

AMENDMENTS TO LB243

(Amendments to Standing Committee amendments, AM977)

Introduced by Blood, 3.

1 1. Insert the following new sections:

2 Section 1. Sections 1 to 6 of this act shall be known and may be
3 cited as the Property Tax Circuit Breaker Act.

4 Sec. 2. The purpose of the Property Tax Circuit Breaker Act is to
5 provide tax relief through a refundable income tax credit for taxpayers
6 with limited income available to pay property taxes.

7 Sec. 3. For purposes of the Property Tax Circuit Breaker Act:

8 (1) Agricultural land and horticultural land has the same meaning as
9 in section 77-1359;

10 (2) Department means the Department of Revenue;

11 (3) Qualifying agricultural taxpayer means an individual who owns
12 agricultural land and horticultural land that is located in this state
13 and that has been used as part of a farming operation which has federal
14 adjusted gross income of less than three hundred fifty thousand dollars
15 in the most recently completed taxable year; and

16 (4) Qualifying residential taxpayer means an individual who owns or
17 rents his or her principal residence in this state and who has federal
18 adjusted gross income of less than one hundred thousand dollars for a
19 married filing jointly taxpayer or fifty thousand dollars for any other
20 taxpayer.

21 Sec. 4. (1) A qualifying agricultural taxpayer may apply to the
22 department for a refundable income tax credit under the Property Tax
23 Circuit Breaker Act from January 1 to April 15 of 2024 and 2025. The
24 application shall be made on a form developed by the department and shall
25 include:

26 (a) The address of the qualifying agricultural taxpayer's

1 agricultural land and horticultural land;

2 (b) The amount of property taxes paid by the qualifying agricultural
3 taxpayer on the agricultural land and horticultural land during the most
4 recently completed taxable year;

5 (c) The federal adjusted gross income generated by the qualifying
6 agricultural taxpayer's farming operation for the most recently completed
7 taxable year; and

8 (d) Any other documentation required by the department.

9 (2) If the department determines that the qualifying agricultural
10 taxpayer qualifies for a tax credit under the act and that the
11 information in the application is correct, the department shall grant the
12 qualifying agricultural taxpayer a tax credit in an amount equal to the
13 amount of property taxes paid on the agricultural land and horticultural
14 land during the most recently completed taxable year minus seven percent
15 of the qualifying agricultural taxpayer's federal adjusted gross income
16 reported under subdivision (1)(c) of this section. The credit amount
17 shall not be less than zero. The department shall issue the qualifying
18 agricultural taxpayer a certification stating the amount of such credit
19 no later than December 31 of the year of application.

20 (3) The department may certify tax credits under this section of up
21 to seventy-four million dollars for each of the years 2024 and 2025. If
22 the total amount of tax credits calculated under subsection (2) of this
23 section for all applications received in any such year exceeds seventy-
24 four million dollars, the department shall certify tax credits in
25 proportionate percentages based upon the ratio of the amount of tax
26 credits requested in each application to the total amount of tax credits
27 requested in all applications so that the limitation in this subsection
28 is not exceeded.

29 (4) The qualifying agricultural taxpayer shall claim the tax credit
30 provided in this section by filing a form developed by the Tax
31 Commissioner and attaching the tax credit certification issued by the

1 department under this section. Such form and certification shall be filed
2 with the next income tax return filed by the qualifying agricultural
3 taxpayer after receiving the tax credit certification.

4 (5) Only one tax credit may be claimed under this section per parcel
5 of agricultural land and horticultural land.

6 Sec. 5. (1) A qualifying residential taxpayer may apply to the
7 department for a refundable income tax credit under the Property Tax
8 Circuit Breaker Act from January 1 to April 15 of 2024 and 2025. The
9 application shall be made on a form developed by the department and shall
10 include:

11 (a) The address of the qualifying residential taxpayer's principal
12 residence in this state;

13 (b)(i) If the qualifying residential taxpayer owns his or her
14 principal residence, the amount of property taxes paid by the qualifying
15 residential taxpayer on his or her principal residence during the most
16 recently completed taxable year; or

17 (ii) If the qualifying residential taxpayer rents his or her
18 principal residence, the amount of rent paid by the qualifying
19 residential taxpayer for the right to occupy his or her principal
20 residence during the most recently completed taxable year;

21 (c) The qualifying residential taxpayer's federal adjusted gross
22 income for the most recently completed taxable year;

23 (d) If the qualifying residential taxpayer owns his or her principal
24 residence, the assessed value of such residence used for determining the
25 property taxes paid during the most recently completed taxable year; and

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

27 (2) If the department determines that the qualifying residential
28 taxpayer resided at the property described in the qualifying residential
29 taxpayer's application for at least six months of the most recently
30 completed taxable year, the department shall grant the qualifying
31 residential taxpayer a tax credit in an amount calculated pursuant to

1 this section and shall issue the qualifying residential taxpayer a
2 certification stating the amount of such credit no later than December 31
3 of the year of application.

4 (3)(a) For a qualifying residential taxpayer who paid property taxes
5 on his or her principal residence for the most recently completed taxable
6 year, the qualifying residential taxpayer shall be eligible for a credit,
7 subject to the limits described in subsections (5) and (6) of this
8 section, equal to the amount by which the total amount of such property
9 taxes paid on the principal residence exceeds the sum of the amounts
10 calculated in subdivision (3)(b) of this section. For purposes of this
11 subdivision, the amount of property taxes paid on a qualifying
12 residential taxpayer's principal residence shall not exceed the amount of
13 taxes paid on a residence with a taxable value equal to two hundred
14 percent of the average assessed value of single-family residential
15 property in the taxpayer's county of residence in the most recently
16 completed taxable year as determined under section 77-3506.02.

17 (b) The amounts to be added together for purposes of subdivision (3)
18 (a) of this section shall be determined from the following table:

		<u>For Married Filing</u>	<u>For All Other</u>
		<u>Jointly Taxpayers</u>	<u>Taxpayers</u>
21	<u>(i) 1% of the taxpayer's</u>	<u>\$0-14,000</u>	<u>\$0-7,000</u>
22	<u>federal adjusted gross</u>		
23	<u>income that falls</u>		
24	<u>within the following</u>		
25	<u>income bracket:</u>		
26	<u>(ii) 2% of the taxpayer's</u>	<u>\$14,001-</u>	<u>\$7,001-</u>
27	<u>federal adjusted gross</u>	<u>30,000</u>	<u>15,000</u>
28	<u>income that falls</u>		
29	<u>within the following</u>		
30	<u>income bracket:</u>		

1	<u>(iii)</u>	<u>3% of the taxpayer's</u>	<u>\$30,001-</u>	<u>\$15,001-</u>
2		<u>federal adjusted gross</u>	<u>50,000</u>	<u>25,000</u>
3		<u>income that falls</u>		
4		<u>within the following</u>		
5		<u>income bracket:</u>		
6	<u>(iv)</u>	<u>4% of the taxpayer's</u>	<u>\$50,001-</u>	<u>\$25,001-</u>
7		<u>federal adjusted gross</u>	<u>75,000</u>	<u>37,500</u>
8		<u>income that falls</u>		
9		<u>within the following</u>		
10		<u>income bracket:</u>		
11	<u>(v)</u>	<u>5% of the taxpayer's</u>	<u>\$75,001-</u>	<u>\$37,501-</u>
12		<u>federal adjusted gross</u>	<u>100,000</u>	<u>50,000</u>
13		<u>income that falls</u>		
14		<u>within the following</u>		
15		<u>income bracket:</u>		

16 (4)(a) For a qualifying residential taxpayer who paid rent for the
17 right to occupy his or her principal residence for the most recently
18 completed taxable year, the qualifying residential taxpayer shall be
19 eligible for a credit, subject to the limits described in subsections (5)
20 and (6) of this section, equal to the amount by which twenty percent of
21 the total amount of rent paid exceeds the sum of the amounts calculated
22 in subdivision (4)(b) of this section.

23 (b) The amounts to be added together for purposes of subdivision (4)
24 (a) of this section shall be determined from the following table:

25		<u>For Married Filing</u>	<u>For All Other</u>
26		<u>Jointly Taxpayers</u>	<u>Taxpayers</u>
27	<u>(i)</u>	<u>\$0-14,000</u>	<u>\$0-7,000</u>
28		<u>federal adjusted gross</u>	
29		<u>income that falls within</u>	

1 the following
 2 income bracket:
 3 (ii) 2% of the taxpayer's \$14,001- \$7,001-
 4 federal adjusted gross 30,000 15,000
 5 income that falls within

6 the following
 7 income bracket:
 8 (iii) 3% of the taxpayer's \$30,001- \$15,001-
 9 federal adjusted gross 50,000 25,000
 10 income that falls within

11 the following
 12 income bracket:
 13 (iv) 4% of the taxpayer's \$50,001- \$25,001-
 14 federal adjusted gross 75,000 37,500
 15 income that falls within

16 the following
 17 income bracket:
 18 (v) 5% of the taxpayer's \$75,001- \$37,501-
 19 federal adjusted gross 100,000 50,000
 20 income that falls

21 within the following
 22 income bracket:

23 (5) The credit allowed to a qualifying residential taxpayer under
 24 this section for any taxable year shall not exceed the applicable amount
 25 from the following table:

		<u>For Married Filing</u>	<u>For All Other</u>
		<u>Jointly Taxpayers</u>	<u>Taxpayers</u>
26			
27			
28	(a) <u>\$1,200 if the taxpayer's</u>	<u>\$0-14,000</u>	<u>\$0-7,000</u>
29	<u>total federal adjusted</u>		

1 gross income for the
2 taxable year falls
3 into the following
4 income bracket:

5	(b)	<u>\$900 if the taxpayer's</u>	<u>\$14,001-</u>	<u>\$7,001-</u>
6		<u>total federal adjusted</u>	<u>30,000</u>	<u>15,000</u>

7 gross income for the
8 taxable year falls
9 into the following
10 income bracket:

11	(c)	<u>\$600 if the taxpayer's</u>	<u>\$30,001-</u>	<u>\$15,001-</u>
12		<u>total federal adjusted</u>	<u>50,000</u>	<u>25,000</u>

13 gross income for the
14 taxable year falls
15 into the following
16 income bracket:

17	(d)	<u>\$300 if the taxpayer's</u>	<u>\$50,001-</u>	<u>\$25,001-</u>
18		<u>total federal adjusted</u>	<u>100,000</u>	<u>50,000</u>

19 gross income for the
20 taxable year falls
21 into the following
22 income bracket:

23 (6) The department may certify tax credits under this section of up
24 to one hundred twenty-six million dollars for each of the years 2024 and
25 2025. If the total amount of tax credits calculated under this section
26 for all applications received in any such year exceeds one hundred
27 twenty-six million dollars, the department shall certify tax credits in
28 proportionate percentages based upon the ratio of the amount of tax
29 credits requested in each application to the total amount of tax credits

1 requested in all applications so that the limitation in this subsection
2 is not exceeded.

3 (7) The qualifying residential taxpayer shall claim the tax credit
4 provided in this section by filing a form developed by the Tax
5 Commissioner and attaching the tax credit certification issued by the
6 department under this section. Such form and certification shall be filed
7 with the next income tax return filed by the qualifying residential
8 taxpayer after receiving the tax credit certification.

9 (8) Any qualifying residential taxpayer who rents property that is
10 owned by a tax-exempt charitable organization or that is exempt in any
11 way from property taxation shall not be eligible to receive a tax credit
12 under this section.

13 (9) Only one tax credit may be claimed under this section per
14 residence.

15 Sec. 6. The department may adopt and promulgate rules and
16 regulations to carry out the Property Tax Circuit Breaker Act.

17 Sec. 18. Section 77-2715.07, Revised Statutes Cumulative Supplement,
18 2022, is amended to read:

19 77-2715.07 (1) There shall be allowed to qualified resident
20 individuals as a nonrefundable credit against the income tax imposed by
21 the Nebraska Revenue Act of 1967:

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

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

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

28 (a) For returns filed reporting federal adjusted gross incomes of
29 greater than twenty-nine thousand dollars, a nonrefundable credit equal
30 to twenty-five percent of the federal credit allowed under section 21 of
31 the Internal Revenue Code of 1986, as amended, except that for taxable

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

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

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

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

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

27 (f) A credit to employers as provided in sections 77-27,238 and
28 77-27,240; and

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

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

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

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

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

17 (d) A refundable credit for individuals who qualify for an income
18 tax credit under the Property Tax Circuit Breaker Act.

19 (5)(a) For all taxable years beginning on or after January 1, 2007,
20 and before January 1, 2009, under the Internal Revenue Code of 1986, as
21 amended, there shall be allowed to each partner, shareholder, member, or
22 beneficiary of a partnership, subchapter S corporation, limited liability
23 company, or estate or trust a nonrefundable credit against the income tax
24 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the
25 partner's, shareholder's, member's, or beneficiary's portion of the
26 amount of franchise tax paid to the state under sections 77-3801 to
27 77-3807 by a financial institution.

28 (b) For all taxable years beginning on or after January 1, 2009,
29 under the Internal Revenue Code of 1986, as amended, there shall be
30 allowed to each partner, shareholder, member, or beneficiary of a
31 partnership, subchapter S corporation, limited liability company, or

1 estate or trust a nonrefundable credit against the income tax imposed by
2 the Nebraska Revenue Act of 1967 equal to the partner's, shareholder's,
3 member's, or beneficiary's portion of the amount of franchise tax paid to
4 the state under sections 77-3801 to 77-3807 by a financial institution.

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

11 (6) There shall be allowed to all individuals nonrefundable credits
12 against the income tax imposed by the Nebraska Revenue Act of 1967 as
13 provided in section 77-3604 and refundable credits against the income tax
14 imposed by the Nebraska Revenue Act of 1967 as provided in section
15 77-3605.

16 (7)(a) For taxable years beginning or deemed to begin on or after
17 January 1, 2020, and before January 1, 2026, under the Internal Revenue
18 Code of 1986, as amended, a nonrefundable credit against the income tax
19 imposed by the Nebraska Revenue Act of 1967 in the amount of five
20 thousand dollars shall be allowed to any individual who purchases a
21 residence during the taxable year if such residence:

22 (i) Is located within an area that has been declared an extremely
23 blighted area under section 18-2101.02;

24 (ii) Is the individual's primary residence; and

25 (iii) Was not purchased from a family member of the individual or a
26 family member of the individual's spouse.

27 (b) The credit provided in this subsection shall be claimed for the
28 taxable year in which the residence is purchased. If the individual
29 cannot fully utilize the credit for such year, the credit may be carried
30 forward to subsequent taxable years until fully utilized.

31 (c) No more than one credit may be claimed under this subsection

1 with respect to a single residence.

2 (d) The credit provided in this subsection shall be subject to
3 recapture by the Department of Revenue if the individual claiming the
4 credit sells or otherwise transfers the residence or quits using the
5 residence as his or her primary residence within five years after the end
6 of the taxable year in which the credit was claimed.

7 (e) For purposes of this subsection, family member means an
8 individual's spouse, child, parent, brother, sister, grandchild, or
9 grandparent, whether by blood, marriage, or adoption.

10 (8) There shall be allowed to all individuals refundable credits
11 against the income tax imposed by the Nebraska Revenue Act of 1967 as
12 provided in the Nebraska Higher Blend Tax Credit Act, the Nebraska
13 Property Tax Incentive Act, and the Renewable Chemical Production Tax
14 Credit Act.

15 (9)(a) For taxable years beginning or deemed to begin on or after
16 January 1, 2022, under the Internal Revenue Code of 1986, as amended, a
17 refundable credit against the income tax imposed by the Nebraska Revenue
18 Act of 1967 shall be allowed to the parent of a stillborn child if:

19 (i) A fetal death certificate is filed pursuant to subsection (1) of
20 section 71-606 for such child;

21 (ii) Such child had advanced to at least the twentieth week of
22 gestation; and

23 (iii) Such child would have been a dependent of the individual
24 claiming the credit.

25 (b) The amount of the credit shall be two thousand dollars.

26 (c) The credit shall be allowed for the taxable year in which the
27 stillbirth occurred.

28 2. Renumber the remaining sections and correct internal references
29 accordingly.

30 3. Correct the operative date and repealer sections so that the
31 sections added by this amendment become operative on January 1, 2024.