NEBRASKA
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DEPARTMENT OF REVENUE

Nebraska Historic Tax Credit (NHTC) Online Instructions Parts 4 and 5

Introduction to Parts 4 and 5

Applicants who receive an allocation of credits and approval for a completed rehabilitation project from the Nebraska State Historic Preservation Office (NeSHPO) must submit Part 4 - Request for Certification of Credits, Schedule I - Project Cost Summary, and Schedule II - Project Cost Detail, along with all required documentation to the Nebraska Department of Revenue (Department) at nhtc.ne.gov. The Department will review the request and notify the applicant of the approved eligible expenditures, the certified credit amount, and the required fee to be paid to the Department. Once the fee has been paid, the Department will issue one or more tax credit certificates to the applicant. Only the applicant may receive the original issuance of tax credit certificates.

The Department will issue two types of tax credit certificates which may be used to offset income tax, the premium tax imposed on insurance companies, or the franchise tax imposed on financial institutions: Type A and Type B credits.

1. **Type A Credits**
    - Can be used by the credit holder to offset appropriate Nebraska tax liability.
    - Can be transferred, sold, or assigned by the credit holder.
    - If the credit holder is a partnership, limited liability company, or S corporation, the credits may be distributed to its partners, members, or shareholders in the same manner as they share in the entity's income or losses, or pursuant to an executed agreement among the partners, members, or shareholders.
2. **Type B Credits**
    - Can be used by the credit holder to offset appropriate Nebraska tax liability.
    - Cannot be transferred, sold, or assigned by the credit holder.
    - If the credit holder is a partnership, limited liability company, or S corporation, the credits may be distributed to its partners, members, or shareholders in the same manner as they share in the entity's income or losses, or pursuant to an executed agreement among the partners, members, or shareholders.

The type of NHTCs issued by the Department depends on the nature of the applicant who incurred the eligible expenditures.

- Political subdivisions and entities exempt from income tax under Internal Revenue Code (IRC) § 501(c)(3) will be issued Type A tax credit certificates.
- All other individuals and entities will be issued 50% Type A tax credit certificates and 50% Type B tax credit certificates.

When credit holders transfer, sell, assign, or distribute credits, they must notify the Department by submitting a Part 5 - Request for Transfer, Sale, Assignment, or Distribution at nhtc.ne.gov. The transfer, sale, or assignment (transfer) of Type A credits must be reported within 15 calendar days of the transaction.

Credit holders distributing Type A or Type B credits through the ownership structure of a partnership, limited liability company, or S corporation must notify the Department by submitting a Part 5 at nhtc.ne.gov. They must upload their most current Schedule K-1, the entity's bylaws, or an agreement executed by the partners, members, or shareholders, which support the distribution of credits to the owners.

Submitting a Part 5 request is merely a notification to the Department and does not constitute the transfer or distribution of these credits. The actual transfer or distribution of credits becomes effective as provided by agreement between the parties. Credit holders may not transfer, distribute, or claim the NHTC until they have been issued a Type A or Type B certificate in their name.

When the holder of a NHTC uses the credit to offset tax due on a Nebraska income tax return, Nebraska financial institution tax return, or a Nebraska premium tax return, the credit user must complete and submit the Nebraska Incentives Credit Computation, Form 3800N, and the Form NHTC 3800N Worksheet, with the return. The Department will adjust the balance of the online certificate once the review of the return is complete.

Note. The balance on your certificate is not automatically reduced when an NHTC is claimed on a return. Make sure that the amount of NHTCs claimed on a return is accounted for in your certificate balance before any further transfers, distributions, or usage occurs.

Help. Click the "Help" icon in the upper right corner of any screen for additional instructions.

Part 4: Request for Certification of Credits

Who May File. An applicant, who has received an allocation of credits and final approval of the completed rehabilitation project from the NeSHPO, may file Part 4.

When to File. The Part 4 may be submitted the earlier of:

- The date the NeSHPO gives final approval for the project; or
- 31 days after the request for final approval of the project was submitted to the NeSHPO and that office has not issued a final approval of the project.

Where to File. The Part 4, schedules, and supporting documentation must be submitted at nhtc.ne.gov. Once logged into the credit holder's home page, select the projects NHTC ID number. When you arrive at the project status page, click the "Start/Continue Part 4" button.

1 – Certificate Request

NHTC Part 4, Schedules I & II. The pre-formatted Excel spreadsheets, NHTC Part 4, Schedules I & II, are required to be completed prior to starting the Part 4: Request for Certification of Credits. You will use the totals from the Schedules I & II to complete lines 1, 2, and 4 of Part 4. First download the Excel spreadsheet to your computer by clicking the link above. After completing Schedules I and II, you must save the document to your computer, then attach it in the designated area on the Part 4 before submission.

Click here for Schedules I & II Instructions.

Credit Certification Data

Line 1. Eligible expenditures listed on NHTC Part 4, Schedule II. Enter the total of all eligible expenditures listed on the Schedule II.

Line 2. Eligible expenditures not listed on NHTC Part 4, Schedule II. Enter the total of all eligible expenditures not listed on Schedule II.

Line 3. Total eligible expenditures (line 1 plus line 2). This line auto-calculates and must equal your total eligible expenditures listed on Schedule I.

Line 4. Total non-eligible expenditures listed on NHTC Part 4, Schedule I. Enter the total non-eligible expenditures from Schedule I.

Line 5. Total project cost (line 3 plus line 4). This line auto-calculates and must equal the total costs listed on Schedule I.

Documentation. The Part 4 must include complete documentation to support all eligible expenditures. All documents must be submitted in an electronic format through the NHTC web application. The Department will not consider the request complete until all supporting documentation is received.

Five sections are provided to upload your required documentation:

- **NHTC Part 4, Schedules I & II** – A completed pre-formatted Excel Spreadsheet;

  Click here for **Schedules I & II Instructions**.

- **Invoices & Proof of Payment of Eligible Expenditures** – AIA billings, other documentation showing expenses incurred, and checks or electronic payment statements;
- **Depreciation Schedule** – The applicant's most current depreciation schedule;
- **Construction Contracts** – General contractor and developer agreements; and
- **Other Documents** – Certificate of Occupancy or Certificate of Completion (proof of Placed In Service date), if applicable, proof of IRC § 501(c)(3) organization status (IRS determination letter), copy of the property tax statement issued before the start of construction, loan documents, and any other information you feel necessary to substantiate the request.

Additional invoices or documentation may be requested at the Department's discretion.

2 — Signature/Contact

Person Authorized to Sign

The name entered must be the applicant when the applicant is a sole proprietor or must be an authorized partner, member, or corporate officer of the applicant organization. If the name entered is someone other than listed above, a Power of Attorney, Form 33, must be signed by an authorized person and attached.

The person authorized to sign must enter the following information in the NHTC web application: first name; middle initial; last name; title, when applicable; mailing address; phone number; and email address.

By including your email address, you are agreeing that the Department may use it to transmit confidential information through a secure website.

Contact Person

If the contact person is someone other than the applicant who is a sole proprietor or an authorized partner, member, or corporate officer of the applicant organization, a Power of Attorney, Form 33, must be signed by the authorized person and attached to the Part 4.

Enter the complete name (first name, middle initial, and last name); title, when applicable; phone number; and email address of the person the Department will contact regarding the Part 4, if necessary.

By including your email address, you are agreeing that the Department may use it to transmit confidential information through a secure website.

☐ By checking this box I declare that I am the applicant and have read and understand the statement below. This box must be checked in the NHTC web application before you are allowed to submit the Part 4.

Authorized Signature. The act of e-filing this request constitutes the signature of the credit holder. By submitting this electronic request, I declare under penalties of law that I have examined this electronic request, including accompanying attachments, and to the best of my knowledge and belief, it is true, correct, and complete. This declaration is based on all information that I have any knowledge of.

After checking the box and reading the Signature statement, click "Save/Next" to complete the request.

Part 4 — Reviews

Audit

After you have submitted Part 4, the Department will review the documentation you provided. If additional documentation is needed, an examiner will contact you. When the audit review is complete, you will receive a Notice of Deficiency Determination (Notice), which states the total credits approved and the total fee due to enable issuance of the credit certificate. You will also receive a copy of the audit work papers, a Statement of Agreement, and instructions on how to pay the fee.

If you agree with the audit results, you must return the signed Statement of Agreement to the Department along with the Part 4 fee before credits may be issued. The agreement may be returned electronically through your project's message center. From the home page, select the project number associated with the project, then select the "Message Center" tab, and click on the drop down arrow on the right side of the "Part" field. From the drop down box, click on "Part 4," complete the "Subject" and "Message" fields, then attach a signed copy of the Statement of Agreement and click "Send." Otherwise, you may mail the agreement to Tax Incentives, Nebraska Department of Revenue, PO Box 98944, Lincoln, NE 68509-8944.

The signed Statement of Agreement waives any further right to disagree with this Notice. Once the Part 4 fee is paid and the Department receives notification of the payment, an email notifying the applicant of the issuance of the approved credits will be sent. See the instructions below on how to make your payment.

Protest

If you disagree with the findings in the Notice, you must file a protest with the Department within 60 days of the date of the Notice. Attach and submit the protest through the message center on the NHTC web application. The petition must:

- Identify the applicant and project number;
- Identify the items being protested;
- Include statements describing the reasons items in the audit are believed to be incorrect (where appropriate, the protested items should be identified by their audit work paper page and line numbers);
- Concisely state the action requested of the Department. Usually, this will be a list of the items in the audit you are asking the Department to include as an eligible expenditure;
- Request a hearing, if one is desired; and
- Be signed by the taxpayer or authorized representative. To be represented by another person, the taxpayer must complete a Power of Attorney, Form 33, or its equivalent and attach it in the message center on the NHTC web application and send it along with the protest.

To submit a protest, log in to nhtc.ne.gov. From the home page, select the project number associated with the protest, then select the "Message Center" tab, and click on the drop down arrow on the right side of the "Part" field. From the drop down box, click on "Part 4," complete the "Subject" and "Message" fields, then attach a signed copy of the protest. The date you submit the protest through the message center is the date received by the Department. See the information guide for How to Protest a Notice of Deficiency Determination for additional information on filing a protest.

When the protest is resolved, you will receive notification of the results. If the protest results in the issuance of additional credits, the notification will include the amount of the fee that must be paid before credits are certified and added to your existing certificate. After you have submitted the electronic payment, please notify the Department by sending an email to rev.legalnhtc@nebraska.gov. See instructions below on how to make your payment.

Part 4 — Fee

As a participant in the NHTC program, you are statutorily required to pay the fees associated with the application process and the issuance of certified credits. The Department cannot issue credit certificates until the appropriate fee has been paid.

This fee is equal to 0.25% of the calculated credit amount and is paid to the Department through electronic funds withdrawal. The fee amount can be found on the Notice of Deficiency Determination.

How to Make Your Payment

Electronic Funds Withdrawal (EFW). You must provide your payment information within the NHTC web application. Your payment will automatically be withdrawn from your bank account. This payment method may be accessed by clicking on the "Payment" tab associated with your project in the NHTC web application.

To make a payment, click the "Schedule EFW Payment" button, then complete the required financial details. Once you have entered all the required information, click the "Save/Next" button. Your payment details are displayed on the Summary Page. If you agree, click the "Submit" button to schedule your payment. You will then be presented with the Confirmation Page. This page displays the details of your scheduled payment and provides you with the Reference Number. Payment cancellation instructions are also included on the Reference Page.

Note. If you do not receive a Reference Number, then you have not successfully scheduled a payment.

Part 5: Request for Transfer, Sale, Assignment, or Distribution of Credits

Who May File. Credit holders of Type A NHTC certificates must file the Part 5 to report the transfer, sale, or assignment (transfer) of credits. Credit holders of Type A or Type B NHTC certificates must file the Part 5 to report the distribution of credits to partners of a partnership, members of a limited liability company, or shareholders of an S corporation. The credit holder must have a NHTC certificate issued in the credit holder's name before a request may be submitted. Multiple transfers or distributions may be reported on one request as long as the transfer or distribution is for the same certificate number.

When to File. Part 5 must be submitted within 15 days of a transfer of a NHTC or after a distribution of the NHTCs occurs. The Department will record the transfer or distribution and issue new certificates to the recipients based on the information provided.

Where to File. The Part 5 must be submitted at nhtc.ne.gov where the credit holder will log in. From the credit holder's home page, select the certificate number from which you wish to transfer or distribute credits. Once presented with the certificate transaction history page, the "Transfer/Distribute" button will be selected.

Transfer of Type A Credits

When a Type A certificate is selected, the credit holder is presented with a "Transfer/Distribute" button. Selecting this button will direct you to the correct page to begin the transfer request. Page 1 of Part 5 includes the "NHTC Certificate #" and the "Subject Property" information associated with the certificate.

Transfer or Distribution

Select one: Transfer or Distribute (When you select "Transfer," you are presented with the following information.)

Transfer, Sale, or Assignment of Type A Credit Information

1. Total Type A Credits Held by the Transferor Before Transfer, Sale, or Assignment.
2. Enter the Total Type A Credits Transferred, Sold, or Assigned (Enter the total of all credits transferred on this request.).
3. Total Type A Credits Held by the Transferor After Transfer, Sale, or Assignment.

Click "Next" to continue to page 2.

Transferee, Buyer, or Assignee

Individual/Organization. Select the button that describes the type of transferee, buyer, or assignee receiving the credits.

First Name, M.I., Last Name, and Title or Organization's Name. Enter the name of the person when an individual – or if an organization is selected, enter the organization's name – to whom the new NHTC certificate will be issued.

Mailing Address, City, State, Zip Code. Enter the transferee's, buyer's, or assignee's mailing address.

Email and Confirm Email. Enter the email address twice of the person or organization receiving the NHTC certificate. The Department will use this email address for future correspondence with the new credit holder.

SSN or FEIN and Confirm SSN or FEIN. Enter each transferee's, buyer's, or assignee's Social Security number or federal employer ID number, as appropriate.

Date of Transfer, Sale, or Assignment. Enter the date the NHTCs were transferred, sold, or assigned to the new credit holder.

Total Transfer Amount. This field is prepopulated with the total amount of all credits transferring with this request.

Amount of Transfer. Enter the amount transferred, sold, or assigned to the individual or organization listed above.

Click the "Add to List" button after entering the information above for each individual or organization receiving credits through this request. Once all individuals or organizations are added to the list, verify that the total amount shown on the list agrees with the total amount transferred.

Person Authorized to Sign

First Name, Middle Initial, Last Name, Title, Phone Number, and Email Address. Enter the name of the credit holder when the credit holder is a sole proprietor, or enter the name of an authorized partner, member, or corporate officer of the credit holder's organization. If the name entered is someone other than listed above, a Power of Attorney, Form 33, must be signed by an authorized person and submitted with the Part 5. By including an email address, you are agreeing that the Department may use it to transmit confidential information through a secure website.

☐ By checking the box, you are declaring that you are the credit holder and have read and understand the statement below. This box must be checked in the NHTC web application before you are allowed to submit the Part 5.

Authorized Signature. The act of e-filing this request constitutes the signature of the credit holder. By submitting this electronic request, I declare under penalties of law that I have examined this electronic request, including accompanying attachments, and to the best of my knowledge and belief, it is true, correct, and complete. This declaration is based on all information that I have any knowledge of.

After all information has been provided and the box is checked, click the "Submit" button to complete the request.

Distribution of Type A Credits

When a Type A certificate is selected, the credit holder is presented with a "Transfer/Distribute" button. Selecting this button will direct you to the correct page to begin the distribution request. Page 1 of Part 5 includes the "NHTC Certificate #" and the "Subject Property" information associated with the certificate.

Transfer or Distribution

Select one: Transfer or Distribute (When you select "Distribute," you will be presented with the following information.)

Distribution of Type A Credit Information

1. Total Type A Credits Held by the Distributor Before Current Distribution.
2. Enter the Total Type A Credits Distributed (Enter the total of all credits distributed on this request.).
3. Total Type A Credits Held by the Distributor After Distribution.

Click "Next" to continue to page 2.

Distributee

Individual/Organization. Select the button that describes the type of distributee receiving the credits.

First Name, M.I., Last Name, and Title or Organization's Name. Enter the name of the person when an individual – or if an organization is selected, enter the organization's name – to identify who will be receiving the new NHTC certificate.

Mailing Address, City, State, and Zip Code. Enter the distributee's mailing address.

Email and Confirm Email. Enter the email address twice of the person or organization receiving the NHTC certificate. The Department will use this email address for future correspondence with the new credit holder.

SSN or FEIN and Confirm SSN or FEIN. Enter each distributee's Social Security number or federal employer ID number, as appropriate.

Date of Distribution. Enter the date the NHTCs were distributed to the new credit holder.

Total Distribution Amount. This field is prepopulated with the total amount of all credits distributed with this request.

Amount of Distribution. Enter the amount distributed to the individual or organization listed above.

Click the “Add to List” button after entering the information above for each individual or organization receiving credits through this request. Once all individuals or organizations are added to the list, verify that the total amount shown on the list agrees with the amount distributed.

Person Authorized to Sign

First Name, Middle Initial, Last Name, Title, Phone Number, and Email Address. Enter the name of the credit holder when the credit holder is a sole proprietor, or enter the name of an authorized partner, member, or corporate officer of the credit holder’s organization. If the name entered is someone other than listed above, a Power of Attorney, Form 33, must be signed by an authorized person and submitted with the Part 5. By including an email address, you are agreeing that the Department may use it to transmit confidential information through a secure website.

☐ By checking the box, you are declaring that you are the credit holder and have read and understand the statement below. This box must be checked in the NHTC web application before you are allowed to submit the Part 5.

Authorized Signature. The act of e-filing this request constitutes the signature of the credit holder. By submitting this electronic request, I declare under penalties of law that I have examined this electronic request, including accompanying attachments, and to the best of my knowledge and belief, it is true, correct, and complete. This declaration is based on all information that I have any knowledge of.

After all information has been provided and the box is checked, click the “Submit” button to complete the request.

Distribution of Type B Credits

When a Type B certificate is selected, the credit holder will be presented with a “Transfer/Distribute” button. Selecting this button will direct you to the correct page to begin this distribution request. Page 1 of Part 5 includes the “NHTC Certificate #” and the “Subject Property” information associated with the certificate.

Transfer or Distribution

Distribution of Type B Credit Information

1. Total Type B Credits Held by the Distributor Before Current Distribution.
2. Enter the Total Type B Credits Distributed (Enter the total of all credits distributed on this request.).
3. Total Type B Credits Held by the Distributor After Distribution.

Click “Next” to continue to page 2.

Distributee

Individual/Organization. Select the button that describes the type of distributee receiving the credits.

First Name, M.I., Last Name, and Title or Organization’s Name. Enter the name of the person when an individual – or if an organization is selected, enter the organization’s name – to identify who will be receiving the new NHTC certificate.

Mailing Address, City, State, and Zip Code. Enter the distributee’s mailing address.

Email and Confirm Email. Enter the email address twice of the person or organization receiving the NHTC certificate. The Department will use this email address for future correspondence with the new credit holder.

SSN or FEIN and Confirm SSN or FEIN. Enter each distributee's Social Security number or federal employer ID number, as appropriate.

Date of Distribution. Enter the date the NHTCs were distributed to the new credit holder.

Total Distribution Amount. This field is prepopulated with the total amount of all credits distributed with this request.

Amount of Distribution. Enter the amount distributed to the individual or organization listed above.

Click the "Add to List" button after entering the information above for each individual or organization receiving credits through this distribution request. Once all individuals or organizations are added to the list, verify that the total amount shown on the list agrees with the amount distributed.

Person Authorized to Sign

First Name, Middle Initial, Last Name, Title, Phone Number, and Email Address. Enter the name of the credit holder when the credit holder is a sole proprietor, or enter the name of an authorized partner, member, or corporate officer of the credit holder's organization. If the name entered is someone other than listed above, a Power of Attorney, Form 33, must be signed by an authorized person and submitted with the Part 5. By including an email address, you are agreeing that the Department may use it to transmit confidential information through a secure website.

☐ By checking the box, you are declaring that you are the credit holder and have read and understand the statement below. This box must be checked in the NHTC web application before you are allowed to submit the Part 5.

Authorized Signature. The act of e-filing this request constitutes the signature of the credit holder. By submitting this electronic request, I declare under penalties of law that I have examined this electronic request, including accompanying attachments, and to the best of my knowledge and belief, it is true, correct, and complete. This declaration is based on all information that I have any knowledge of.

After all information has been provided and the box is checked, click the "Submit" button to complete the request.

Department Generated Emails

When Part 5 transfers of Type A credits or Part 5 distributions of Type A and Type B credits are submitted, the NHTC web application sends an email to the recipients of the transfer or distribution informing them that a request is pending and awaiting action. The URL in the email will be used to link to the NHTC web application to confirm or deny the request. If the recipient of the NHTCs does not have an existing username and password, he or she will click "Register New Applicant or Credit Holder" and create a user account. **Be aware that the information entered during registration must match the information submitted by the transferor or distributor when a transfer or distribution request is submitted.** After logging in, the request requiring action is located in the "Certificate Requests" section. Click the icon in the "Review Certificate Request" column to start the review. If you are not presented with a request that relates to your transaction, contact the person who initiated the request to review the information submitted on your behalf. The transferor or distributor will need to contact the Department to request any corrections.

If the information reported on your behalf is correct, select "Confirm." Confirmed requests for transfer of NHTCs will automatically be approved and certificates created. Requests for distribution of NHTCs require an approval by the Department of Revenue before certificates are issued.

If the information reported on your behalf is incorrect, select “Deny.” Denied requests will be returned to the transferor or distributor for correction and resubmission. You will then receive a new pending request for review. This action will continue until the transfer or distribution requests are confirmed by the recipients.

Certificates are not automatically created when distribution requests are confirmed. They are held until all the distributees confirm. Once the Department receives all confirmed distributions, it will review the supporting documentation evidencing the distribution of NHTCs. After the Department determines the distribution request is in compliance with Neb. Rev. Stat. § 77-2906(5), the distributee will receive an email indicating a certificate has been issued and he or she may claim the credit on a return or complete a Part 5 for further distribution. When a distribution request is rejected, the distributor will receive an email indicating the distribution request was rejected with instructions to log in to the NHTC web application, make the necessary corrections, and resubmit the request. If the total dollar amount is incorrect, the distributor will terminate the current request and then complete a new request. The recipient will receive a new email indicating a request is pending and awaiting action. The URL in the email will be used to link to the NHTC web application to confirm or deny the request. This action will continue until all distribution requests are approved by the Department and the recipient receives a certificate.

Should you have any questions, you may contact Lee Glaser at the phone number or email address listed below.

Lee Glaser
Revenue Tax Specialist, Policy Section
Nebraska Department of Revenue
301 Centennial Mall South
PO Box 94818
Lincoln, NE 68509-4818
Phone: 402-471-5669 Fax: 402-471-5946
lee.glaser@nebraska.gov