

Nebraska Schedule K-1N —  
Partner's Share of Income, Deductions, Modifications, and Credits

<b>Partnership's Name and Mailing Address</b>			<b>Partner's Name and Mailing Address</b> (If partner is a disregarded entity (DE), use beneficial owner information not DE's).		
Name Doing Business As (dba)			Name		
Legal Name					
Street or Other Mailing Address			Street or Other Mailing Address		
City	State	ZIP Code	City	State	ZIP Code
Check One: <input type="checkbox"/> Partnership <input type="checkbox"/> LLC			Nebraska ID Number Federal ID Number		
Nebraska ID Number		Federal ID Number	Social Security Number		Spouse's Social Security Number
Taxable Year of Organization			Check One: <input type="checkbox"/> Resident Individual <input type="checkbox"/> Nonresident Individual <input type="checkbox"/> Estate or Trust <input type="checkbox"/> Partnership <input type="checkbox"/> LLC <input type="checkbox"/> Corporation <input type="checkbox"/> Other		
Beginning _____, 20____ and Ending _____, 20____					
Partnership's Nebraska Apportionment Factor %	Nebraska Receipts	Total Receipts	Partner's Share of Income Percentage %	If applicable, check the appropriate box: <input type="checkbox"/> Final <input type="checkbox"/> Amended	
Is the taxpayer a foreign adversarial company (FAC) or distributing credits from a business that is, or is owned in whole or part, by an FAC? <input type="checkbox"/> Yes <input type="checkbox"/> No (See instructions) Do not include credits received from an FAC or distribute credits if you are an FAC on lines 19 through 21. Credits on lines 22 through 27 may be received from an FAC and an FAC may distribute the credits.					

Part A – Partner's Share of Income and Deductions

1	Ordinary business income (loss) . . . . .	1	
2	Net rental real estate income (loss) . . . . .	2	
3	Other net rental income (loss) . . . . .	3	
4	Guaranteed payments . . . . .	4	
5	Interest income . . . . .	5	
6	Ordinary dividends . . . . .	6	
7	Royalties . . . . .	7	
8	Net short-term capital gain (loss) . . . . .	8	
9	Net long-term capital gain (loss) . . . . .	9	
10	Net Section 1231 gain (loss) . . . . .	10	
11	Other income (loss) (list below or attach schedule) _____		
	a List type: _____ b Amount: \$ _____		
	Total other income (loss). Enter total of lines 11b	11	
12	Contributions . . . . .	12	
13	Section 179 deduction . . . . .	13	
14	Other deductions (list below or attach schedule) _____		
	a List type: _____ b Amount: \$ _____		
	Total other deductions. Enter total of lines 14b	14	
15	Nebraska and local income, sales, and use taxes deducted on Federal Form 1065 under section 164 of the IRC . . . . .	15	

Part B – Partner's Share of Modifications

16	Qualified U.S. government interest deduction . . . . .	16	
17	State and local bond interest and dividend income . . . . .	17	
18	Income (loss) from non-Nebraska sources (use only if you checked the LLC box above) . . . . .	18	

Part C – Partner's Share of Credits

19	Community Development Assistance Act credit . . . . .	19	
20	Creating High Impact Economic Futures (CHIEF) credit . . . . .	20	
21	Form 3800N and certified credits (see Form 1065N Schedule K-1N instructions) . . . . .		
	Code for 3800N and Certified Credits	Certificate Number (if applicable)	Amount of 3800N or Certified Credit
			\$
			\$
			\$
	Total of 3800N and certified credits (Enter here and on line 21)		\$
22	Contractor income tax withholding (see instructions) . . . . .	22	
23	Nebraska income tax withheld (see instructions) . . . . .	23	
24	Total PTET credit (see instructions) . . . . .		
	a 2018 \$ _____ b 2019 \$ _____ c 2020 \$ _____		
	d 2021 \$ _____ e 2022 \$ _____ f 2025 \$ _____	24	
25	Opportunity Scholarships Act credit for contributors . . . . .	25	
26	School Readiness Tax Credit for Providers. Enter certificate number _____	26	
27	Nebraska Pregnancy Help Act Credit for contributors . . . . .	27	

## Instructions

**Purpose.** The [Nebraska Schedule K-1N](#) is used by the partnership to report each partner's share of the entity's Nebraska income, deductions, modifications, and credits. The Nebraska Schedule K-1N is also used by each partner to complete their Nebraska tax return.

The partnership must provide a Nebraska Schedule K-1N to each partner. A copy of every Nebraska Schedule K-1N must be submitted with the Form 1065N.

Enter the partner's share of the distributed [Form 3800N](#) credits. When partnerships and LLCs taxed as partnerships issue Nebraska Schedules K-1N to partners, they must also: complete distribution schedules such as Forms [775N](#), [312N](#), [1107N](#), [544N](#) and report the distributed credit amount to the partners on line 21 of the Schedule K-1N. Include on the Schedule K-1N, line 21, the distributed credits that have been certified prior to claiming on a Nebraska income tax return. The certificate number of the approved credit must be entered for the following: Individuals with Intellectual and Developmental Disabilities Support Act - Employer credits (IIDDSA); Nebraska Shortline Rail Modernization Act (NSR); Renewable Chemical Production (RCP); Nebraska Higher Blend Tax Credit (HBTC); Nebraska Biodiesel Tax Credit (BDTC); and Cast and Crew Nebraska Act (CCNA). Use line 26 on the Schedule K-1N to distribute the School Readiness Tax Credit for Providers.

**Foreign Adversarial Company.** Indicate whether or not the taxpayer is a foreign adversarial company (FAC) or claiming credits from a business that is, or is owned in whole or part, by an FAC, as defined by Neb. Rev. Stat. § 77-3,114. An FAC is ineligible to receive incentive benefits. Credits distributed from an FAC are ineligible for tax credit benefits. If the answer is No, continue with the remainder of the form. If the answer is Yes because the taxpayer is an FAC, do not distribute credits on lines 19 through 21. If the answer is Yes because the taxpayer is claiming credits from a business that is, or is owned in whole or in part, by an FAC, you may not claim any credits from the FAC on lines 19 through 21. Only enter credits from entities that are not an FAC on lines 19 through 21. Failing to answer will result in denial or delay in processing the distributed credits.

Foreign adversarial company means a company that:

- Is organized under the laws of a foreign adversary;
- Has its principal place of business within a foreign adversary;
- Is owned in whole or in part, operated, or controlled by the government of a foreign adversary; or
- Is a subsidiary or parent of any company that meets any of the above criteria.

Foreign adversaries as defined under 15 C.F.R. 791.4, as such regulation existed on April 1, 2025 are:

- The People's Republic of China, including the Hong Kong Special Administrative Region and the Macau Special Administrative Region (China);
- Republic of Cuba (Cuba);
- Islamic Republic of Iran (Iran);
- Democratic People's Republic of Korea (North Korea);
- Russian Federation (Russia); and
- Venezuelan politician Nicolás Maduro (Maduro Regime).

**Note:** FAC related credits do **not** include the Nebraska income tax withheld, contractor tax withholding, or the PTET credit. The withholding and the PTET credits are not impacted by a relationship with an FAC and may be claimed if applicable as they represent payments made by the partner named on the Schedule K-1N. Additional information can be found at [Foreign Adversarial Company Notice](#).

## Partnership and Partner Information

**Nebraska ID Number.** Enter the Nebraska ID number assigned to the partnership by DOR. The partnership's Nebraska ID number on the Schedule K-1N and the Form 1065N must be the same. Refer to the [Nebraska ID number instructions](#) for Form 1065N.

**Federal ID Number.** Enter the Federal ID numbers assigned by the IRS to both the partnership and the partner.

**Social Security Number.** Enter the Social Security number of the partner who is an individual. If the partner is a DE whose beneficial owner is an individual, enter the beneficial owner's Social Security number.

**Taxable Year of Organization.** Partnerships filing on a fiscal year basis or filing a short period return must enter the date the tax year began and the date the tax year ended. Calendar-year filers may leave this blank.

**Partnership's Nebraska Apportionment Factor.** Enter the partnership's Nebraska apportionment factor from line 15 of [Schedule I, Form 1065N](#).

**Nebraska Receipts.** Enter the partnership's Nebraska receipts from line 14, Schedule I, Form 1065N in the Nebraska column.

**Total Receipts.** Enter the partnership's total receipts from line 14, Schedule I, Form 1065N in the Total column.

**Partner's Share of Income Percentage.** Enter the partner's share of income percentage from column (C), Schedule II, Form 1065N. Convert the decimal shown on the Schedule II to a percentage before entering on the K-1N.

## Part A – Partner’s Share of Income and Deductions

Complete Part A to report the partner’s share of the partnership’s income (loss) and deductions from Nebraska sources.

**Lines 1-14.** For partnerships that are only subject to income tax in Nebraska, the amounts entered on lines 1-14 will come directly from the partner’s Federal Schedule K-1.

For partnerships that are subject to income tax in another state, the amounts entered on lines 1-14 will be the result of the Federal Schedule K-1 amounts multiplied by the partnership’s Nebraska apportionment factor.

**Line 15.** Enter the partner's share of the Nebraska and local income, sales, and use taxes deducted on the 2025 Federal Form 1065 under section 164 of the IRC. This includes the Nebraska PTET deducted by the partnership.

## Part B – Partner’s Share of Modifications

Complete Part B to report the partner’s share of the income distributed by the partnership that modifies the federal adjusted gross income or federal taxable income of the partner. For partnerships that are only subject to income tax in Nebraska, the amounts entered on lines 16 and 17 will be the same as the amounts reported to the IRS.

For partnerships that are subject to income tax in another state, the amounts entered on lines 16 and 17 will be the result of the federal amounts multiplied by the partnership’s Nebraska apportionment factor.

**Line 16. Qualified U.S. Government Interest Deduction.** Enter the partner’s share of all interest and dividend income from U.S. government obligations exempt from state taxation. The [Taxability of Interest and Dividend Income From State, Local, and U.S. Government Obligations Information Guide](#) lists U.S. interest and dividend income that can be included on line 16, Nebraska Schedule K-1N. Interest income from repurchase agreements involving U.S. government obligations **is not** exempt U.S. government interest. Gains or losses from the sale or other disposition of federal securities are taxable for state income tax purposes and should not be included on line 16.

**Line 17. State and Local Bond Interest and Dividend Income.** Enter the partner’s share of all state and local bond interest or dividends that are exempt from federal income tax and not issued by Nebraska state and local government subdivisions.

**Line 18. Income (Loss) from Non-Nebraska Sources.** This line must be left blank by all partnerships that are not LLCs. The partner’s share of the non-Nebraska income or (loss) is equal to the partner’s share of line 4, [Form 1065N](#), minus the partner’s share of line 5, [Form 1065N](#).

## Part C – Partner’s Share of Credits

Complete Part C to report the credits that were earned by the partnership and distributed to the partners. Do not include credits received from an FAC or distribute credits if you are an FAC on lines 19 through 21. Credits on lines 22 through 27 may be received from an FAC and an FAC may distribute the credits. See FAC instruction section.

**Line 19. Community Development Assistance Act (CDAA) Credit.** Enter the partner’s share of the distributed CDAA credit reported on the Nebraska Community Development Assistance Act Credit Computation, [Form CDN](#), Part C.

**Line 20. Creating High Impact Economic Futures (CHIEF) credit.** Enter the partner's or member's share of the distributed CHIEF credit reported on the Creating High Impact Economic Futures form received from the Nebraska Department of Economic Development.

More detailed information on this credit can be obtained by contacting:

Nebraska Department of Economic Development

245 Fallbrook Blvd, Suite 002

Lincoln, NE 68521

[opportunity.nebraska.gov](http://opportunity.nebraska.gov)

**Line 21. Form 3800N and Certified Credits.** From the following codes (Codes A through P), enter the code and amount of the partner's or member's share of the distributed Form 3800N and certified credits. When partnerships and LLCs issue [Nebraska Schedules K-1N](#) to partners or members, they must also: complete distribution schedules for Forms [775N](#), [312N](#), [1107N](#), [544N](#) and report the distributed credit amount to the partners or members on line 21 of the Schedule K-1N. The certified credits listed below with an asterisk do not require a distribution schedule to be completed but require the certificate number to be entered. Do not enter the distributed School Readiness Tax Credit - for Providers on line 21, see line 26 instructions. An amount entered for the Nebraska Historic Tax Credit does not entitle the partner to claim the credit. Rather, the partner must be issued a NHTC certificate by DOR before any credit will be allowed. For additional information, see our [website](#).

Code A . . . . . Employment and Investment Growth Act

Code B . . . . . Nebraska Advantage Act

Code C . . . . . Nebraska Advantage Rural Development Act

Code D . . . . . Nebraska Advantage Research and Development Act

Code E . . . . . New Markets Tax Credit

Code F . . . . . Nebraska Historic Tax Credit

Code G . . . . . ImagiNE Nebraska Act

Code H . . . . . Urban Redevelopment Act  
Code I . . . . . Renewable Chemical Production Tax Credit Act  
\*Code J . . . . . Nebraska Higher Blend Tax Credit Act  
Code K . . . . . Affordable Housing Tax Credit  
\*Code L . . . . . Biodiesel Tax Credit  
\*Code M . . . . . Individuals with Intellectual and Developmental Disabilities Support Act  
\*Code N . . . . . Nebraska Shortline Rail Modernization Act  
\*Code O . . . . . Nebraska Relocation Incentive Act  
\*Code P . . . . . Cast and Crew Nebraska Act

**Line 22. Contractor Income Tax Withholding.** A partnership that was subjected to the mandatory 5% contractor income tax withholding and did not make the PTET election must distribute the amount withheld to its partners. The amount entered on line 22 is the total amount of Nebraska withholding reported on the Form 1099-MISC or Form 1099-NEC issued to the partnership, multiplied by the partner's share of income percentage. For additional information, see "Income Tax Withholding on Contractors" found on [page 4](#) of the Form 1065N instructions.

**Line 23. Nebraska Income Tax Withheld.** Enter the amount from column (G), [Schedule II](#), Form 1065N, that reflects the income tax remitted by the entity on behalf of the partner.

**Line 24. Total PTET Credit.** Enter the PTET credit for each tax year on lines 24a through 24f from Schedule PTET, Form 1065N. Enter the total 2018 through 2022 plus 2025 PTET credits on line 24.

**Line 25. Opportunity Scholarships Act credit for contributors.** Enter the partner's share of the distributed amount of the credit.

**Line 26. School Readiness Tax Credit for Providers.** Enter the partner's share of the distributed amount of the tax credit and the certificate number.

**Line 27. Nebraska Pregnancy Help Act Credit for contributors.** Enter the partner's share of distributed amount of the credit.