1) of section
22 77-2734.03.

23 Sec. 2. Section 77-2505, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 77-2505 An insurance company claiming a Nebraska affordable housing
26 tax credit under the Affordable Housing Tax Credit Act against any
27 premium and related retaliatory taxes due under section 44-150 or 77-908
28 shall not be required to pay any additional related retaliatory tax due
29 under sections 44-150 and 77-908, up to the full amount of the claimed as
30 a result of claiming the tax credit. ~~The tax credit may fully offset any~~
31 ~~retaliatory tax imposed under Nebraska law.~~ Any tax credit claimed shall

1 be considered a payment of tax for purposes of subsection (1) of section
2 77-2734.03.

3 Sec. 3. Section 77-2909, Reissue Revised Statutes of Nebraska, is
4 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 related retaliatory
24 tax due under sections section 44-150 and 77-908, up to the full amount
25 of the claimed as a result of claiming such tax credit. Any tax credit
26 claimed shall be considered a payment of tax for purposes of subsection
27 (1) of section 77-2734.03.

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

1 that were transferred, sold, or assigned. The department shall then issue
2 new certificates as necessary to effectuate the transfer, sale, or
3 assignment. The issuance of the new credits by the department shall
4 perfect the transfer, sale, or assignment of credits.

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

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

11 Sec. 4. Original sections 77-1113, 77-2505, and 77-2909, Reissue
12 Revised Statutes of Nebraska, are repealed.