

2024

Nebraska

Individual Income Tax Booklet

This booklet is no longer mailed and may be obtained from
DOR's website.

E-file your return.

NebFile offers **FREE** e-filing of your state return.

All taxpayers can use the Fed/State program to e-file federal and Nebraska tax returns.

File online by purchasing software from a retailer, or with an authorized tax return preparer.

When electronically submitting the return, use the electronic payment option to schedule a payment to pay the balance due or make estimated income tax payments. Or use the DOR e-pay system to schedule payments after e-filing the return.

For more information or to use any of
DOR electronic services, go to
revenue.nebraska.gov



DRAFT AS OF 12/3/2024

DO NOT FILE

What's New?

Individual Income Tax Rate Change (LB 754, 2023). For the 2024 taxable year, the highest rate for the Nebraska individual income tax is reduced to 5.84%.

School Readiness Tax Credit (LB 754, 2023). Beginning with tax year 2024, the School Readiness tax Credit Act restored both a nonrefundable and refundable income tax credit with updated tax credit amounts. Eligible childcare and education providers and staff members or self-employed individuals of an eligible program must first apply to the Nebraska Department of Revenue (DOR) for the taxpayer to receive certification of the tax credit. Applications will be processed in the order received. The total amount of credits available under the Act is limited to \$7.5 million for each tax year.

A nonrefundable tax credit is available to persons who own or operate an eligible childcare and education program that serves children who participate in the childcare subsidy program established in Neb. Rev. Stat. § 68-1202. The credit to the childcare and education provider is equal to the average monthly number of subsidy children who attend the provider's program multiplied by a dollar amount based on the quality scale rating of the eligible program:

- A) \$1,200 for a Step Five program;
- B) \$1,000 for a Step Four program;
- C) \$ 800 for a Step Three program;
- D) \$ 600 for a Step Two program; and
- E) \$ 400 for a Step One program.

This nonrefundable tax credit is available to individuals, corporate taxpayers, and fiduciaries. The providers must first apply to DOR to receive the credits. The nonrefundable credit can be claimed by an S corporation or partnership electing to pay the Nebraska income tax.

A refundable tax credit is available to an individual who was employed with, or who is a self-employed individual providing child care and early childhood education for, an eligible program for at least six months during the taxable year and are classified in the Nebraska Early Childhood Professional Record System. Eligible staff members receive a credit equal to:

Level Five	\$3,500
Level Four	\$3,200
Level Three	\$2,900
Level Two	\$2,600
Level One	\$2,300

Opportunity Scholarships Act (LB 753, 2023 and LB 1402, 2024). Beginning with tax year 2024 and until October 31, 2024, individuals and entities that made cash contributions to a certified scholarship-granting organization may qualify for a nonrefundable tax credit. Taxpayers must have notified the scholarship-granting organization of their intent to make a contribution and the amount to be claimed as a credit. The nonrefundable credit is equal to the lesser of:

- ❖ The total amount of contributions made to scholarship-granting organizations during the tax year;
- ❖ 50% of the income tax liability of the taxpayer for such year; or
- ❖ \$100,000, or \$1 million for estates and trusts.

A taxpayer may only claim a credit on the portion of the contribution that was not claimed as a charitable deduction on their federal return. Any unused credit may be carried forward for the next five years after the credit was first granted. This credit can be claimed by an S corporation or partnership electing to pay the Nebraska income tax. If a shareholder, beneficiary, or member is claiming the credit based on a distribution, the credit is first limited by the tax liability of the pass-through entity or fiduciary.

Child Care Tax Credit Act (LB 754, 2023). Beginning with the 2024 tax year, parents or legal guardians of children 5 years old or younger, may apply for a refundable tax credit under the Child Care Tax Credit Act (Act). The parent or legal guardian is eligible for the refundable tax credit if:

- The child is enrolled in a child care program licensed pursuant to the Child Care Licensing Act;
- The child receives care from an approved license-exempt provider enrolled in the child care subsidy program pursuant to Neb. Rev. Stat. §§ 68-1202 and 68-1206; or
- The parent's or guardian's total household income is less than or equal to 100% of the federal poverty level.

Total household income means federal modified adjusted gross income. The refundable tax credit amount is based on the parent's or legal guardian's total household income. The credit will equal:

- \$2,000 per child, if the total household income is no more than \$75,000; or
- \$1,000 per child, if the total household income is more than \$75,000 but no more than \$150,000.
- Zero, if the total household income is more than \$150,000.

The parent or legal guardian’s application and supporting documentation will be used to certify the refundable tax credit. The applications will be used to reserve tax credits for the individual to claim on their Nebraska individual income tax return. The applications will be processed in the order received until the annual limit reaches \$15 million.

Also, a nonrefundable credit is available to persons and entities subject to the Nebraska income tax that make qualifying contributions under the Act and apply with DOR. The credit is equal to 75% or 100% of the qualifying contribution, not to exceed \$100,000 for any single year. The credit is equal to 100% of the contribution if made to:

- ❖ An eligible program with a physical presence in an opportunity zone in Nebraska designated pursuant to the federal Tax Cuts and Jobs Act, Public Law 115-97; or
- ❖ An eligible program with at least one child enrolled in the childcare subsidy program established pursuant to Neb. Rev. Stat. §§ 68-1202 and 68-1206, and the childcare provider is actively caring and billing for the child.

If the above is not met, the credit is equal to 75% of the qualifying contribution. Any unused credits may be carried forward to the next five tax years after the credit was first used. A taxpayer may only claim a credit on the portion of the contribution that was not claimed as a charitable contribution on their federal return. This credit can be claimed by an S corporation or partnership electing to pay the Nebraska income tax. The credit is distributable to beneficiaries of estates and trusts.

Nebraska Biodiesel Tax Credit Act (LB 1095, 2024 and LB 937, 2024). Beginning with the 2024 tax year, retail dealers of biodiesel may be eligible for a refundable tax credit. The tax credit equals 14 cents multiplied by the total number of gallons of biodiesel sold on a retail basis during the prior calendar year through a motor fuel pump located at the retailer dealer’s motor fuel site. The credit is calculated only on the biodiesel portion of any product sold by the retail dealer that is a blend of biodiesel and diesel or other fuel. The tax credit may be used against any Nebraska income tax.

To receive the credit a retail dealer must file a Biodiesel Tax Credit Application, Form BDTC-A with DOR from January 1 to April 15 of each calendar year. A separate application must be filed for each calendar year. DOR may approve up to \$1 million in tax credits in Nebraska state fiscal year 2024-25 and \$1.5 million for Nebraska state fiscal years after 2024-25. If the total amount of credits requested in any Nebraska state fiscal year exceeds the credit limit, DOR will allocate the tax credits proportionally based upon the amounts requested.

Creating High Impact Economic Futures (CHIEF) Act (LB 1344, 2024). Effective January 1, 2025, the Community Development Assistance Act (CDAA) is replaced by the CHIEF Act. Under the CHIEF Act, individuals and entities that contribute to community betterment organization programs or projects certified for tax credit status by the Nebraska Department of Economic Development during a tax year are eligible for the nonrefundable credit. The credit for contributions made by an individual is equal to 100% of the contribution. The credit is equal to 50% of the contribution for all other contributors. Contributions must be made after January 1, 2025. Any unused credits may be carried forward to the next five tax years after the credit was first allowed.

School District Property Tax Credit (LB 34, 2024 Special Session). LB 34 enacted in the 2024 special session created the School District Property Tax Relief Act. This act provides property tax relief for school district taxes directly on the property tax statement reducing property taxes before they are paid.

For tax years beginning on or after January 1, 2024, the Form PTC will only be used to claim a credit for community college property taxes paid.

Medical Debt Relief Act (LB 937, 2024). Effective July 19, 2024, the Medical Debt Relief Act establishes a medical debt relief program for Nebraska residents with low household income unable to pay their medical debt. The program is administered through the Nebraska State Treasurer (STO). The STO will contract with a medical debt relief coordinator to negotiate for and elect to buy dischargeable medical debt from health care providers for accounts described in the Act.

Contributions made under this Act to the STO qualify for a decreasing adjustment to the individual’s federal adjusted gross income (AGI), or the corporation or fiduciary’s federal taxable income to the extent a deduction is not taken on the federal return.

For individuals who had medical debt discharged under the program, the Act provides a decreasing adjustment from federal AGI for the interest and principal balance of the discharged medical debt, to the extent included in the federal AGI.

Reverse Osmosis System Tax Credit Act (LB937, 2024). This Act establishes a one-time refundable income tax credit for the cost of the installation of a reverse osmosis system at a primary residence of a taxpayer. The credit equals 50% of the cost incurred by the taxpayer for installing the reverse osmosis system during the tax year, up to a maximum credit of \$1,000.

Beginning with the 2024 tax year, individual income taxpayers may claim a credit for the cost of installing a reverse osmosis water filtration system if the test results for the drinking water are above the following:

- Ten parts per million for nitrate nitrogen;
- Four parts per trillion for perfluorooctanoic acid or perfluorooctanesulfonic acid;
- Thirty micrograms per liter or 30 parts per billion for uranium; or
- One on the Hazard Index for perfluorononanoic acid, perfluorohexanesulfonic acid, hexafluoropropylene oxide dimer acid and its ammonium salt, or perfluorobutanesulfonic acid.

The tax credit is limited to one taxpayer per residence. Taxpayers subject to the income tax imposed by the Nebraska Revenue Act of 1967 may submit an application with the test results to DOR. DOR will review the application and notify the taxpayer of the approved tax credit amount. Applications for the tax credit will be processed in the order received based on the following annual limitations in the State fiscal years:

- | | |
|---------------------------------|-------------|
| • July 1, 2024 to June 30, 2025 | \$ 500,000 |
| • July 1, 2025 to June 30, 2026 | \$ 500,000 |
| • July 1, 2026 to June 30, 2027 | \$ 500,000 |
| • State fiscal years after | \$1,000,000 |

Federal Civil Service Retirement Exclusion (LB1317, 2024). For taxable years beginning on or after January 1, 2024, LB 1317 limits the decreasing adjustment from federal AGI for amounts received as annuities under the Civil Service Retirement System that were earned from employment with the federal government, to the extent included in federal AGI. Under LB 1317, the decreasing adjustment does not apply to annuities received under the Federal Employees Retirement System.

Important Information For All Nebraska Filers

Identity theft is a persistent, evolving threat. The Nebraska Department of Revenue (DOR) utilizes fraud detection and verification processes to reduce refund fraud designed to protect all taxpayers filing Nebraska returns. These steps may increase the amount of time needed to process income tax returns and issue tax refunds. DOR is committed to processing the tax returns efficiently while safeguarding taxpayer information. Please allow a minimum of 30 days to receive your refund if you e-file an error-free return. For paper returns, please allow a minimum of three months to receive your refund if you file an error-free return. Your refund will generally be issued by July 15, if your return is filed by the April 15th due date. [See our website for additional identity theft information.](#)

Complete Your Federal Return. Your federal return must be completed before starting your Nebraska return. This information is needed to complete your Nebraska return.

Federal Return. A copy of the federal return and supporting schedules, as filed with the IRS, must be attached to the Nebraska return.

Digital assets. Do not leave the question blank on the Nebraska return regarding transactions involving digital assets. If, in 2024, you engaged in any transaction involving digital assets, check the “Yes” box next to the question on digital assets on page 1 of Form 1040N directly below the social security number fields. Nebraska generally follows federal definitions. For additional information see the instructions for Federal Form 1040.

Complete Only the Lines on [Nebraska Individual Income Tax Return, Form 1040N](#), That Apply to You. If a line does not apply to your filing, leave the line blank except line 5 cannot be left blank.

Enter All Amounts as Whole Dollars. Do not include cents on the return or schedules. Do not change the pre-printed zeros in the cents column of the Form 1040N. Round any amount from 50 cents to 99 cents to the next higher dollar. Round any amount less than 50 cents to the next lower dollar.

Federal Forms W-2, W-2G, 1099-R, 1099-MISC, and 1099-NEC. A form should be received from your employer or payor by February 15 or by March 1 if furnished by a broker. **If you have not received the form by the required date, you should immediately contact your employer or payor. Please verify that all information on these forms is correct, including the Social Security number.** If the information on these forms is incorrect, obtain a corrected form from your employer or payor. A corrected form should be clearly marked “Corrected by Employer/Payor.” If a wage and tax statement is lost or destroyed, request a substitute copy clearly marked “Reissued by Employer.”

Balance Due. Any balance due must be paid in full with your return. All taxpayers are encouraged to make their tax payments electronically. There are many electronic payment methods available. Several software products offer the option of an electronic funds withdrawal (EFW) allowing you to schedule your payment when you file your return. Other options include DOR’s e-pay system and paying by credit card. Electronic payment is fast, secure, and easy. See DOR’s [website](#) for additional information about all available electronic payment options.

Use Tax. Use tax is due on all taxable purchases when Nebraska and any applicable local sales tax is not paid to the retailer. This often occurs when making purchases over the Internet or from out-of-state retailers. Check your receipts for online purchases to see if tax was collected by the retailers. See the [instructions for line 52, Form 1040N](#) if the appropriate Nebraska and local sales taxes were not collected by a retailer on any of the purchases.

Due Date. Your income tax return is due on the 15th day of the 4th month after the close of the tax year (April 15th for calendar-year filers). If the due date falls on a Saturday, Sunday, or legal holiday, you must file your return by the first business day after the 15th day of the fourth month.

Penalty and Interest. Either or both may be imposed under the following circumstances:

1. Failing to file a return and pay the tax due on or before the due date;
2. Failing to pay the tax due on or before the due date;
3. Failing to file an amended Nebraska income tax return when required;
4. Preparing or filing a fraudulent income tax return; or
5. Understating income on an income tax return.

Filing a false or fraudulent return is subject to penalty, even if the amounts reported are taken from your federal return. Unpaid tax is subject to interest at 8% from the original due date to the date the tax is paid. See [Revenue Ruling 99-24-1](#) for applicable interest rates.

Amended Nebraska Individual Income Tax Return, Form 1040XN. If information on a previously-filed Nebraska income tax return is incorrect, you must file an Amended Nebraska Individual Income Tax Return, Form 1040XN, to report the corrected amounts. When filing Form 1040XN, remember:

1. Changes made by the IRS or another state must be reported to DOR within 60 days; however, if the amended federal income tax return requests a credit or refund, the amended Nebraska income tax return must be filed within 60 days after receipt of proof of federal acceptance of the credit or refund;
2. Form 1040XN is year-specific. Please be sure to use the correct form for the tax year you are amending;
3. Include a complete explanation of the changes made, and sign your return;
4. If you are also amending with the IRS, you must attach a copy of Federal Form 1040X and all forms or other documentation that explain the changes shown on Form 1040XN; and
5. Attach proof of federal acceptance. Review the amended return instructions for additional information.

If you paid but did not claim on your original return the community college property taxes on Nebraska real estate and this is the only change to your Nebraska individual income tax return, file an amended Nebraska Property Tax Incentive Act Credit Computation, Form PTCX. Do not file an amended Nebraska return.

A Nebraska Extension of Time. DOR accepts the federal extension of time to file. It is only necessary to file a Nebraska extension of time if you are making a tentative tax payment or when a federal extension is not filed. An extension of time to file does not stop interest from accruing on unpaid tax. A six-month extension to file Form 1040N may only be obtained by:

1. Attaching a copy of a timely-filed Application for Automatic Extension of Time to File U.S. Individual Income Tax Return, Federal Form 4868, to the Nebraska return when filed;
2. Attaching a schedule to your Nebraska return listing your federal confirmation number and providing an explanation that you received a federal extension;
3. Filing a [Nebraska Application for Extension of Time, Form 4868N](#), on or before the due date of the return, when you need to make a tentative Nebraska payment or if a federal extension was not requested; or
4. Attaching a copy of the statement or letter submitted with your federal return requesting the automatic extension of time to file for a U.S. citizen residing outside the U.S. or Puerto Rico, to the Nebraska return when filed.

Note: If you have a combat zone-related or contingency operation-related extension, see DOR's website for [Nebraska Income Tax for U.S. Servicemembers, Their Spouses, and Civilians Working with U.S. Forces Information Guide](#).

If the extension documentation is not attached, a late filing penalty may be imposed. Any tax not paid by April 15 is subject to interest. An extension of time cannot exceed a total of six months after the original due date of the return.

Estimating Your 2025 Income Tax. The [2025 Nebraska Individual Estimated Income Tax Payment Vouchers](#) booklet is available on DOR’s website or you can contact DOR. You are encouraged to make estimated income tax payments using DOR’s [e-pay](#) system or using the EFW option when e-filing your 2024 Nebraska return. The EFW option is offered by many software products.

Estimated Income Tax Payments and Penalty for Underpayment of Estimated Income Tax. You may owe a penalty if your estimated income tax payments did not total at least:

- ◆ 90% of the tax shown on your 2024 Nebraska return;
- ◆ 100% of the tax shown on your 2023 return; or
- ◆ 110% of the tax shown on your 2023 return if AGI on the return was more than \$150,000; or, if your filing status is married, filing separately, more than \$75,000.

When calculating the penalty for underpayment of estimated income tax on Line 50, Form 1040N, use the revised 2024 Form 2210N, which has been updated to include in Line 2 the school district property tax credit allowed on your 2023 tax return. If you did not have a school district property tax credit in 2023 and now own property on which you paid property taxes, you may include the 2023 school district property tax credit for that property. Use the [Nebraska Property Tax Look-Up Tool](#) to determine the proper credit amount. Select 2023 in the box "Your Property Taxes were Paid", enter the Parcel ID Number, and select 2022 in the box "Property Tax Year". Once you have determined the Allowable Nebraska School District Property Tax Paid in 2023 amount, multiple that by 30% (.30). This is the amount you can add to Line 2, Form 2210N. See the [Individual Underpayment of Estimated Tax, Form 2210N](#), instructions.

An individual who did not pay enough estimated income tax by any of the applicable due dates (April 15, June 15, September 15, and January 15), or who did not have enough state income tax withheld, will be assessed a penalty. This may be true even if you are due a refund. The underpayment penalty is calculated separately for each installment due date (four equal and timely payments). You may owe a penalty for an earlier payment that was due, even if you paid enough estimated income tax later to make up the underpayment.

See DOR’s website for: [Nebraska Income Tax for U.S. Servicemembers, Their Spouses, and Civilians Working with U.S. Forces Information Guide.](#)

Active Duty Military Servicemembers. Your active duty military pay is taxed only by the state where you are a legal resident. Your place of legal residence at the time of entry into the service is presumed to be your state of legal residence or domicile. Your state of legal residence stays the same until it is established in another state. Moving to a new location for a limited period of time, including a permanent change of station, does not change your legal residence. Nebraska income tax is imposed on the total federal adjusted gross income (AGI) of a Nebraska resident who is a member of the uniformed services, regardless of where the income is received.

The federal Veterans Auto and Education Improvement Act of 2022 amended the federal Servicemembers Civil Relief Act (SCRA) to provide an election to **married** servicemembers and spouses of servicemembers. The election applies to any taxable year of marriage, regardless of the date of the marriage for taxable years beginning on or after January 1, 2023. Military servicemembers and spouses of the servicemembers may elect to use for purposes of taxation: (a) the residence or domicile of the service member; (b) the residence or domicile of the spouse; or (c) the permanent duty station of the servicemember.

Check the box “Active Military” on [Form 1040N](#) if you or your spouse were active military servicemembers at any time during the tax year (including National Guard or Reserve personnel called to active duty). Taxpayers receiving combat pay have the same extended due date for filing a Nebraska return as for the federal return.

Military pay received by a nonresident servicemember stationed in Nebraska is not subject to Nebraska income tax. Other income derived from Nebraska sources by a servicemember, such as income earned from a separate job not connected with the servicemember’s military service, is subject to Nebraska income tax. See special [instructions for line 21, Nebraska Schedule I](#).

The federal SCRA provides that Nebraska cannot tax the income of a nonresident servicemember’s spouse when the spouse is a nonresident and is in Nebraska only in support of the servicemember. A Nebraska resident servicemember’s spouse, who is also a Nebraska resident and who works and resides in another state, is required to file a Nebraska income tax return. More information is available in the [instructions for line 21, Nebraska Schedule I](#), [line 1, Nebraska Schedule III](#), and on DOR’s website.

Foreign Income. Income earned by a Nebraska resident while living in another country is taxable by Nebraska. Individuals who previously filed as Nebraska residents continue to be Nebraska residents until they abandon their Nebraska domicile and a new domicile is established. Most taxpayers remain Nebraska residents and are required to file Nebraska returns, even while living in another country.

Deceased Taxpayer. A tax return must be filed and any liability must be paid if the deceased otherwise met the filing requirements. A deceased taxpayer’s spouse, personal representative, or other person may file and sign a return for a taxpayer who died before filing a 2024 return. A personal representative is an executor, administrator, or anyone else who is in charge of the deceased taxpayer’s property. Additional documentation will be required when claiming a refund on behalf of a deceased taxpayer, unless the deceased is your spouse with whom you are filing as married, filing jointly for this tax year.

“DECEASED” must be written across the top of a paper return and the taxpayer’s name and the date of death must be shown in the space provided. See additional instructions for deceased taxpayers in the “How to Complete your Form 1040N” section on page 7.

Fiscal Year Returns. The taxable year used for Nebraska must be the same as the taxable year used for federal income tax purposes. For fiscal years beginning after January 1, 2024, the [2024 Nebraska Tax Calculation Schedule](#) or [Tax Table](#), must be used without adjustment.

Due Date for Fiscal Year Returns. The due date for a fiscal year return is the 15th day of the fourth month following the end of the taxable year. If the due date falls on a Saturday, Sunday, or legal holiday, you must file your return by the first business day after the 15th day of the fourth month following the end of the taxable year.

Refer to [instructions for line 34](#), Form 1040N, for additional information on a fiscal year taxpayer claiming the income tax withholding credit.

Taxpayers filing fiscal year returns may not e-file their Nebraska return.

Who Must File?

A Nebraska resident who:

- ◆ Is required to file a federal individual income tax return reporting a federal tax liability before credits; or
- ◆ Has \$5,000 or more of net Nebraska adjustments to federal AGI including non-Nebraska state and local bond interest exempt from federal tax (see Nebraska Schedule I instructions).

A partial-year resident or a nonresident who:

- ◆ Has income derived from or connected with Nebraska sources.

Definitions

Domicile. Domicile is the place an individual has his or her permanent home. Even if the individual is absent at times, domicile is the place where the individual intends to return. Actual residence is not necessarily domicile. An individual establishes domicile in Nebraska on the date he or she arrives in the state for other than temporary or transitory purposes. Once domicile is established, it remains the individual’s domicile until it is abandoned. Domicile in Nebraska is abandoned when an individual leaves the state, abandons the Nebraska domicile with no intention of maintaining his or her true, fixed, and permanent home in Nebraska; and establishes a domicile in another state while present in the other state for other than temporary or transitory purposes.

Partial-Year Resident. A partial-year resident is an individual who is a resident for part of the year, but less than the entire year. To be a partial-year resident, a taxpayer must change domicile during the year, either moving into or out of Nebraska.

Permanent Place of Abode. A permanent place of abode is a dwelling place permanently maintained by the taxpayer, whether or not it is owned by the taxpayer. A dwelling means a house, apartment, room, or other accommodation including those used for vacation purposes, suitable for human occupation. It does not include a vacation camp, cottage, or dwelling place occupied only temporarily.

Resident. A resident is an individual whose domicile is in Nebraska, or an individual who is physically present in this state and maintains a permanent place of abode within this state for an aggregate of more than six months. Nebraska residency will be determined by Nebraska law. If an individual maintains a permanent place of abode in Nebraska and is present in Nebraska for at least 183 days during the tax year, that individual is a Nebraska resident even if domiciled in another state. For this purpose, Nebraska considers any part of a day spent in Nebraska as a day spent in the state.

For additional information, refer to the [Determining Residency Status for Nebraska Individual Income Tax Filing Information Guide](#) on DOR’s website.

How to Complete your Form 1040N

Name and Address. When filing a paper return, enter or clearly print your name and correct mailing address information in the spaces provided. Include your spouse's name if filing a joint return.

Social Security Numbers. You must enter your Social Security number (SSN) or Individual Tax Identification Number (ITIN) on the form in the boxes indicated. Include your spouse's SSN or ITIN if filing a joint return.

The Privacy Act of 1974 provides that when DOR asks you for your Social Security number (SSN), you must first be told of DOR's legal right to ask for this information, why DOR is asking for it, and how it will be used. DOR must also tell you what would happen if it is not received and whether your response is voluntary, required to obtain a benefit, or mandatory under the law.

The legal right to ask for the information is [Neb. Rev. Stat. § 77-27,119](#). This law says that you must include your SSN on your return. Your response is mandatory under this section. The SSN is needed to properly identify you and process your return and other documents. If the required SSNs are not provided the return is not considered to be filed.

Public High School District Data. All residents and partial-year residents domiciled in Nebraska on December 31, 2024, must enter the high school district code where you are domiciled (permanent residence). This information is also required if you reside outside Nebraska but are still domiciled in Nebraska. Nonresidents or partial-year residents not residing in Nebraska on December 31, 2024, do not enter a high school district code. This information is required by law to assist the Nebraska Department of Education in determining the state aid for Nebraska's K-12 public school systems.

Farmer/Rancher. Farmers or ranchers deriving at least two-thirds of their yearly gross income for the current or previous tax year from farming or ranching must check the box "Farmer/Rancher" below the SSN block. A farmer or rancher who files the 2024 Form 1040N and pays the Nebraska income tax due on or before March 1, 2025, is not required to make estimated income tax payments during 2024; otherwise, the entire amount of estimated income tax must be paid by January 15, 2025. If you file or pay after March 1, 2025, you may be assessed a penalty for failure to properly pay estimated income tax. An extension of time cannot be used to extend the March 1 filing date.

Active Military. Check the box "Active Military" below the SSN block only if you or your spouse were on active military duty status at any time during 2024. This includes National Guard/Reservists called to active duty during 2024.

Deceased. If the taxpayer or spouse is deceased, enter the first name of the deceased person and the date of death in the space provided.

- ◆ A **Surviving Spouse** filing for a deceased taxpayer's refund must write "surviving spouse" in the signature block if you are filing a paper Form 1040N for the deceased. No further documentation is required.
- ◆ When a court-appointed personal representative files an original or amended return on behalf of a deceased person, he or she must attach a copy of one of the following with the completed and signed Form 1040N or 1040XN:
 - The court order showing proof of appointment (Letters of Appointment); or
 - A copy of the probated will.
- ◆ Other persons requesting a deceased taxpayer's refund should complete a [Statement of Person Claiming a Refund Due to a Deceased Person, Form 1310N](#), and attach one the following:
 - Death certificate (need not be certified); or
 - Formal notification from the appropriate government office (for example, Department of Defense, Department of Health and Human Services, or Department of State) informing the next of kin of the deceased person's death.

Line 1

Federal Filing Status. Your Nebraska filing status is the same as your federal filing status.

There is an exception for married, filing jointly taxpayers where one spouse is a Nebraska resident and the other spouse is a nonresident or partial-year resident of Nebraska. These taxpayers may elect to file either a married, filing jointly return (both spouses are taxed as residents) or married, filing separately returns with Nebraska.

If you file a married, filing separately return for Nebraska, it must be calculated as if a married, filing separately federal return had been filed. The married, filing separately income, deductions, and exemptions must be used. The spouse's SSN and name must be entered on the married, filing separately line.

Nonresident military servicemembers should review line 21, Nebraska Schedule I instructions.

Line 2a

Check the appropriate boxes if, during 2024:

Box 1. You were 65 or older (taxpayers born before January 2, 1960);

Box 2. You were blind;

Box 3. Your spouse was 65 or older (taxpayers born before January 2, 1960); or

Box 4. Your spouse was blind.

Line 2b	Check the appropriate boxes if someone, such as a parent, can claim you or your spouse as a dependent on their return.
Line 3	<p>Type of Return. Check the appropriate box if, during 2024:</p> <p>Box 1. You were a resident;</p> <p>Box 2. You were a partial-year resident; or</p> <p>Box 3. You were a nonresident.</p> <p>Partial-year residents must also complete dates of residency. Nonresidents and partial-year residents must complete and attach Form 1040N, Schedule III, even if all income is earned in Nebraska. If one spouse is a full-year resident and the other is a nonresident or partial-year resident, and they elect to file a married, filing jointly return, a resident return must be filed and Schedule III cannot be used. For additional information, refer to the Determining Residency Status for Nebraska Individual Income Tax Filing Information Guide on DOR's website.</p>
Line 4a	Enter 1 in line 4a for yourself. You cannot enter a 1 in line 4a if you are claimed by another taxpayer for child tax credit or dependent tax credit purposes. The box should be left blank if a 1 is not entered.
Line 4b	If your status is married, filing jointly enter 1 in line 4b for your spouse. You cannot enter a 1 in line 4b if your spouse is claimed by another taxpayer for federal child tax credit or dependent tax credit purposes. The box should be left blank if a 1 is not entered.
Line 4c	Enter the dependents' names and social security numbers listed in columns 1 and 2 of the Federal Form 1040 or 1040-SR that qualify for the child tax credit or dependent tax credit. If you have more than three dependents, attach a listing for the remaining dependents using the same format as line 4c.
Line 4	<p>Total Nebraska Personal Exemptions. Add lines 4a, 4b, and 4c and enter the result on line 4.</p> <p>If you filed a married, filing jointly federal return and elect to file married, filing separately for Nebraska because one spouse is a resident of Nebraska and the other is not, a federal return must be computed for each taxpayer as if married, filing separately federal returns had been filed. The taxpayer claiming the child tax credit or dependent credit on the reworked federal return must have earned more than half of the income used to support the family. For example, if a couple has three children, a taxpayer earning one-third of the income cannot claim any of the family's three children. Support payments are presumed to go to all children equally. The recalculated federal return information is used to determine the Nebraska personal exemptions that can be claimed on each married, filing separately Nebraska return.</p>
Line 5	<p>Federal Adjusted Gross Income (AGI). This is the amount reported on your federal return as AGI. Enter the amount from Federal Form 1040 or 1040-SR, page 1, line 11. Do not leave line 5 blank on the Nebraska individual income tax return.</p> <p>Special Circumstances.</p> <p>If you were not required to file a federal return, but must file a Nebraska return to report state and local bond interest of \$5,000 or more, you must enter all income that would have been included in federal AGI. This includes both earned income (such as wages), retirement income (such as 401K distributions, pensions, etc.), and investment income (such as dividends, bank interest, etc.).</p> <p>Nonresidents and partial-year residents must include your total federal AGI on line 5, Form 1040N, not just your Nebraska source income. When completing Nebraska Schedule III, you will report Nebraska income and apportion your tax liability based on a calculated ratio of Nebraska income to total income.</p>
Line 6	<p>Nebraska Standard Deduction. Enter your Nebraska standard deduction. If you use the standard deduction on the federal return, you must use the Nebraska standard deduction on the Nebraska return. All taxpayers that claimed itemized deductions on their federal return are allowed the larger of the Nebraska standard deduction or federal itemized deductions, minus state and local income taxes claimed on Federal Schedule A.</p> <p>If you or your spouse cannot be claimed by another taxpayer for the federal child tax credit or dependent tax credit, enter the appropriate Nebraska standard deduction from the following chart. Do not enter the amount of your federal itemized deductions.</p> <p>If you or your spouse can be claimed by another taxpayer for federal child tax credit or dependent tax credit purposes, your standard deduction is the smaller of the federal standard deduction allowed on line 12 of the Federal Form 1040 or 1040-SR, or the Nebraska standard deduction from the following chart.</p>

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Nebraska Standard Deduction Chart

See instructions above if you or your spouse can be claimed by another taxpayer for child or dependent tax credit purposes.

Filing Status	Number of Boxes Checked on Line 2a	Standard Deduction
Single	0	\$8,350
	1	\$10,300
	2	\$12,250
Married, Filing Jointly	0	\$16,700
	1	\$18,300
	2	\$19,900
	3	\$21,500
	4	\$23,100
Qualifying surviving spouse	0	\$16,700
	1	\$18,300
	2	\$19,900
Married, Filing Separately	0	\$8,350
	1	\$9,950
	2	\$11,550
	3	\$13,150
	4	\$14,750
If married, filing separately, the additional amounts for spouse 65 and over and blind apply only if the primary taxpayer can claim a personal exemption for his or her spouse.		
Head of Household	0	\$12,250
	1	\$14,200
	2	\$16,150

Line 7 **Total Itemized Deductions.** If you itemized deductions on your federal return, enter the amount from line 17 of Schedule A, Federal Form 1040. If you did not itemize deductions on your federal return, skip lines 7 through 9 and enter the line 6 amount on line 10. State and local personal property taxes are limited to the amount of motor vehicle taxes paid upon registration. Only motor vehicle tax based on the value of the vehicle and paid every year upon renewal of the vehicle registration is allowable. For Nebraska residents, the statement or registration receipt from the county treasurer shows the amount of motor vehicle tax paid.

Line 8 **State and Local Income Taxes.** If you itemized deductions on your federal return, you must enter the amount of state and local income taxes reported on Federal Schedule A, line 5a even if the total amount of state and local taxes was limited to \$10,000 (\$5,000 married, filing separately) on Federal Schedule A, line 5e. If you entered general sales taxes on Federal Schedule A, line 5a, do not enter an amount on line 8.

Line 9 **Nebraska Itemized Deductions.** Line 7 minus line 8.

Line 10 **Nebraska Deductions.** Enter line 6 or line 9, whichever is greater.

Line 11 **Nebraska Income Before Adjustments.** Line 5 minus line 10.

Line 12 **Adjustments Increasing Federal AGI.** Enter amount from line 10 of [Nebraska Schedule I](#). See Schedule I instructions for additional information.

Line 13 **Adjustments Decreasing Federal AGI.** Enter the amount from line 39 of Nebraska Schedule I. See Schedule I instructions for additional information.

Line 14 **Nebraska Taxable Income.** If you do not have adjustments to federal AGI, enter the line 11 amount on line 14. If you have adjustments, line 14 equals line 11 plus line 12 minus line 13.

Line 15 **Nebraska Income Tax.** Nonresidents and partial-year residents, enter the amount from line 9, [Nebraska Schedule III](#). Paper filers may use the Nebraska Tax Table. Electronic filers must use the [Nebraska Tax Calculation Schedule](#).

Line 16 **Nebraska Other Tax.** You are required to calculate Nebraska other tax if you were required to pay:

- ◆ Federal tax on **lump-sum distributions of qualified retirement plans**; and/or
- ◆ Federal tax on **early distributions of qualified retirement plans**.

The Nebraska other tax is 29.6% of the federal other tax on the items shown above.

Residents use the calculation from line 16 of Form 1040N to calculate the amount of total other taxes.

Partial-year residents and nonresidents use line 10, [Nebraska Schedule III](#) to calculate the amount of other tax due. The other tax is 29.6% of the federal other tax multiplied by the ratio from line 4, Nebraska Schedule III.

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Line 17	Total Nebraska Tax. Enter the total of lines 15 and 16.
Line 18	Nebraska Personal Exemption Credit for Residents Only. Residents may claim a \$166 credit for each Nebraska personal exemption reported on line 4, Form 1040N. Multiply \$166 by the number of Nebraska exemptions on line 4, Form 1040N. Nonresidents and partial-year residents will claim this credit on line 7, Nebraska Schedule III .
Line 19	<p>Credit for Tax Paid to Another State. Enter the amount from line 6, Nebraska Schedule II. Attach a complete copy of the other state's return, including schedules. (For instructions on what lines to use from the other state's return, refer to the Conversion Chart on DOR's website).</p> <p>A separate Schedule II must be completed for each state. Nebraska law does not allow credit for taxes paid to a foreign country or its political subdivisions. Dual state residents must refer to the Special Conversion Chart instructions to properly calculate tax paid to another state.</p> <p>The Special Conversion Chart instructions must be used when Nebraska residents claiming the decreasing adjustment for S corporation or LLC non-Nebraska income are taxed in several states and the apportionment computations for the taxing states exceed 100% of the S corporation or LLC non-Nebraska income.</p> <p>Please note: This situation is rare and generally, the adjustment on Nebraska Schedule I removing the non-Nebraska income from being taxed by Nebraska is sufficient and apportionment will not exceed 100% in the other states.</p>
Line 20	Credit for the Elderly or the Disabled. Residents enter the amount of Credit for the Elderly or the Disabled included in line 6d of Schedule 3, Federal Form 1040. If the federal credit has been limited by your federal tax liability, use the lesser amount. Attach Federal Schedule R. Partial-year residents use line 6b, Schedule III, to report Credit for the Elderly or Disabled. Nonresidents may not claim this credit.
Line 21	Community Development Assistance Act (CDAA) Credit. Enter the credit allowable for contributions to approved projects of community betterment organizations recognized by the Nebraska Department of Economic Development (NDED). Nebraska Community Development Assistance Act Credit Computation, Form CDN , must be attached to the Form 1040N .
Line 22	Form 3800N Nonrefundable Credit. Enter the total of nonrefundable credits from the Nebraska Incentives Credit Computation, Form 3800N . Attach Form 3800N. Required supporting documentation may be submitted as an attached PDF document when e-filing your return if your software supports these types of attachments. If the supporting documentation is not received with the return, DOR may request the required documentation during the processing of your return. Your income tax refund may be delayed if the business entity that distributed the Form 3800N credit to you has not filed its entity income tax return.
Line 23	Nebraska Child/Dependent Care Nonrefundable Credit. Resident taxpayers with AGI greater than \$29,000 can claim this credit (if AGI is \$29,000 or less, see line 40 instructions). Multiply the amount on line 2 of Schedule 3, Federal Form 1040 by 25% (.25). Partial-year residents use line 6c, Schedule III, to claim this credit, if applicable. Nonresidents may not claim this credit. Include a copy of Federal Form 2441. If Federal Form 2441 is not received, the credit will be disallowed. Taxpayers who are filing married, filing jointly federally, but filing married, filing separately on their Nebraska return cannot claim this Nebraska credit.
Line 24	Credit for Financial Institution Tax. Enter the amount of the tax credit available to you from the 2024 Statement of Nebraska Financial Institution Tax Credit, Form NFC , supplied by the financial institution in which you are a shareholder. You must include a copy of the 2024 Form NFC to claim the credit. This credit amount must also be added back to your income on line 4 of Nebraska Schedule I and included on line 1 of Nebraska Schedule III, if applicable. Required supporting documentation may be submitted as an attached PDF document when e-filing your return, if your software supports these types of attachments. If the supporting documentation is not received with the return, DOR may request the required documentation when processing your return. This may result in a delayed refund.
Line 25	Employer's Credit for Expenses Incurred for TANF (ADC) Recipients. An employer may claim an income tax credit equal to 20% of the employer's qualified expenses for eligible employees. An eligible employee is defined as a parent or caretaker relative who is a member of a unit that received benefits under the state or federally funded TANF program for any nine months of the eighteen-month period immediately prior to the employee's hiring date, and whose hiring date is on or after the first day of the tax year for which the credit is claimed. Qualified expenses are tuition at Nebraska public institutions for postsecondary education; the costs of a high school equivalency program; and the cost for transportation of eligible employees to and from work. Enter the total credit from line 2, Nebraska Form TANF .

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Line 26	<p>Designated Extremely Blighted Area Tax Credit. An individual may claim a \$5,000 tax credit in the year the individual purchased a residence upon meeting all the following requirements:</p> <ul style="list-style-type: none"> ◆ Residence is located in a designated extremely blighted area; ◆ Residence is the buyer's primary residence; ◆ Buyer did not purchase the residence from a family member or spouse's family member. <p>Complete and attach the Form 1040N-EB. The buyer may carryforward any unused credit to subsequent years until the credit is used. The credit allowed is subject to recapture if the individual claiming the credit sells or transfers the residence or no longer uses the residence as a primary residence within five years after the end of the taxable year the credit was claimed. If you have a recapture event, see the Form 1040XN instructions.</p>
Line 27	<p>Nebraska Employer Tax Credit for Employing Convicted Felons. Enter the certified credit amount and the certificate number from the Nebraska Employer Tax Credit Application for Employing Convicted Felons, Form ETC-A. The employer must file an application with DOR and be approved to receive the tax credit prior to claiming the credit. If approved for more than one certificate number, you must attach a schedule listing each certificate number and approved amount.</p>
Line 28	<p>School Readiness Tax Credit for providers. This nonrefundable income tax credit is available to an individual or may be distributed to an individual who is a shareholder, partner, beneficiary or member of an S corporation, partnership, fiduciary or limited liability company that owns or operates an eligible childcare or education program that serves children who participate in the childcare subsidy program established in Neb. Rev. Stat. § 68-1202. The School Readiness Tax Credit Act – Application for Childcare and Education Provider for this tax credit must be filed within two months after the close of the tax year that the credit will be claimed or distributed. If you are claiming a tax credit distributed from a partnership, LLC, S corporation or fiduciary, the entity must complete page 2 on the application to distribute the tax credit. An S corporation, partnership, fiduciary, or LLC must provide its owners and beneficiaries with the owner's or beneficiary's share of the credit. The credit may only be claimed after the application has been approved in writing by DOR. For more information about this credit, go to School Readiness Tax Credit Act.</p>
Line 29	<p>Child Care Tax Credit for contributors. The nonrefundable credit may only be claimed after the application has been approved in writing by DOR. Enter the approved child care tax credit amount and certificate number from Form CCTC-A. An individual may only claim a credit on the portion of the contribution that was not deducted as a charitable contribution on their federal return. The taxpayer may carry forward the excess credit for up to five taxable years after the taxable year in which the credit was first allowed. Taxpayers must use the carryover credit in the earliest taxable year possible.</p>
Line 30	<p>Opportunity Scholarships Act credit for contributors. Enter the lesser of the amount of cash contributions made to scholarship-granting organizations, 50% of the income tax liability (line 15, Form 1040N), or \$100,000. An individual may only claim a credit on the portion of the contribution that was not deducted as a charitable contributions on their federal return. Any unused credit may be carried forward for the next five years after the credit was first granted. Taxpayers must use the carryover credit in the earliest taxable year possible.</p>
Line 31	<p>Creating High Impact Economic Futures (CHIEF) Credit. This nonrefundable credit is allowable for contributions to community betterment organization programs or projects certified for tax credit status by the Nebraska Department of Economic Development. The credit must be claimed on the tax return for the year in which the contribution was made. Any credits may be carried forward for up to five years from the year in which the credit was first allowed. Attach Form 1879NTC.</p> <p>More detailed information on this credit can be obtained by contacting:</p> <p>Nebraska Department of Economic Development 245 Fallbrook Blvd, Suite 002 Lincoln NE 68521 opportunity.nebraska.gov Darin Lubke 402-471-3116 darin.lubke@nebraska.gov.</p>
Line 32	<p>Total Nonrefundable Credits. Add lines 18 through 31.</p>

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Line 33

Nebraska Tax After Nonrefundable Credits. Do not complete the worksheet below if the result of line 12 minus line 13 is \$5,000 or more. Otherwise, if your federal tax liability is -0- or is less than your Nebraska tax, complete the Federal Tax Liability Worksheet below. On line 33, enter the smaller of the amounts from line 2 or line 3 of the worksheet. If entering federal tax liability, attach a copy of your federal return.

Federal Tax Liability Worksheet

- 1. Nebraska Adjustments to AGI
 - a. Amount of **adjustments increasing federal AGI** (line 12, Form 1040N) 1a. _____
 - b. Amount of **adjustments decreasing federal AGI** (line 13, Form 1040N) 1b. _____
 - Net adjustments to federal AGI** (line 1a minus line 1b) 1. _____

If the amount on line 1 is \$5,000 or more **Stop**. Line 33 of Form 1040N must be the mathematical result of line 17 minus line 32.

- 2. Nebraska Tax after Nonrefundable Credits
 - a. Nebraska tax, line 17 of Form 1040N 2a. \$ _____
 - b. Total Nonrefundable Credits, line 32 of Form 1040N 2b. _____
 - Line 2a minus line 2b 2. _____

If the amount on line 2 is zero or less, enter -0- on line 33 of Form 1040N; and **Stop here. Do not complete the remainder of the Worksheet.**

- 3. Federal tax before credits:
 - a. Line 16 of Form 1040 or 1040-SR, page 2 3a. _____
 - b. Line 2 of Form 1040 Schedule 2 3b. _____
 - c. Line 8 of Form 1040 Schedule 2 3c. _____
 - d. Total tax—Form 1040 or 1040-SR (add lines 3a, 3b, and 3c) . . . 3d _____
 - Total federal tax (enter tax from line 3d) 3. _____

On line 33, enter the smaller of the amounts from line 2 or line 3 of this worksheet, and check the federal tax box if line 3 is used.

Line 34

*You **MUST** attach all Forms W-2.*

Nebraska Income Tax Withheld on Federal Forms W-2. Use line 34 to enter the total Nebraska income tax withholding from Federal Forms W-2. Do not use state wages. **Your income tax withholding credit will not be allowed if you do not attach the proper forms to a paper filed return or if the form shows income tax withholding from a state other than Nebraska.**

A fiscal year taxpayer who receives Federal Forms W-2 issued on a calendar-year basis must attach any 2024 Federal Forms W-2 to the 2024 Form 1040N for the fiscal year beginning in 2024. If you receive any 2025 Federal Forms W-2 before filing your 2024 Form 1040N, save them to attach to the 2025 Form 1040N.

Line 35

*You **MUST** attach all Forms W-2G, 1099-R, 1099-MISC, 1099-NEC.*

Nebraska Income Tax Withheld on Federal Forms W-2G, 1099-R, 1099-MISC, 1099-NEC, etc. Use line 35 to enter the total Nebraska income tax withholding from federal forms other than Form W-2. Must attach all federal forms that show Nebraska income tax withheld.

Line 36

*You **MUST** attach all the Schedules K-1N.*

Nebraska Income Tax Withheld from Nebraska Schedules K-1N. Nonresidents claiming credit for Nebraska income tax withholding reported by a partnership, limited liability company, S corporation, estate, or trust must attach a copy of the appropriate Schedule K-1N. The tax year ending date on the Schedule K-1N must be the same as the tax year of the individual’s return being filed.

Line 37

*You **MUST** attach a copy of the Schedule K-1N.*

Pass-Through Entity Tax (PTET). Individuals claiming credit for the PTET credit received from an electing partnership or S corporation in which you hold an ownership interest, must attach a copy of the appropriate Schedule K-1N. Enter the pass-through entity's name in 37a, Nebraska ID Number in 37b, and the amount of the credit in 37c. If the PTET credit was received from multiple pass-through entities, attach a schedule listing the name, Nebraska ID number, and amount of credit from each PTET. Required supporting documentation may be submitted as an attached PDF document when e-filing your return, if your software supports these types of attachments. If the supporting documentation is not received with the return, DOR may request the required documentation during the processing of your return. This may result in a delayed, reduced, or disallowed refund.

Line 38

2024 Estimated Tax Payments. Report your 2024 estimated income tax payments and any tax year 2023 carryover on this line. Include any payments submitted with an extension request. If you file a married, filing jointly return, the name and SSN of the spouse whose SSN was used to make the 2024 estimated income tax payments should be listed first in the name and SSN area on the Form 1040N.

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You are encouraged to make your estimated income tax payments using DOR’s e-pay system, or the EFW option when e-filing your 2024 Nebraska return, which allows you to schedule all four of your estimated income tax payments at one time. A Form 1040N-ES payment voucher should NOT be mailed in when you pay electronically.

Distributors and operators of cash devices will enter the total of their required quarterly income tax payments made with the total of any estimated tax payments made.

Line 39
Attach Form 3800N

Form 3800N Refundable Credit. Enter the total of refundable credits calculated on [Form 3800N](#). Attach Form 3800N. Required supporting documentation may be submitted as an attached PDF document when e-filing your return, if your software supports these types of attachments. If the supporting documentation is not received with the return, DOR may request the required documentation in order to process your return. This may result in a delayed refund. Your income tax refund may also be delayed if the business entity that distributed the Form 3800N credit to you has not yet filed its entity income tax return.

Line 40

Nebraska Child/Dependent Care Refundable Credit (AGI \$29,000 or Less and Full-Year or Partial-Year Resident). Attach the [Nebraska Child And Dependent Care Expenses, Form 2441N](#), to your Nebraska return. If Form 2441N is not received, the credit will be disallowed. Taxpayers who file married, filing jointly federally, but file married, filing separately on their Nebraska return cannot claim this Nebraska credit.

Note: The Federal Form 2441 will not be accepted when claiming the Nebraska child/dependent care refundable credit. Nebraska Form 2441N must be completed and attached.

Line 41

Beginning Farmer Credit (NDA NextGen). Enter the credit granted to eligible claimants who receive a Statement of Nebraska Tax Credit, Form 1099 BFC, from the Nebraska Department of Agriculture (NDA). For further information, contact NextGen, which administers the Beginning Farmer Tax Credit Act through the NDA at 402-471-4876, [nextgen.nebraska.gov](#).

Line 42

Nebraska Earned Income Credit. Paper filers must attach a copy of pages 1 and 2 of Federal Form 1040 or pages 1, 2, and 3 of Federal Form 1040-SR to your Nebraska return. Nebraska residents and partial-year residents who have a federal earned income credit are allowed a state credit equal to 10% of the federal credit. Complete the federal credit information from line 27 (Form 1040 or 1040-SR, page 2). Enter the number of qualifying children using information from Federal Schedule EIC (Form 1040). **If you are a nonresident, you cannot claim this credit. If you file a Nebraska married, filing separately return, your ability to claim this credit depends on whether you are allowed the federal EIC on your federal married, filing separately return.** Partial-year residents enter amount calculated on line 12, [Nebraska Schedule III](#).

**Nebraska Earned Income Worksheet
for Taxpayers Claiming a Net Operating Loss Deduction (NOL)**

Complete this worksheet **only** if you are claiming an NOL carryforward on Federal Form 1040 or 1040-SR.

1. Earned Income. Enter the amount from the line 27, Form 1040 or 1040-SR instructions, Step 5, line 5.1.	\$ _____
2. Federal Net Operating Loss (NOL) Carryforward, from line 8a, Schedule 1, Federal Form 1040.2.	\$ _____
3. Earned income plus Federal NOL Carryforward. Line 1 plus line 2.3.	\$ _____

If line 3 is less than:
\$59,899 (\$66,819 if married, filing jointly) for three or more qualifying children;
\$55,768 (\$62,688 if married, filing jointly) for two qualifying children;
\$49,084 (\$56,004 if married, filing jointly) for one qualifying child; or
\$18,591 (\$25,511 if married, filing jointly) for no qualifying children,
calculate the Nebraska earned income credit on line 42, Form 1040N using the amount from line 27, Federal Form 1040 or 1040-SR. If line 3 equals or exceeds the respective amounts, you do not qualify for the Nebraska earned income credit and line 42, Form 1040N should be -0-.

Line 43

Credit for Community College Property Taxes. Enter the credit calculated on line 1 of the [Form PTC](#). The completed Form PTC is required to be filed with the return when claiming the credit.

Line 44

Credit for Qualified Volunteer Emergency Responders. A \$250 income tax credit is available to each qualified volunteer who has been certified by the volunteer department's certification administrator and this certification has been sent to DOR by February 15 of the year following qualification.

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DOR must have received certification of the qualified volunteer for at least two years to claim the tax credit. A qualified volunteer is an emergency responder, rescue squad member, or volunteer firefighter who has accumulated at least 50 points during each year of service. Additional information can be found on DOR's [Volunteer Emergency Responders Incentive Act General Information](#) page.

Line 45

Stillborn Child Tax Credit. A parent who experienced the stillbirth of a child in Nebraska may qualify for a \$2,000 income tax credit upon meeting all the following requirements:

- ◆ The parent would have been eligible to claim the stillborn child as dependent if the child had been born alive.
- ◆ The Birth Resulting in a Stillbirth Certificate issued by the Nebraska Department of Health & Human Services must be attached when claiming the credit.
- ◆ The stillborn child advanced to at least the twentieth week of gestation.
- ◆ This credit must be claimed for the taxable year in which the stillbirth occurred.

Only one credit is allowed per stillborn child. If you experienced more than one birth of a stillborn child, attach the Birth Resulting in a Stillbirth Certificate for each child and allow \$2,000 for each stillborn child, entering the total on line 45.

Line 46

Child Care Tax Credit for parent or legal guardian. Prior to claiming the tax credit, the parent or legal guardian must submit the Child Care Refundable Tax Credit Application, Form 7203 to DOR. After the Form 7203 is reviewed, DOR will notify the parent or legal guardian of the reserved tax credit and the assigned certificate number to claim the tax credit. To claim the tax credit, the certificate number must be entered. The information on the individual income tax return must support the information submitted on the Form 7203. The tax credit amount claimed cannot exceed the amount reserved from the submitted Form 7203.

Line 47

School Readiness tax credit for qualified staff member. An income tax credit is available to an individual who is employed with, or who is a self-employed individual providing child care and early childhood education for, an eligible program for at least six months during the taxable year and who is classified in the Nebraska Early Childhood Professional Record System. An application for this tax credit may be filed any time after the individual has met all the required eligibility criteria. The credit may only be claimed after the application has been approved in writing by DOR. For additional information, see the [application](#) and [DOR's website](#).

Line 48

Reverse Osmosis System Tax Credit. The credit may only be claimed after the application has been approved in writing by DOR. Enter the certificate number from the approved [Form 1040N-OS](#). Additional information may be found on [DOR's website](#).

Line 50

Penalty for Underpayment of Estimated Tax. Use [Nebraska Individual Underpayment of Estimated Tax, Form 2210N](#), to determine if you owe this penalty. Also, see [page 5 of these instructions](#). If you are required to calculate a Form 2210N penalty, report it on line 50, check the box, and attach Form 2210N to your return. Do not include any late filing penalty on this line.

Line 51

Total Tax and Penalty. Add lines 33 and 50.

Line 52

Use Tax. Use tax is due on all taxable purchases when Nebraska and any applicable local sales tax is not paid. You may owe use tax if you have not paid the Nebraska sales tax or any applicable local sales tax on purchases delivered into Nebraska from out-of-state, mail order, or Internet sellers. Nebraska law requires that if sales tax is not collected by the seller on any taxable sale, the purchaser must remit the applicable use tax directly to the state. See the Nebraska Use Tax Information Guide for additional information.

Enter your total taxable 2024 purchases if Nebraska sales tax was not collected by the seller. Multiply this amount by 5.5% (.055). If local tax applies, enter your local code from the local sales and use tax codes and rates schedule on [page 43 of these instructions](#), and multiply your total taxable purchases by the local rate (.005, .010, .015, .0175, or .02). Add the state and local tax amounts together and enter on line 52. You can also report only local tax not paid if your vendor charged you the state tax but not the local tax.

Example. You purchase a computer from a seller in South Dakota over the Internet for \$1,470 plus \$30 shipping and handling charges. Both charges are taxable. The computer is shipped to you in Scottsbluff, Nebraska and no tax is charged or collected by the seller. Your state tax is \$83 ($\$1,500 \times 5.5\% = \83) and the local tax is \$23 ($\$1,500 \times 1.5\% = \23). The total use tax owed is \$106 ($\$83 + \$23 = \106). When calculating state and local tax, round your results, and then add them together to arrive at your line 52 entry. Round any amount from 50 cents to 99 cents to the next higher dollar. Round any amount less than 50 cents to the next lower dollar.

Note: If you owe use tax to more than one Nebraska local jurisdiction, do not report use tax here. Instead, report state and local use taxes by filing the [Nebraska Individual Use Tax Return, Form 3](#).

Special state sales and use tax rates apply for your taxable purchases if made inside a good life district (GLD) that is within city boundaries. If Nebraska sales tax was not collected by the seller for purchases in the GLD within city limits, file the Nebraska Individual Use Tax Return, Form 3 to report the correct GLD code and calculate the applicable state use tax.

Line 53

Total Amount Due. Enter the amount owed, including the applicable underpayment of estimated income tax penalty. A balance due of less than \$2 need not be paid.

Electronic Funds Withdrawal (EFW). With this payment option, you provide your payment information within your electronically-filed return. Your payment will automatically be withdrawn from your bank account on the date you specify.

Cancel a payment. To cancel a scheduled EFW payment, contact our Taxpayer Assistance office at 800-742-7474 (NE and IA) or 402-471-5729 before 4:00 pm Central Time at least two business days prior to your scheduled payment date. You may cancel a payment scheduled through Nebraska e-pay by logging into the e-pay program from our website and selecting “cancel payment.” To cancel a credit card payment, contact ACI Payments, Inc.

Nebraska e-pay. Nebraska e-pay is DOR’s web-based electronic payment system for single payments. You enter your payment and bank account information, and choose a date to have your account debited. You will receive an email confirmation for each payment scheduled.

Credit Card. Secure credit card payments can be initiated through ACI Payments, Inc. at [acipayonline.com](#); or via phone at 800-272-9829. A convenience fee is charged to the card you use. This fee is paid to the credit card vendor, not the state, and will appear on your credit card statement separately from the payment to DOR. At the end of your transaction, you will be given a confirmation number. Keep this number for your records. If you are making your credit card payment by phone, you will need to provide the Nebraska Jurisdiction Code, which is 3700.

Check or Money Order. If you are not using one of the electronic payment options described above, include a check or money order payable to the “Nebraska Department of Revenue.” Checks written to DOR may be presented for payment electronically.

Payment Plan. If you are unable to pay the full amount of tax due, you should file your Nebraska income tax return and pay as much as you can by the filing date. You will receive a balance due notice in the mail. When that is received you can go online to set up a payment plan for the remaining balance, subject to applicable fees. Interest on unpaid tax will accrue.

Please see our website at [revenue.nebraska.gov/individuals/request-individual-tax-payment-plan](#).

Line 54

Overpayment. If line 49 is more than the total of lines 51 and 52, subtract this total from line 49 and enter your overpayment.

Line 55

2025 Estimated Tax. Enter the amount of overpayment from line 54 you want applied to your 2025 estimated income tax.

Line 56



Wildlife Conservation Fund. You may contribute \$1 or more of your refund to this fund. Your contributions are used by the Nebraska Game and Parks Commission to protect and manage Nebraska’s nongame and at-risk birds, mammals, amphibians, fish, reptiles, plants, and invertebrates. The fund will help prevent species from becoming endangered by managing, restoring, and protecting their habitat.

If you are not entitled to a refund, you may still send your tax-deductible contribution directly to the Wildlife Conservation Fund at [outdoornebraska.gov/wildlifeconservationfund](#). For more information, contact the Nebraska Game and Parks Commission, Wildlife Division, PO Box 30370, 2200 North 33rd Street, Lincoln, NE 68503-0370, call 402-471-0641, or visit [outdoornebraska.gov](#).

Line 57

Amount You Want Refunded to You. Enter the amount of overpayment to be refunded after subtracting lines 55 and 56 from line 54. Amounts less than \$2 will not be refunded.

If a taxpayer has any existing tax liabilities owed to DOR, the federal government, or other state agencies, any overpayment shown on this return may be applied to satisfy that liability. You will receive a letter explaining any amounts retained.

You can check the status of your refund at [revenue.nebraska.gov/individuals/refund-information](#) or by calling DOR's refund line 800-742-7474 (NE and IA) or 402-471-5729.

Refunds resulting from **paper-filed** original returns **will not** be paid interest, regardless of when the refund is issued.

Nebraska law provides:

“If the Tax Commissioner approves and implements an electronic form or method for filing the return and the return is not filed electronically, no interest shall be allowed under this section on overpayment.”
[Neb. Rev. Stat. § 77-2794\(3\)\(b\)](#).

The Tax Commissioner has approved and implemented e-filing methods for original individual income tax returns.

Line 58

Direct Deposit Your Refund. To have your refund directly deposited into your checking or savings account, enter the routing number and account number found on the bottom of the checks used with the account. The routing number is listed first and must be nine digits. The account number is listed to the right of the routing number and can be up to 17 digits. Also complete line 58b, Type of Account. Incorrect banking information will cause your refund to be issued as a paper warrant. Always double check that you entered the correct banking information, since this cannot be changed by DOR.

Box 58d is used to comply with banking rules regarding International ACH Transactions (IATs). The box must be checked whenever a refund will go to a bank account outside the U.S. or if a refund is sent to a bank account inside the territorial jurisdiction of the U.S. and 100% of the original refund is later transferred to a bank outside of the U.S. These refunds cannot be processed as direct deposits and instead will be mailed.

**sign
here** ▶

Sign and Date Your Tax Return. Include a daytime phone number in case DOR needs to contact you about your account. By entering an email address, the taxpayer acknowledges that DOR may contact the taxpayer by email. The taxpayer accepts any risk to confidentiality associated with this method of communication. DOR will send all confidential information by secure email or the State of Nebraska’s file share system. If you do not wish to be contacted by email, write “Opt Out” on the line labeled “email address.” A married, filing jointly return must be signed by both spouses.

If another person signs the return for the taxpayer, a copy of a power of attorney or court order authorizing the person to sign the return must be on file with DOR or attached to the return.

An unsigned return delays processing.

The act of e-filing a return is your signature. By e-filing the return, taxpayers and their tax preparer, if applicable, are declaring under penalties of perjury, that they have examined the electronic return, and to the best of their knowledge and belief, it is true, correct, and complete.

Paid Preparer’s Use Only. Any person who is paid for preparing a taxpayer’s return must sign the return as preparer. Additionally, the preparer must enter his or her Preparer Tax ID Number (PTIN) and Federal Employer ID Number (EIN). See DOR’s website for preparer e-file mandates.

Nebraska Schedule I Instructions

Part A — Adjustments Increasing Federal AGI

Line 1

Interest Income from All State and Local Obligations Exempt from Federal Tax. List the name of each state or local obligation exempt from federal tax on line 1a, Schedule I. For Nebraska bonds, enter the total amount of interest or dividend income from the obligation listed on line 1a. For non-Nebraska obligations enter the total interest or dividend income, less the related expenses that were not previously deducted. Add the amounts on lines 1b and enter the total on line 1, Schedule I. Attach a schedule, if necessary, listing all the obligations. The information and related amounts entered on lines 1a and 1b must also include amounts from a regulated investment company (including certain mutual funds) attributable to state and local obligations.

To determine whether or not specific bond interest is taxable, you should contact the local government entity or underwriter of the bond issuance. The prospectus is required to contain information regarding tax status. Generally, tax increment financing (TIF) bonds are considered local government obligations and are not taxable federally.

Line 2

Exempt Interest Income from Nebraska Obligations. List the name of each federally tax exempt bond issued by a Nebraska state or local government subdivision on line 2a and the associated amount on line 2b. Then calculate the total by adding all amounts on lines 2b. Attach a schedule, if necessary, listing all the obligations. Income amounts from regulated investment companies attributable to Nebraska source bonds are also included on line 2b.

Build America Bonds. Any federally taxable interest received in 2024 on a Build America Bond previously issued by a Nebraska governmental subdivision may be deducted on line 27, Schedule I, Interest From Federally Taxable Build America Bonds Issued by Nebraska Governmental Units.

Nebraska Highway Bond Act. Any federally taxable interest received in 2024 under the Nebraska Highway Bond Act may be deducted on line 35, Schedule I.

Line 3 **Total Taxable Interest Income.** Enter the result of line 1 minus line 2.

Line 4 **Financial Institution Tax Credit Claimed.** Shareholders receiving a [Statement of Nebraska Financial Institution Tax Credit, Form NFC](#), must enter the amount of the tax credit available to you as stated on the 2024 Form NFC on both line 24, Form 1040N, and line 4, Schedule I. A copy of Form NFC must be attached to your return. Required supporting documentation may be submitted as an attached PDF document when e-filing your return if your software supports these types of attachments. If the supporting documentation is not received with the return, DOR may request the required documentation during the processing of your return. This may result in a delayed refund.

Line 5 **Nebraska College Savings Program Recapture.** If you cancel your Nebraska College Savings Program account or withdraw funds for a non-qualified purpose, the amounts previously claimed as deductions are subject to recapture. Nebraska considers K-12 tuition a non-qualified use of College Savings Program funds. Qualified withdrawals are restricted to paying qualified expenses at schools for higher education (colleges, universities, technical schools, and graduate programs). **A federally qualified rollover to a Section 529 plan issued by a state (or entity) other than Nebraska is considered to be a cancellation subject to recapture.** The total maximum recapture is the lesser of (i) the amount previously deducted on all Nebraska returns prior to the cancellation of the college savings program account, or (ii) the amount received upon the cancellation or non-qualified withdrawal of funds. Enter the calculated recapture amount on line 5.

Line 6 **Nebraska Enable Plan Recapture.** If you cancel your Enable Savings Plan account or make an unqualified withdrawal, the amounts previously claimed as deductions on the account owner's return are subject to recapture. Only the account owner is subject to recapture. The maximum recapture is the lesser of (i) the amount previously deducted on all Nebraska returns prior to the cancellation of the Enable Savings Plan account, or (ii) the amount received upon the cancellation or unqualified withdrawals of funds. Enter the calculated recapture amount on line 6.

Line 7 **Federal Net Operating Loss Deduction.** Enter the amount of the federal net operating loss carryforward deduction claimed on your federal return. You must include this loss as an increase to AGI. A previously established Nebraska net operating loss may be deducted on line 24, Nebraska Schedule I.

Line 8 **S Corporation and Limited Liability Company (LLC) Non-Nebraska Loss.** Enter the amount of loss from an S corporation or LLC that is not from Nebraska sources. You must include this loss as an increase to AGI.

Line 9 **Nebraska PTET Deduction.** Enter the Nebraska state and local income, sales, and use taxes deducted under section 164 of the IRC from the Nebraska Schedules K-1N.

Line 10 **Total Adjustments Increasing Federal AGI.** Add lines 3 through 9, enter here and on line 12, [Form 1040N](#).

Part B — Adjustments Decreasing Federal AGI

Line 11 **State Income Tax Refund Deduction.** Enter the amount shown on line 1, Schedule 1, of your Federal Form 1040.

Line 12 **U.S. Government Obligations Exempt for State Purposes.** Enter the amount of interest or dividend income included in federal AGI from U.S. government obligations exempt from Nebraska tax. List the types of obligations on line 12a and the associated amounts of interest or dividend income received from each on line 12b. Then calculate the total by adding all amounts on lines 12b. Attach a schedule, if necessary, listing all the obligations for which a deduction is claimed. Capital gains from the sale of U.S. obligations are not deductible. For additional information, see the [Taxability of Interest and Dividend Income From State, Local, and U.S. Government Obligations Information Guide](#).

Line 13 **Regulated Investment Company Dividends from U.S. Obligations.** Enter the amount of government money market or mutual fund dividends issued by regulated investment companies that are obligations of the U.S. government.

The fund must issue you a statement showing the percent of the dividend that represents exempt U.S. government obligations. You must list the name of the fund on line 13a, the total amount of the dividend paid by the fund on line 13b, and the percentage of dividend attributable to U.S. government obligations on line 13c. You then calculate the amount of dividend attributable to U.S. government obligations on line 13d.

Total all calculated dividend amounts on lines 13d and enter the result on line 13. Attach a schedule, if necessary, listing all the obligations and calculations.

Line 15

Benefits Paid by the Railroad Retirement Board. Enter any federally taxed retirement benefits paid by the Railroad Retirement Board (RRB), such as Tier I and Tier II benefits, railroad retirement sick pay, disability, and unemployment benefits, included in federal AGI. List the name of the benefit paid on line 15a and the related amount on line 15b. Filers must attach a copy of Forms RRB-1099, RRB-1099-R, 1099-G, and W-2 from U.S. Railroad Retirement Board Sickness and Unemployment Benefits Section. Paper filers must attach a copy of pages 1 and 2 of Federal Form 1040 or pages 1, 2, and 3 of Federal Form 1040-SR to your Nebraska return.

You must do a computation to determine the Tier I amount if you received both Form SSA-1099 for social security benefits AND Form RRB-1099 for Railroad Retirement Board Tier I payments because the Social Security Benefits Worksheet in the federal tax booklet adds the benefits together to calculate the taxable benefits entered on line 6b of the Federal Form 1040 or 1040-SR.

Use the total amount of Tier I benefits divided by the total benefit amount reported on line 6a of the Federal Form 1040 or 1040-SR to calculate a ratio to six decimal places, then round to five decimals. For example, .454467, would be rounded to .45447 (45.447%). Multiply this ratio by the amount on line 6b of the Federal Form 1040 or 1040-SR. Enter the result for the Tier I amount on the Nebraska Schedule I.

Line 16

Special Capital Gains/Extraordinary Dividend Deduction. This deduction is available only to Nebraska residents, or partial-year resident while a resident. Enter the amount of the special capital gains or extraordinary dividend. Refer to the Special Capital Gains Election and Computation, Form 4797N, for additional information. The Form 4797N, a copy of Federal Schedule D, and either Sales and Other Dispositions of Capital Assets, Federal Form 8949 or Part IV of Form 4797N, must be attached to your Form 1040N to document your deduction.

Note: If claiming the Extraordinary Dividend Deduction, a copy of Federal Schedule B is required.

Required supporting documentation may be submitted as an attached PDF document when e-filing your return if your software supports these types of attachments. If the supporting documentation is not received with the return, DOR may request the required documentation when processing your return. This may result in a delayed refund.

Line 17

Nebraska College Savings Program Contribution. If during 2024 you, as an account owner or parent/guardian custodian of an UGMA/UTMA account, made contributions to one or more college savings accounts established under the Nebraska Educational Savings Plan Trust, then enter the amount of your contributions, up to a maximum of \$10,000 (\$5,000 if married, filing separately) on line 17.

The Nebraska Educational Savings Plan Trust includes the following Plans:

- ◆ NEST Direct College Savings Plan;
- ◆ NEST Advisor College Savings Plan;
- ◆ Bloomwell 529 Education Savings Plan; and
- ◆ State Farm 529 Savings Plan.

Only the account owner or parent/guardian custodian of an UGMA/UTMA account who made the contributions may claim this deduction. You cannot deduct contributions made to other states' 529 college savings plans on line 17. However, if an account in another state's plan is rolled over to a Plan in the Nebraska Educational Savings Plan Trust, the amount received in a qualified rollover, up to a maximum of \$10,000 (\$5,000 if married, filing separately), is eligible for the deduction.

Any withdrawals from the Nebraska College Savings Program to pay K-12 expenses are non-qualified withdrawals and subject to recapture to the extent of any state income tax deductions previously claimed on the Nebraska income tax return. Nebraska law considers K-12 tuition a non-qualified use of Nebraska College Savings Program accounts even though these withdrawals are permissible under federal law.

Qualified withdrawals from the Nebraska College Savings Program accounts must be used to pay qualified expenses at an eligible educational institution (college, university, technical school, trade school, graduate program). In addition, qualified apprenticeship program expenses and payments on

qualified education loans of the beneficiary or the beneficiary's sibling (subject to an aggregate lifetime limit of \$10,000 per individual) are treated as qualified expenses. For questions about the Nebraska College Savings Program, go to treasurer.nebraska.gov, or contact the State Treasurer's Office at 402-471-2455.

Line 18 **Employer Contribution to the Nebraska Educational Savings Plan.** Enter the amount included in federal AGI of the contribution made by your employer into a Nebraska educational savings plan trust account owned by you. The employer contribution amount entered on line 18 cannot exceed \$10,000 (\$5,000 if married, filing separately).

For questions about the Nebraska College Savings Program, go to treasurer.nebraska.gov, or contact the State Treasurer's Office at 402-471-2455.

Line 19 **Nebraska Enable Plan Contributions.** If during 2024, you made contributions to one or more Enable Savings Plan accounts, enter the account numbers or UGift codes you contributed to and the amount of your contributions, up to a maximum of \$10,000 (\$5,000 if married, filing separately) on line 19. You cannot deduct contributions made to other 529A (ABLE) savings plans on line 19. For questions about the Enable Savings Plan, go to treasurer.nebraska.gov, or contact the State Treasurer's Office at 402-450-3134.

Line 20 **S Corporation and LLC Non-Nebraska Income.** Enter the amount of S corporation or LLC income that is not from Nebraska sources. Attach the Federal Schedule K-1 and Nebraska Schedule K-1N received from the S corporation or LLC. Non-Nebraska income from disregarded LLCs may also be included here. In this instance, there will not be a Federal Schedule K-1 issued. Non-Nebraska income from partnerships, limited liability partnerships, trusts, and other entities cannot be deducted.

Line 21 **Nonresident Military Servicemember Active Duty Pay.** Enter the amount of nonresident military servicemember active duty pay included in the servicemember's federal AGI. The 2024 Form W-2 issued by the uniformed services to the servicemember must be attached to Form 1040N. The Form W-2 must identify the income as attributable to a state other than Nebraska in box 15. If "NE" is shown on the Form W-2, the adjustment will only be allowed if filing a nonresident return with a filing status of married, filing jointly, and the servicemember and their spouse elect under the federal Veterans Auto and Education Improvement Act of 2022 to use for tax purposes the residence or domicile of the servicemember or spouse; or the permanent duty station of the servicemember that is a state other than Nebraska. **Only active duty military service compensation can be deducted on line 21.**

Line 22 **Income Earned by a Native American Indian in Indian Country.** Native American Indians residing in Indian country with income derived from sources within Indian country may deduct this income on line 22.

Line 23 **Claim of Right Repayment.** Enter the amount required to be included on your federal return for a claim of right repayment.

Line 24 **Nebraska NOL Carryforward.** Enter the amount of a Nebraska net operating loss carried forward from an earlier year. The [Nebraska Net Operating Loss Worksheet, Form NOL](#), must be completed for the loss year and retained in the taxpayer's records until the loss is used. When the loss is claimed, you must attach a completed Form NOL for each previously established loss year being claimed.

Line 25 **Nebraska Agricultural Revenue Bond Interest.** Enter the amount of interest income from Nebraska Agricultural Revenue Bonds that is included in federal AGI.

Line 26 **Federally Taxable Nebraska Investment Finance Authority (NIFA) Bond Interest.** Enter total federally taxable NIFA bond income included in federal AGI.

Line 27 **Interest from Federally Taxable Build America Bonds Issued by Nebraska Governmental Units.** Enter the amount of interest from these bonds that is included in federal AGI. This includes interest from NPPD taxable General Revenue Bonds issued June, 2009, 2010 Series A. For additional information, see the [Taxability of Interest and Dividend Income From State, Local, and U.S. Government Obligations Information Guide](#).

Line 28 **Social Security Income.** Enter the amount of Social Security income included in federal AGI. Beginning with tax year 2024, the entire social security benefit amount included in the federal AGI can be excluded and no longer has a federal AGI threshold.

The amount claimed cannot exceed the amount shown on line 6b, Federal Form 1040 or 1040-SR, page 1. Paper filers must attach a copy of pages 1 and 2 of Federal Form 1040 or pages 1, 2, and 3 of Federal Form 1040-SR to your Nebraska return.

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Line 29	<p>Military Retirement. All military retirees are allowed to exclude 100% of the military retirement benefits from the income subject to Nebraska income tax to the extent included in federal AGI. Enter the amount of military pension included on line 5b, Federal Form 1040 or 1040-SR, page 1. Paper filers must attach a copy of pages 1 and 2 of Federal Form 1040 or pages 1, 2, and 3 of Federal 1040-SR to your Nebraska return.</p> <p>Military retirement benefits attributable to service in uniformed services include military retirement benefits reported on the IRS Form 1099-R issued by either the U.S. Department of Defense or the U.S. Office of Personnel Management (OPM).</p> <p>If the Form 1099-R was issued by OPM, attach documentation from the U.S. Government to support the amount of retirement benefits related to your uniformed service versus your civilian service.</p> <p>Military retirees of the U.S. Coast Guard, an officer of the Commissioned Corps of the U.S. Public Health Service (USPHS), and an officer of the U.S. National Oceanic and Atmospheric Administration Commissioned Officer Corps (NOAA) may receive qualifying military retirement benefits. The retirement benefit income for U.S. Coast Guard, USPHS, and NOAA retirees may be reported by a payor other than the U.S. Department of Defense or OPM. For example, a Form 1099-R received from the Commanding Officer (RAS), USCG Pay & Personnel Center for military retirement benefits from the U.S. Coast Guard qualifies for the exclusion.</p>
Line 30	<p>Dividends Received or Deemed to be Received from Corporations not Subject to the IRC. This deduction is generally limited to dividends received or deemed to be received from foreign corporations. Attach statement or tax form issued by the payor supporting this deduction. Dividends received from domestic corporations are not deductible.</p>
Line 31	<p>Segal AmeriCorp Education Award. Enter the amount of the Segal AmeriCorp Education Award included in federal AGI. The Form 1099-MISC must be attached to Form 1040N when your education award and interest payments total more than \$600 in a calendar year. All education award and interest payments are subject to federal income tax, even if they do not total \$600.</p>
Line 32	<p>Firefighter Cancer Benefits Act. Attach supporting documentation for amounts received by or on behalf of a firefighter for cancer benefits paid under the Firefighter Cancer Benefits Act.</p>
Line 33	<p>Teach in Nebraska Today Act (Act) student loan repayment assistance. Attach supporting documentation for amounts received as student loan repayment assistance under the Act. Loan repayment assistance award is limited to \$5,000 per year and cannot be claimed for more than 5 years.</p>
Line 34	<p>Health Insurance Premiums Paid by Retired Law Enforcement Officers and Professional Firefighters. This deduction requires the retired individual to have been employed full time as a firefighter or certified law enforcement officer for at least 20 years and who is at least 60 years of age as of the end of the 2024 taxable year. Must attach documentation from the human resource department indicating number of years employed full time as a certified law enforcement officer or firefighter and position held, or similar documentation from employers. In addition to proof of full time employment as a certified law enforcement officer or firefighter, the retiree must submit a copy of the health insurance premium notice or other documentation substantiating the amount of the deduction entered. The deduction amount must not have reduced your income reported on the federal individual income tax return.</p>
Line 35	<p>Interest from Federally Taxable Bonds Issued under the Nebraska Highway Bond Act (Act). Interest from the Nebraska Highway Bonds issued under the Act may be deducted on this line if taxed federally.</p>
Line 36	<p>Civil Service Retirement Annuities received for being employed by federal government. The decreasing adjustment is limited to annuities received under the Civil Service Retirement System (CSRS) that were earned from employment with the federal government to the extent included in the federal AGI. The amount claimed must be included on line 5b, Federal Form 1040 or 1040-SR, page 1. Paper filers must attach a copy of pages 1 and 2 of Federal Form 1040 or pages 1, 2, and 3 of Federal Form 1040-SR to your Nebraska return. Also, documentation identifying the annuity benefits from CSRS must be attached.</p> <p>Note: The exclusion does not apply to annuities received under the Federal Employees Retirement System (FERS). Do not include income from FERS annuities.</p>
Line 37	<p>Interest and principal balance of medical debt discharged under the Medical Debt Relief Act (Act). Under the Act, the Nebraska State Treasurer (STO) contracts with a medical debt relief coordinator to negotiate discharge of medical debt. Only the interest and principal balance discharged under the Act</p>

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and included in federal AGI qualifies for the decreasing adjustment. The amount must be included in the federal AGI and documentation indicating the debt was canceled under the Act must be attached.

Line 38 **Contributions to the Medical Debt Relief Fund.** Only contributions made under the Act administered by the STO may take the decreasing adjustment. Attach information from STO indicating the contribution.

Line 39 **Total Adjustments Decreasing Federal AGI.** Total lines 11 and 14 through 38, enter here, and on line 13, [Form 1040N](#).

Nebraska Schedule II Instructions

Full-year Nebraska residents claiming a credit for income tax paid to another state, political subdivision of another state, or the District of Columbia must complete [Nebraska Schedule II](#). Partial-year residents must use [Nebraska Schedule III](#).

A separate Schedule II must be completed for each state where income tax was paid. The total credits cannot exceed the Nebraska tax liability. If some income is subject to an income tax of both another state and a political subdivision in that state, complete only one Nebraska Schedule II and combine the state and political subdivision income taxes paid.

Credit for Income Tax Paid to Another State. A credit will not be allowed unless you attach a complete copy of the other state's or political subdivision's tax return, including all schedules. If the tax is not reported on an income tax return, attach a copy of a letter or statement from the other state or political subdivision showing the income and the tax paid. For political subdivisions that do not require a return, attach the Form W-2 showing the subdivision's tax withheld.

Nebraska law does not allow credit for taxes paid to a foreign country or its political subdivisions.

The Special Conversion Chart instructions must be used when Nebraska residents claiming the decreasing adjustment for S corporation or LLC non-Nebraska income is taxed in several states and the apportionment computations for the taxing states exceed 100% of the S corporation or LLC non-Nebraska income.

Please note: This situation is rare and generally, the adjustment on Nebraska Schedule I removing the non-Nebraska income from being taxed by Nebraska is sufficient and apportionment will not exceed 100% in the **other** states.

Note: When completing lines 2 and 5 of Nebraska Schedule II, refer to the [Conversion Chart](#) on DOR's website.

Line 1 **Total Nebraska Tax.** Enter the amount from line 17, Form 1040N.

Line 2 **Adjusted Gross Income Derived From Another State.** Refer to the Conversion Chart. Enter the amount shown on the return filed with the other state as AGI, or gross income derived from sources within that state. Do not include any income from S corporations or LLCs reported on line 20, Nebraska Schedule I, or income that is not included in federal AGI after Nebraska adjustments from lines 12 and 13, Form 1040N.

Line 3 **Calculate the Ratio.** Calculate the ratio to six decimal places, and then round to five decimals. For example, if your division result is .123467, round to .12347 (12.347%).

Line 4 **Calculated Tax Credit.** Multiply the ratio (line 3) by the total Nebraska tax (line 1), Nebraska Schedule II.

Line 5 **Tax Due and Paid to Another State.** Refer to the Conversion Chart. Enter the amount shown on the return filed with the other state as tax paid to that state. Do not enter the total of the other state's tax withheld. For tax paid to a political subdivision of another state that does not require filing an annual income tax return, enter the income tax withholding for that subdivision.

If you and your spouse file married, filing separately in Nebraska, but file married, filing jointly in another state, attach a calculation of each spouse's share of the total tax paid to the other state. Use the net income of each spouse that is taxed by the other state in the calculation.

Line 6 **Allowable Tax Credit.** Enter the amount from line 1, 4, or 5, Nebraska Schedule II, whichever is **least**. Also enter this amount on line 19 of Form 1040N.

Nebraska Schedule III Instructions

Taxpayers filing a nonresident or partial-year resident return must complete [Nebraska Schedule III](#) to calculate the tax on their income derived from or connected with Nebraska sources.

Line 1

Income Derived from Nebraska Sources. Enter the total of all income from Nebraska sources. Include all sources and amounts of income and deductions, as they were stated on the federal return. If more space is needed, attach a list of all income sources to Nebraska Schedule III. Partial-year residents must include all items of Nebraska income for a nonresident, plus all income earned while a Nebraska resident that is not taxed by another state. This includes dividends, interest, pension income, sales of intangibles, and wages earned outside Nebraska.

Detailed information on the types of income that must be listed and included on line 1, Schedule III is available on DOR's website. A partial list is shown below:

- ◆ Wages, salaries, tips, and commissions;
- ◆ Severance pay associated with Nebraska employment;
- ◆ Dividends, interest, and other passive income;
- ◆ Business income;
- ◆ Farming and ranching income;
- ◆ Partnership, S corporation, LLC, estate, or trust income;
- ◆ Gain or loss;
- ◆ Rent and royalty income;
- ◆ Lottery prizes;
- ◆ Net operating loss carryforward; and
- ◆ Financial institution tax credit claimed.

Income of a Servicemember's Spouse. Under the federal Servicemembers Civil Relief Act (SCRA), Nebraska cannot tax the income of a nonresident servicemember's spouse when the spouse is a nonresident of Nebraska and is in this state only in support of the servicemember. The Veterans Auto and Education Improvement Act of 2022 amended the SCRA to provide an election for married military servicemembers and spouses of servicemembers that applies to any taxable year of marriage, regardless of the date of the marriage, for taxable years beginning on or after January 1, 2023. Military servicemembers and spouses of military servicemembers may elect to use for purposes of taxation: (a) the residence or domicile of the military service member; (b) the residence or domicile of the spouse; or (c) the permanent duty station of the military servicemember. The income earned from services performed by the nonresident spouse should not be included as Nebraska source income on line 1, Schedule III. For more information, see the [Nebraska Income Tax for U.S. Servicemembers, Their Spouses, and Civilians Working with U.S. Forces Information Guide](#).

Line 2

Adjustments as Applied to Nebraska Income. If you claimed adjustments to income on Part II, Schedule 1, Federal Form 1040, a portion of these amounts may be allowable as a deduction on line 2, [Schedule III](#). List the type of adjustment on line 2a and the corresponding amount on line 2b, Schedule III. For additional information see the Additional Schedule III Instructions beginning on page 25 of these instructions.

Line 4

Ratio, Nebraska's Share of the Total Income. Use the equation to calculate a ratio that represents Nebraska's share of total income. Calculate the ratio to six decimal places and then round to five decimals. For example, if the line 4, Schedule III result is .123467, round to .12347 (12.347%) before computing line 9, Schedule III. Even if line 5, Form 1040N and line 1, Schedule III are negative numbers, the ratio computed in line 4, Schedule III cannot exceed 100%. If the ratio is 100% or more, report 1.00000.

Line 5

Nebraska Taxable Income. Enter the amount from line 14, Form 1040N.

Line 6

Nebraska Tax Calculation. Paper filers use the Nebraska Tax Table and the income shown on line 5, Schedule III, to find the tax amount to enter on line 6, Schedule III. Electronic filers must use the Nebraska Tax Calculation Schedule to calculate tax on Nebraska Taxable Income.

Partial-year residents enter your Nebraska credit for the elderly or disabled, or credit for child/dependent care expenses. See applicable instructions for lines 20, 23, and 40, Form 1040N. Partial-year residents with federal AGI of \$29,000 or less cannot claim child care credit here, and must instead complete line 12, Form 2441N, to calculate the amount to enter on line 40, Form 1040N.

Calculate the Nebraska earned income credit on lines 11 and 12, Schedule III.

Nonresidents are not allowed any credits on the line 6, Schedule III calculation.

Line 7	Nebraska Personal Exemption Credit. Enter your credit for personal exemptions. (\$166 multiplied by the number of exemptions shown on line 4, Form 1040N). Do not enter on line 18, Form 1040N.
Line 8	Tax After Nebraska Personal Exemption Credit. Line 6, Schedule III, minus line 7, Schedule III.
Line 9	Nebraska Income Tax. Multiply line 8, Schedule III, by the ratio you computed on line 4, Schedule III.
Line 10	Nebraska Other Tax. Complete all of lines 10a-f, Schedule III, that are applicable to your tax calculation. See line 16, Form 1040N instructions.
Lines 11 and 12	Earned Income Credit. Partial-year residents may claim this credit by entering the number of qualifying children on line 11a, Schedule III, and the federal earned income credit information on line 11b, Schedule III. The allowable Nebraska credit is 10% of the federal earned income credit multiplied by the ratio calculated on line 4, Schedule III. Enter the result on line 12, Schedule III, and on line 42, Form 1040N. To receive this credit, paper filers must attach a copy of pages 1 and 2 of their federal return. Nonresidents cannot claim the Nebraska earned income credit.

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Additional Schedule III Instructions

Adjustments as Applied to Nebraska Income

(Schedule III, line 2, page 23)

If you filed Federal Form 1040, Schedule 1 you may also claim the following adjustments on line 2:

Form 1040, Schedule 1 Adjustments Line Reference	Line Description	Nebraska Adjustments Allowed
Line 11	Educator expenses	Only as it relates to educational wages reported on line 1.
Line 12	Certain business expenses of military reservists, performing artists, and fee-basis government officials	Only if directly related to Nebraska income reported on line 1.
Line 13	Health savings account deduction	Based on a ratio of Nebraska AGI to federal AGI after Nebraska adjustments.
Line 14	Moving expenses for members of the Armed Forces	Only by partial-year residents who moved into Nebraska.
Line 15	Deductible part of self-employment tax	Only as it relates to Nebraska source income.
Line 16	Self-employed SEP, SIMPLE, and qualified plans	Calculated on a ratio of the payments based on Nebraska wages or self-employment income to the total wages or income for which the payments were made.
Line 17	Self-employed health insurance deduction	Calculated on a ratio of the payments based on Nebraska wages or self-employment income to the total wages or income for which the payments were made.
Line 18	Penalty on early withdrawal of savings	Only if directly related to Nebraska income reported on line 1.
Line 19	Alimony paid	Based on a ratio of line 1 income to total income of the taxpayer.
Line 20	IRA deduction	As a ratio of Nebraska self-employed income and wages to total self-employed income and wages.
Line 21	Student loan interest deduction	As a ratio of Nebraska AGI to federal AGI after Nebraska adjustments.
Line 22	Reserved for future use	Do not use.
Line 23	Archer MSA deduction	Based on a ratio of Nebraska AGI to federal AGI after Nebraska adjustments.
Line 24	Other adjustments	
Line 24a	Jury duty pay	Only as it relates to Nebraska source income.

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Line 24b	Deductible expenses related to income reported on line 8l of the Federal Form 1040, Schedule 1 from the rental of personal property engaged in for profit	Only if directly related to Nebraska income reported on line 1.
Line 24c	Nontaxable amount of the value of Olympic and Paralympic medals and USOC prize money reported on line 8m of the Federal Form 1040, Schedule 1	Only if directly related to Nebraska income reported on line 1.
Line 24d	Reforestation amortization and expenses	Only if directly related to Nebraska income reported on line 1.
Line 24e	Repayment of supplemental unemployment benefits under the Trade Act of 1974	Deduction is limited to the amount included in Nebraska source income reported on a prior year Nebraska return.
Line 24f	Contributions to section 501(c)(18)(D) pension plans	Only as it relates to the pension plan contributions from employee wages reported on line 1.
Line 24g	Contributions by certain chaplains to section 403(b) plans	Calculated on a ratio of the contributions based on Nebraska wages or self-employment income to total wages or income for which the payments were made.
Line 24h	Attorney fees and court costs for actions involving certain unlawful discrimination claims	Only if directly related to Nebraska income reported on line 1.
Line 24i	Attorney fees and court costs you paid in connection with an Award from the IRS for information you provided that helped the IRS detect tax law violations	Only if directly related to Nebraska income reported on line 1.
Line 24k	Excess deductions of section 67(e) expenses from Schedule K-1 (Form 1041)	Only if directly related to Nebraska income reported on line 1.
Line 24z	Other adjustments. List type and amount.	Only if directly related to Nebraska income reported on line 1.

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