

NEBRASKA

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DEPARTMENT OF REVENUE

2025

Nebraska

Corporation

Income Tax Booklet

Included in this Booklet are:

Form 1120N;

Schedules A, I, II, III, and IV;

Forms 7004N and PTC; and

Use Tax information.

Electronic filing and payment options are available.

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2025 Nebraska Corporation Income Tax Return

Instructions

What's New

Corporate Tax Rate Change (LB 754, 2023). For the 2025 taxable year, the corporate tax rate for Nebraska taxable income is reduced to 5.20%.

Affordable Housing Tax Credit Act (LB 182, 2025). The definition of taxpayer was updated to classify nonprofit corporations as taxpayers eligible for the credit.

If an owner of a qualified project is a pass-through entity, the credit shall be allocated to some or all the partners, members, or shareholders of the owner of the qualified project. Any pass-through entity that receives an allocation of the credit, either from the owner of the qualified project or from another pass-through entity, may further allocate the tax credit among some or all of the partners, members, or shareholders, or transfer, sell, or assign all or a portion of the tax credit to a taxpayer. A pass-through entity may allocate the tax credit in any manner agreed to by its partners, members, or shareholders. A partner, member, or shareholder of a pass-through entity may transfer, sell, or assign all or part of his or her ownership interest, including his or her interest in the tax credits authorized. A taxpayer may transfer, sell, or assign all or a portion of the tax credit to another taxpayer.

Bullion - Gain or Loss on the Sale or Exchange of Bullion (LB 1317, 2024). Individuals, corporations, and fiduciaries must add to federal adjusted gross income or federal taxable income any net capital loss from the sale or exchange of gold or silver bullion to the extent included in federal adjusted gross income or federal taxable income. Individuals, corporations, and fiduciaries must subtract from federal adjusted gross income or federal taxable income any net capital gain from the sale or exchange of gold or silver bullion to the extent included in federal adjusted gross income or federal taxable income. The adjustments do not apply to a taxable distribution of a gain or loss on the sale of bullion from a retirement plan account.

Cast and Crew Nebraska Act (Act) (LB 937, 2023 and LB 650, 2024). Beginning with tax year 2025, a production company may be eligible to receive refundable income tax credits equal to 20% of the qualifying expenditures incurred by the production company directly attributable to a qualified production activity. The tax credit may be increased by an additional 15% if certain qualifications are met. Qualified production activity means a full-length film, made-for-television movie, television series of at least five episodes, or streaming television series.

The total amount of tax credits allowed for each State fiscal year is \$500,000. The maximum allowable tax credit claimed under the Act in any single taxable year for any qualified production activity that is a full-length film, made-for-television movie, television series of at least five episodes, or streaming television series shall not exceed \$500,000.

A production company must file an application for qualification with the Nebraska Department of Economic Development (DED) prior to the start of principal production photography to determine eligibility of the production activity. Applications are considered in the order they are received. If DED approves the application, it notifies the production company and issues a screen credit that can be used to meet the requirement for the tax credit.

To receive tax credits, the production company must submit an application for the tax credit to DED after completing the qualified production activity. Applications are considered in the order they are received. If DED determines the application is complete and the production company qualifies for the tax credits, it will approve the application, notify the production company of the approval, and conduct an audit of each qualified production activity. Once the audit has been completed, DED will determine the value of the tax credit and issue a tax credit certification.

A production company claims the tax credit by attaching the tax credit certification to its tax return for the taxable year in which the certificate was issued, or in the three taxable years immediately following the taxable year in which it was issued. The tax credits can be transferred to any Nebraska taxpayer at any time during the taxable year in which the certificate was issued, or in the three taxable years immediately following the year of issuance. The transferee must pay the transferor at least 85% of the value of the transferred credits in order to acquire the credits.

For more information, visit [Cast and Crew Nebraska Act \(CCNA\) - Nebraska Department of Economic Development](#).

Child Care Tax Credit Act (LB 182, 2025). The definition of taxpayer under the Child Care Tax Credit Act (Act) was expanded to include insurance companies subject to premium and retaliatory taxes imposed by Neb. Rev. Stat. §§ [44-150](#), [77-908](#), or [81-523](#) and financial institutions subject to the franchise tax imposed by Neb. Rev. Stat. §§ [77-3801 to 77-3807](#). The nonrefundable tax credit for contributors allowed under the Act can be used to offset any premium and retaliatory taxes or any franchise tax due under the above-noted statutes.

Community Development Assistance Act (CDAA) (LB 650, 2025). Beginning January 1, 2026, the Community Development Assistance Act (CDAA) is reestablished and replaces the Creating High Impact Economic Futures (CHIEF) Act. Under the CDAA, business firms and individuals that contribute to a community betterment organization's program which is certified for tax credit status by the Nebraska Department of Economic Development (DED) during a tax year are eligible for the nonrefundable credit. Applications are approved by DED. The credit for each approved business firm or individual is limited to 40% of the contribution. Any unused credits may be carried forward to the next five tax years after the credit was first allowed. The total amount of approved credits is limited to \$350,000 each State fiscal year.

Creating High Impact Economic Futures (CHIEF) Act (LB 650, 2025). The tax credits established under the CHIEF Act will not be allowed for calendar year 2026 or any year thereafter, except that tax credits allowed for calendar year 2025 that are unused may be carried forward for five years.

Food Bank, Food Pantry, Food Rescue Donation Tax Credit (LB 937, 2023; LB 208, 2025; and LB 650, 2025). For taxable years beginning on or after January 1, 2025, and before January 1, 2026, any grocery store retailer or restaurant that donates food or any agricultural producer that makes a qualifying agricultural food donation to a food bank, food pantry, or food rescue during the taxable year may be eligible for a nonrefundable tax credit. The nonrefundable credit equals the lesser of:

- ◆ 50% of the value of the food donations or qualifying agricultural food donations made during the taxable year; or
- ◆ \$2,500.

If the donation was deducted as a charitable contribution on the taxpayer's federal return and not included in federal adjusted gross income or federal taxable income, the donation must be added back in the determination of Nebraska adjusted gross income or Nebraska taxable income before the certified credit amount can be claimed. The total amount of approved tax credits is limited to \$500,000 for State fiscal year 2025-2026. Credit requests received on the day the annual limit is exceeded will be prorated and no additional credit requests will be approved for such fiscal year.

Foreign Adversarial Company (LB 644, 2025). A foreign adversarial company is ineligible to receive any benefits under an incentive program of the State of Nebraska. Including but not limited to:

- ◆ Beginning Farmer Tax Credit Act;
- ◆ Imagine Nebraska Act;
- ◆ Nebraska Advantage;
- ◆ Microenterprise Tax Credit Act;
- ◆ Nebraska Advantage Research and Development Act;
- ◆ Nebraska Advantage Rural Development Act;
- ◆ Nebraska Job Creation and Mainstreet Revitalization Act;
- ◆ New Markers Job Growth Investment Act;
- ◆ Urban Development Act; and
- ◆ any other incentive programs created by the Nebraska Legislature or through an executive action for the purpose of recruitment or retention of businesses in Nebraska.

Credits distributed from a foreign adversarial company are also ineligible for tax credit benefits.

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).

See [DOR's website](#) for information.

[Individuals with Intellectual and Developmental Disabilities Support Act \(LB 937, 2024\)](#). Beginning with tax year 2025, employers may be eligible for any of three nonrefundable credits. The three nonrefundable employer credits are:

1. Employers of one or more direct support professionals may apply for a nonrefundable income tax credit that equals \$500 for each direct support professional who:
 - ◆ Is employed by the employer for at least six months during the taxable year; and
 - ◆ Worked at least 500 hours for the employer during the taxable year.
2. Employers of one or more individuals receiving services pursuant to a Medicaid home and community-based services waiver may apply for a nonrefundable income tax credit that equals \$1,000 for each qualified employee who:
 - ◆ Is employed by the employer for at least six months during the taxable year; and
 - ◆ Worked at least 200 hours for the employer during the taxable year.
3. Employers that provide any of the following services to one or more individuals pursuant to a Medicaid home and community-based services waiver during the taxable year may apply for a nonrefundable income tax credit equal to \$1,000 for each eligible individual who received such services from the employer during the taxable year:
 - ◆ Prevocational;
 - ◆ Supported employment – individual;
 - ◆ Small group vocational support; or
 - ◆ Supported employment – follow along.

Employers must first apply to the DOR to receive approval of the credit prior to claiming it on their income tax return. The total amount of credits that may be approved for all tax credits under this act (including the employee credit) is limited to [statutory limit](#) established for each State fiscal year.

If an employer receiving the credit is a partnership, a limited liability company, an S corporation, or an estate or trust, the tax credit may be distributed in the same manner and proportion as the partner, member, shareholder, or beneficiary reports the partnership, limited liability company, subchapter S corporation, estate, or trust income.

[Nebraska Biodiesel Tax Credit Act \(LB 208, 2025 and LB 650, 2025\)](#). The Nebraska Department of Revenue (DOR) may approve up to \$1 million in tax credits in State fiscal year 2024-25 and each fiscal year thereafter. Credit requests received on the day the annual limit is exceeded will be prorated and no additional credit requests will be approved for such fiscal year.

[Nebraska Pregnancy Help Act \(LB 937, 2024\)](#). Beginning with tax year 2025, individuals and entities that make cash contributions to eligible charitable organizations (approved PHOs) during the taxable year may qualify for a nonrefundable tax credit.

Taxpayers must notify the approved PHO of their intent to make a contribution and the amount to be claimed as a tax credit. The approved PHO notifies DOR of the intended contribution. If tax credits are available, DOR will notify the approved PHO of the approved credit amount. Provided the contribution is timely made, the approved PHO should issue a receipt for the contribution made by the taxpayer to take the nonrefundable tax credit. The nonrefundable tax credit equals the lesser of:

- ◆ The total amount of the contributions made to any approved PHO during the tax year and approved by DOR; or
- ◆ 50% of the income tax liability of the taxpayer for such year.

Any unused credit may be carried forward five years. The credit cannot be carried back. A taxpayer may only claim a credit on the portion of the contribution not claimed as a charitable contribution on their federal return.

Married filing separate taxpayers may each claim one-half of the credit.

When the contribution is made by a partnership, limited liability company, or a subchapter S corporation, the credit must be attributed to each partner, member, or shareholder in the same proportion used to report the partnership's, limited liability company's, or S corporation's income or loss.

Any credit not used by an estate or trust may be attributed to each beneficiary in the same proportion used to report the beneficiary's income from the estate or trust.

Nebraska Shortline Rail Modernization Act (LB 937, 2024 and LB 650, 2025). Beginning with tax year 2025, the Nebraska Shortline Rail Modernization Act provides a nonrefundable tax credit against income tax, franchise tax imposed by [Neb. Rev. Stat. §§ 77-3801 to 77-3807](#), and premiums taxes imposed by [Neb. Rev. Stat. §§ 77-907 to 77-918](#) for qualified maintenance expenditures incurred by a Class III railroad. The credit is 50% of the qualified shortline railroad maintenance expenditures incurred during the tax year by the Class III railroad. Qualified shortline railroad maintenance expenditures do not include expenditures used to generate a federal tax credit or expenditures funded by a federal grant. The amount of the credit cannot exceed an amount equal to \$1,500 multiplied by the number of miles of railroad track owned or leased in the state by the applicant at the end of the taxable year. The total amount of tax credits allowed is limited to \$500,000 in each State fiscal year.

To receive the tax credit, the Class III railroad must submit an application to the DOR after incurring the relevant qualified shortline railroad maintenance expenditures. The application must be submitted no later than May 1 of the calendar year immediately following the calendar year in which the expenditures were incurred. DOR will issue a tax credit certificate to the Class III railroad with an approved application. The Class III railroad will claim the credit by attaching the certification to the tax return. Any unused credit is carried forward and can be applied against the tax liability for the next five taxable years immediately following the taxable year in which the credit was first allowed. The tax credits are transferable to another taxpayer by written agreement. No new applications for tax credits can be filed after December 31, 2033.

Relocation Incentive Act (LB 1023, 2024 and LB 650, 2025). Beginning with tax year 2025, a refundable credit is available to employers who pay relocation expenses for a qualified employee. A qualified employee is an individual who moves to Nebraska for the purpose of accepting a position of employment and receives an annual salary within the statutory annual wage income range for the applicable tax year. The credit is equal to the lesser of:

- ◆ 50% of the relocation expenses paid during the tax year; or
- ◆ \$5,000 for each qualified employee.

Employers must first apply to the DOR to receive approval of the credit prior to claiming it on their income tax return. DOR may approve credits until the total amount of credits approved for the year reaches \$1 million.

The refundable credit may be used to offset income taxes, franchise taxes imposed under [Neb. Rev. Stat. §§ 77-3801 to 77-3807](#), and premium taxes, including retaliatory taxes, under [Neb. Rev. Stat. §§ 44-150, 77-908, or 81-523](#).

The credit may be recaptured from the employer if the qualified employee moves out of Nebraska within two years after the employer claimed the credit. The recaptured amount is an underpayment of tax and is due and payable on the tax return due immediately following the qualified employee's loss of residency.

Important Information for All Filers

Purpose. The instructions in this booklet provide guidance in completing the most common Nebraska corporation income tax forms and schedules. This booklet is intended to be useful to the greatest number of taxpayers. Nothing in these instructions supersedes, alters, or otherwise changes any provisions of the Nebraska tax code, regulations, rulings, or court decisions.

We encourage the preparer of any [Corporation Income Tax Return, Form 1120N](#), to review applicable Nebraska law regarding any issue that may have a material effect on this return.

Nebraska law and other useful information may be found at revenue.nebraska.gov.

Income Subject to Nebraska Taxation. Nebraska income tax applies to the portion of the corporate taxpayer's taxable income derived from or attributable to sources within Nebraska. A corporate taxpayer that is subject to tax in another state must apportion its income, unless approval has been granted by the Tax Commissioner for an alternative method prior to filing the return.

If a corporate taxpayer engaged in business in Nebraska is not subject to tax in another state, its entire taxable income must be reported to Nebraska.

Combined Return. When a group of corporations conducts a unitary business, a single combined return must be filed reporting the income of the entire group. A unitary group engaged in business within and without Nebraska will determine its Nebraska income using a single factor, sales only, apportionment formula. See the [Nebraska Schedule I — Apportionment for Multistate Business](#) instructions for additional information.

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 1120N or schedules. 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.

Penalties and Interest. Either or both may be imposed under the following conditions:

- ◆ Failing to file a return and pay the tax due on or before the due date;
- ◆ Failing to pay the tax due on or before the due date;
- ◆ Failing to file an amended Nebraska income tax return when required;
- ◆ Preparing or filing a fraudulent income tax return; or
- ◆ Understating income on an income tax return.

Filing a false or fraudulent Nebraska return is subject to penalty, even if the amounts reported are taken from your federal return. Unpaid tax is subject to interest at the statutory rate of 8% from the original due date to the date the tax is paid. See the DOR Interest Rate Assessed on State Taxes [Revenue Ruling](#) for applicable interest rates.

Reporting Changes or Corrections. If information on a Nebraska corporation income tax return previously filed is incorrect, an [Amended Nebraska Corporation Income Tax Return, Form 1120XN](#), must be filed. When filing an amended return, remember:

- ◆ Changes made by the IRS or another state must be reported to DOR within 60 days; and
- ◆ You must attach a copy of the related federal or other state amended return and all related schedules or other documentation to explain the changes shown on the amended Nebraska return.

Any corporation filing an amended return with the IRS, resulting in a credit or refund, must report the change or correction within 60 days **after receiving proof that the IRS accepted the changes made on the federal return**. The Nebraska amended return must include documentation showing that the IRS accepted the changes made on the federal return.

Corporate taxpayers are required to provide DOR with a copy of every executed Federal Form 872, Consent to Extend the Time to Assess Tax; Form 872-A, Special Consent to Extend the Time to Assess Tax; or any other federal form used to extend the time to assess income taxes. If copies of these federal forms are not provided to DOR within 30 days after they are executed, DOR may issue a notice of deficiency determination within one year after discovery of the extension by DOR, and may limit the time period for which interest is paid on a refund.

Nebraska Extension of Time. An extension to file may only be obtained by:

- ◆ Attaching a copy of a timely-filed Application for Automatic Extension of Time to File Certain Business Income Tax, Information, and Other Returns, Federal Form 7004, to the Nebraska return when filed;
- ◆ Attaching a schedule to the Nebraska return listing the federal confirmation number and providing an explanation that the electronic request for automatic federal extension was not denied; or
- ◆ Filing a [Nebraska Application for Extension of Time to File Corporation, Fiduciary, or Partnership Return, Form 7004N](#), on or before the due date of the return, when you need to make a tentative Nebraska payment or when a federal extension is not being requested. When a federal extension of time has been granted, and additional time is necessary to file the Nebraska return, the Nebraska Form 7004N must be filed on or before the date the federal extension expires. Remember to attach proof of the federal extension to the Form 7004N.

Failure to attach the applicable extension document may result in a late filing penalty. An extension of time only extends the date to file the return. It does not extend the due date to pay the tax. Any tax not paid by the original due date is subject to interest. By timely requesting an extension of time to file your federal return using the Federal Form 7004, you are granted an automatic Nebraska extension for the same number of months granted by the IRS. When a federal extension of time has been granted and additional time is necessary to file the Nebraska return, the Nebraska Form 7004N must be filed on or before the date the federal extension expires. An extension of time cannot exceed a total of seven months after the original due date of the return.

Accounting Methods. The accounting method used for federal income tax purposes must be used for Nebraska income tax purposes. A taxpayer may not change the accounting method used to report income in prior years, unless the change is approved by the IRS. A copy of this approval must accompany the first return that shows the change in the method of accounting.

Federal Return. A copy of the federal return and supporting schedules, as filed with the IRS, must be attached to this return. This includes, at a minimum, a copy of the first five pages, Schedule D, Form 4797, and other supporting schedules of the Federal Form 1120. If a consolidated federal return is filed, a copy of the consolidating schedules or workpapers for income and expenses, cost of goods sold, and balance sheets, as well as the Affiliations Schedule, Form 851, must also be attached. Provide copies of schedules and other information that support the numbers reported on the Nebraska return. Other voluminous information that is part of the federal return filed, but that is not directly related to the Nebraska reporting, may be kept by the taxpayer, but must be made available upon request. **A pro forma federal return is not acceptable.** The Nebraska return is based upon the actual federal return as filed or prepared for filing.

Estimated Income Tax Payments. Estimated income tax payments must be made by every corporation subject to taxation under the IRC, with income derived from Nebraska, if the Nebraska income tax liability can reasonably be expected to exceed allowable credits by \$400 or more. For additional information, see the [2025 Nebraska Corporation Estimated Income Tax Payment Voucher Booklet](#).

Underpayment of Estimated Income Tax Penalty. A corporation may owe a penalty if the amount of tax due, after allowable credits, is \$400 or more.

If the amount of tax due is \$400 or more, the corporation must complete [an Underpayment of Estimated Tax for Corporations, S corporations, or Partnerships, Form 2220N](#), to calculate any applicable penalty.

A corporation may reduce or eliminate the penalty by using the annualized income or adjusted seasonal installment method. To use one or both of these methods to calculate one or more required installments, recalculate (and attach) the Federal Form 2220, Schedule A, "Adjusted Seasonal Installment Method and Annualized Income Installment Method" using Nebraska income and other Nebraska amounts. Enter the corresponding amount from the recalculated Federal Schedule A on the appropriate lines of the Form 2220N.

Adjustment of Overpayment of Estimated Income Tax. A corporation that overpaid estimated income tax must use the [Corporation Application for Adjustment of Overpayment of Estimated Income Tax, Form 4466N](#), to apply for refund of the overpayment when the overpayment is:

- ◆ At least 10% more than the expected tax liability calculated on the Form 4466N; and
- ◆ At least \$500.

Form 4466N must be filed by the 15th day of the third month after the end of the tax year and before the corporation files its corporation income tax return. A Form 4466N filed after this date will not be considered. An extension of time to file the corporation income tax return will not extend the time for filing Form 4466N.

Use Tax

A corporation may be subject to use tax. A corporation owes use tax when the proper sales tax has not been paid on purchases delivered into Nebraska. This often occurs when purchases are made from out-of-state, mail order, or Internet sellers. Use tax is also due when items purchased for resale are withdrawn from inventory for business or personal use.

Example 1.

The corporation purchased a computer from a seller in South Dakota over the Internet for \$1,570 plus \$30 shipping and handling charges. Both charges are taxable. The computer is shipped to the corporation in Scottsbluff, Nebraska and no tax is charged

or collected by the seller. The state tax is \$88 (\$1,600 X 5.5%) and the local tax is \$24 (\$1,600 X 1.5%). The total use tax owed is \$112 (\$88 + \$24 = \$112).

Example 2.

A repair shop in Scottsbluff, Nebraska provides motor vehicle repair service. The repair shop also owns a tow truck used for towing customers' motor vehicles needing repair. The shop purchases oil and oil filters tax exempt for resale using the [Nebraska Resale or Exempt Sale Certificate, Form 13](#). When oil and oil filters are removed from sales tax exempt inventory and used to change the oil in the business-owned tow truck, state and local use tax is due on the cost of the oil and oil filters.

For additional information, see the [Nebraska Use Tax Information Guide](#).

Purpose of Form

The [Nebraska Corporation Income Tax Return, Form 1120N](#), is used to report income, gains, losses, deductions, and credits, and to calculate the income tax liability of the corporate taxpayer.

Who Must File?

The [Nebraska Corporation Income Tax Return, Form 1120N](#), must be filed by every [corporation](#) engaged in business in Nebraska, or having sources of income from Nebraska and subject to federal corporation income tax. This includes:

- ◆ **Cooperative organizations.** Cooperative organizations must file Form 1120N. Exempt farm cooperatives must attach their U.S. Income Tax Return for Cooperative Associations, Form 1120-C. Cooperatives may exclude patronage dividends, dividends on capital stock, and nonpatronage income allocated to patrons that are allowable deductions or exclusions for federal income tax purposes.
- ◆ **Exempt organizations.** All exempt organizations required to file a federal return and pay tax at the federal corporation income tax rates on unrelated business income are required to file the Form 1120N.

Corporations that must file a different Nebraska return:

- ◆ **S corporations.** Corporations that have elected to file under Subchapter S, as defined by IRC § 1361, file a [Nebraska S Corporation Income Tax Return, Form 1120-SN](#).
- ◆ **Financial institutions.** Institutions that are chartered or qualified to do business in Nebraska, or maintain a permanent place of business in Nebraska and actively solicit deposits from residents of Nebraska must file a [Nebraska Financial Institution Tax Return, Form 1120NF](#).

When and Where to File

This return must be filed on or before the date the related federal income tax return is due.

Use the [Federal/State e-file program](#) to e-file both federal and state tax returns. Or mail the Form 1120N to:

Nebraska Department of Revenue
PO Box 94818
Lincoln, NE 68509-4818

How to Complete Form 1120N

Tax Period. A [2025 Form 1120N](#) must be used to file for the calendar year 2025, or a fiscal year beginning in 2025. Space is provided at the top of the return to enter the beginning and ending dates for short-period or fiscal-year filers. The taxable year for Nebraska must be the same as the taxable year used for the federal income tax return.

If a corporation changes its federal taxable year, it must also change its Nebraska taxable year. A copy of the approval from the IRS to change accounting periods must accompany the first return that shows the change.

Business Classification Code. Enter the six-digit code that best describes the corporation's principal business activity in Nebraska. Carefully review the [business classification codes](#) before you select one.

Principal Business Activity in Nebraska. Enter the principal business activity of the corporation from the Business Classification Code listing.

Federal ID Number. Enter the Federal ID number assigned to the corporation by the IRS.

Nebraska ID Number. Enter the Nebraska ID number assigned to the corporation by DOR. Corporations that do not have a Nebraska state ID for corporate income tax should e-file using their Nebraska income tax withholding or sales tax number. The prefix (for example, 24-) is not part of the state ID number and should not be included in the number. Corporations that do not have an existing Nebraska state ID, should apply using DOR's [Online Nebraska Tax Application](#).

DUNS Number. Enter the DUNS number issued by Duns & Bradstreet if the corporation has a DUNS number.

Foreign Adversarial Company. A foreign adversarial company is ineligible to receive incentive benefits. Credits distributed from a foreign adversarial company are ineligible for tax credit benefits. Failing to answer will result in denial or delay in processing the credits claimed. If you answer yes, see Foreign Adversarial Company Notice for additional information regarding the benefits and credits impacted.

Final Return. Check the "Final Return" box if the corporation will not file a Nebraska corporate return after the 2025 tax year. This may occur when the corporation ceases to exist due to dissolution or merger, or when the corporation will be included in a new unitary group of corporations filed under a different Nebraska ID number.

Name Change. If the corporation changed its name since its last filing, check the "name change" box. If the corporation changed its Federal ID number, it must file a [Nebraska Tax Application, Form 20](#) to obtain a new Nebraska ID number.

Corporation Filing Status. All taxpayers must complete this portion of the return and answer all questions applicable to the corporation's status.

Question A. Check "Yes" if any of the following conditions apply:

- ◆ The corporation was included in a federal consolidated return;
- ◆ The corporation owns 50% or more of another corporation; or
- ◆ The corporation is owned at least 50% by another corporation.

If none of the above conditions apply, check "No" and skip questions B, C, and D.

Question B. Check "Yes" if this return includes the income, deductions, or credits of all corporations with [common ownership](#).

Check "No" if one or more of the corporations with common ownership are not included in this return.

Question C. Check "Yes" if a return filed in any other state included the income, deductions, or credits of more than one corporation.

Check "No" if the returns filed in all other states included only your corporation.

Question D. Under Nebraska law, a [unitary group](#) generally encompasses all corporations included in the federal consolidated income tax return. Therefore, only under extremely unusual circumstances may a corporation compute its Nebraska liability using the "separate report by a member of a controlled group of corporations" method. Documentation supporting the separate company filing should be attached to the Nebraska return when filed. This documentation must show that the corporation is not part of a [single economic unit](#) as defined in section 058.08 of [Corporate Income Tax Regulation 24-058, Definitions](#).

Line 1	Federal Gross Sales or Receipts, Less Returns and Allowances. Enter the amount of federal gross sales or receipts reported on Federal Form 1120, less returns and allowances. If the corporate taxpayer is filing a combined Form 1120N, enter the amount of combined gross receipts or sales less returns and allowances from Nebraska Schedule IV.
Line 2	Federal Taxable Income (FTI). Enter the federal taxable income . A unitary group must enter the amount from line 30, Nebraska Schedule IV .
Line 3	Adjustments Increasing FTI. Enter the amount from line 10, Nebraska Schedule A. The federal deduction for state income tax is not an adjustment increasing federal taxable income.

State and local government bond interest and dividend income should be included on line 3. See the instructions for line 1, [Nebraska Schedule A](#).

Line 4	Adjustments Decreasing FTI. Enter the amount from line 21, Nebraska Schedule A .
Line 5	Adjusted FTI. Enter line 2 plus line 3 minus line 4.
Line 6	Nebraska Taxable Income Before Nebraska Carryovers. If all of the income earned by the corporation is derived from Nebraska sources, enter the amount from line 5 on line 6. Corporate taxpayers that derive income from sources within and without Nebraska and are taxable in another state, must enter the amount from line 3, Nebraska Schedule I, Form 1120N .
Line 7	Nebraska Capital Loss Carryover. Enter the allowable Nebraska capital loss carryover. For a multistate taxpayer, a Nebraska capital loss consists of the loss on property that was used by the unitary business that did business in Nebraska, multiplied by the Nebraska apportionment factor for the year of the loss. If the corporate taxpayer reported a capital loss on corporate stock or other assets, the income from which was not previously treated as income apportionable to Nebraska, the loss cannot be treated as a Nebraska loss. Capital loss carryovers may only be deducted to the extent of capital gains in the year of the deduction. Attach a detailed schedule that shows the computation of the capital loss carryover along with copies of the applicable Federal Schedule D to substantiate the Federal capital (loss)/gain. A Nebraska capital loss may only be carried forward, and only for a maximum period of five tax years.
Line 8	Nebraska Taxable Income After Nebraska Capital Loss Carryover. Enter line 6 minus line 7.
Line 9	Nebraska Net Operating Loss Carryover. Enter the allowable Nebraska net operating loss (NOL) carryover. The amount allowable is based on the loss previously reported to Nebraska, and is not based on a percentage of the federal carryover. Any net operating loss can only be carried forward. An NOL incurred in tax years beginning on and after January 1, 2014, may be carried forward for a maximum period of 20 tax years. Nebraska imposes limitations on the use of an NOL carryforward after certain reorganizations and mergers, when an NOL incurred in years after 2017 is carried forward to a year after 2020, and when a corporation with a Nebraska NOL carryforward becomes a member of a unitary group. For additional information, see Corporate Income Tax Regulation 24-060, Net Operating Losses and Capital Losses . If any of the limitations apply to the NOL carryforward reported on this return, attach a schedule showing the computation of the allowable carryforward. Attach a Nebraska Corporation Net Operating Loss Worksheet showing the calculation of the amount of Nebraska net operating loss carryover. If the Nebraska NOL carryforward was increased due to reclassifying part or all of the charitable contribution carryforward, details of the reclassification and the NOL modification must be provided.
Line 10	Net Nebraska Taxable Income. Enter line 8 minus line 9.
Line 11	Nebraska Tax. Multiple the Net Nebraska Taxable Income from line 10 by the 2025 corporate tax rate of 5.20% and enter on line 11. The tax rate is the rate in effect on the first day of the corporation's taxable year. Corporations filing on a fiscal-year basis or filing a short-period return will compute the tax liability for the entire taxable period by using the tax rate in effect on the first day of the taxable period. A corporation using a 52-53 week fiscal year beginning during the last week in December must use the rate in effect on the following January 1st. Insurance Companies. Check the box to indicate you are an insurance company. The tax rate used by an insurance company is the lesser of the rate listed above, or the corporation income tax rate imposed by the state or country where the insurance company is domiciled, provided: <ul style="list-style-type: none">◆ The insurance company can show the Tax Commissioner that it is domiciled in a state other than Nebraska, or out of the country; and◆ The state or country of domicile imposes on Nebraska domiciled insurance companies a retaliatory tax against Nebraska's corporation income tax under Neb. Rev. Stat. § 77-2734.02.

Line 12

Premium Tax Credit. Enter the total amount of premium taxes paid (not accrued) by the corporate taxpayer in this taxable year. These taxes include:

- ◆ Premium taxes paid to the Nebraska Department of Insurance (NDOI) under [Neb. Rev. Stat. §§ 77-908](#) and [81-523](#); and
- ◆ Assessments paid to the NDOI for the Comprehensive Health Insurance Pool that are allowed as an offset against any related premium and related retaliatory tax liability under [Neb. Rev. Stat. § 44-4233](#).

Premium taxes do not include amounts shown on the NDOI annual tax return as fees or the Workers' Compensation Court cash fund tax.

Example 3.

An insurance company made the following 2025 estimated premium tax payments and payments with its 2024 and 2025 NDOI returns.

Tax Year	Payment Type	Payment Date	Payment Amount	2025 Premium Tax Credit
2024	Payment with return	March 1, 2025	\$3,000	
Less: Fees included on the 2024 return			100	\$ 2,900
2025	Estimated	April 15, 2025	4,000	4,000
2025	Estimated	June 15, 2025	4,000	4,000
2025	Estimated	Sept. 15, 2025	4,000	4,000
2025	Payment with return	March 1, 2026	4,000	0
Total				\$14,900

In this example, the insurance company will enter \$14,900 on line 12 as a credit for premium taxes paid.

A corporation claiming this credit must attach a copy of the NDOI annual tax return related to any payment claimed as a credit for premium taxes paid. A schedule listing the date and amount of payment and the payee must also be attached.

Amounts paid by an electric cooperative organized under the [Joint Public Power Authority Act, Neb. Rev. Stat. § 70-1401](#), as in lieu of intangible tax, may also be included on this line.

Line 13

Employer's credit for expenses incurred for TANF (ADC) recipients. Enter the total credit from line 2, [Form TANF](#).

Line 14

School Readiness Tax Credit for providers. Enter the approved credit amount and certificate number from Form SR-3604. Beginning with the 2025 tax year, Form SR-3604 will be submitted and approved through the DOR's Electronic Document & Submission Hub (eDASH). For more information about this credit, go to [School Readiness Tax Credit Act](#).

Line 15

Community Development Assistance Act Credit. The Nebraska Community Development Assistance Act credit is allowable for contributions to approved projects of community betterment organizations recognized by the Nebraska Department of Economic Development (DED). Attach the [2025 Nebraska Community Development Assistance Act Credit Computation, Form CDN](#), to the [Form 1120N](#). Corporations do not need to attach a copy of the Form 1099NTC. DOR will receive the Form 1099NTC information directly from DED.

For more details regarding this credit, contact:

Nebraska Department of Economic Development
245 Fallbrook Blvd, Suite 002
Lincoln, Nebraska 68521

<https://opportunity.nebraska.gov/programs/community/cdaa/>

Line 16

Form 3800N Nonrefundable Credit. Enter the total nonrefundable tax credits reported on the [Nebraska Incentives Credit Computation, Form 3800N](#). Attach a copy of Form 3800N and any supporting schedules.

Line 17

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.

Line 18	Opportunity Scholarships Act Credit for contributors. Enter the lesser of the amount of carryforward credit not used on the 2024 Form 1120N, not to exceed 50% of the income tax liability (line 11, Form 1120N), or \$100,000. A corporation may only claim a credit on the portion of the contribution that was not deducted as a charitable contribution on its 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.
Line 19	Child Care Tax Credit for contributors. Enter the child care tax credit and certificate number from Form CCTC-A. A corporation may only claim a credit on the portion of the contribution that was not deducted as a charitable contribution on its federal return. The taxpayer may carry forward the excess credit for up to five taxable years after the taxable year in which the credit first was allowed. Taxpayers must use the carryover credit in the earliest taxable year possible.
Line 20	Creating High Impact Economic Futures (CHIEF) credit. For more details regarding this credit, contact: Nebraska Department of Economic Development 245 Fallbrook Blvd, Suite 002 Lincoln, Nebraska 68521 https://opportunity.nebraska.gov/programs/incentives/chief/
Line 21	Pregnancy Help Act Credit for contributors. Enter the lesser of the amount of contributions made to an approved Pregnancy Help Organization and verified by DOR or 50% of the income tax liability (line 11, Form 1120N). Any unused credit may be carried forward for the next five years after the credit was first allowed. The tax credit cannot be carried back. 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.
Line 22	Total Nonrefundable Credits. Enter the total of lines 12 through 21.
Line 23	Nebraska Tax After Nonrefundable Credits. Subtract line 22 from line 11. If line 21 is more than line 11, enter zero. Any excess will not be allowed as an overpayment on line 35; nor may it be used as a carryback or carryover to other taxable years unless there is excess credit on a nonrefundable credit that allows amounts to be carried forward.
Line 24	Form 3800N Refundable Credit. Enter the total refundable tax credits reported on Form 3800N. Attach a copy of Form 3800N and any supporting schedules.
Line 25	Tax Deposited With Form 7004N. Enter the amount of the tentative tax payment entered on line 11 of the Form 7004N .
Line 26	2025 Estimated Income Tax Payments. Enter the total 2025 estimated income tax payments, less any Form 4466N adjustment. Combined filers must complete and attach Nebraska Schedule III .
Line 27	Beginning Farmer Credit. Enter the amount of Beginning Farmer credit from the Statement of Nebraska Tax Credit, Form 1099BFC . The Beginning Farmer credit is available to owners of agricultural assets, when the agricultural assets are rented to qualifying beginning farmers or livestock producers. Any claimant eligible for the credit will receive a copy of the Statement of Nebraska Tax Credit, Form 1099BFC, from the Nebraska Department of Agriculture. Corporations do not need to attach a copy of the Form 1099BFC. DOR will receive the Form 1099BFC information directly from the Nebraska Department of Agriculture. For more details regarding this credit, contact: Nebraska Department of Agriculture PO Box 94947 Lincoln, NE 68509-4947 402-471-4876 nextgen.nebraska.gov

Line 28	Nebraska Income Tax Withheld. Enter the amount of Nebraska withholding from Form 1099-MISC or Form 1099-NEC. Construction contractors are required to withhold 5% of any payment or payments exceeding \$600 made to construction subcontractors that are not registered on the Nebraska Department of Labor's Contractor Registration Database . If an amount was withheld from your corporation under this provision, a credit for the amount withheld is claimed on line 27.
Line 29	Credit for Community College Property Taxes. Enter the amount from line 1, Form PTC and attach Form PTC.
Line 30	PTET Credit. Enter the name, Nebraska ID Number, and amount of pass-through entity tax (PTET) credit received from a partnership in which you hold an ownership interest. Attach a schedule if you received the credit from more than one partnership. Also attach a copy of the Nebraska Schedules K-1N supporting the credit claimed.
Line 31	Total Refundable Credits and Payments. Enter the total of lines 24 through 30.
Line 32	Tax Due. Enter the result of line 23 minus line 31. If the amount is less than zero, enter zero.
Line 33	Penalty for Underpayment of Estimated Income Tax. Use the Underpayment of Estimated Tax for Corporations, S corporations, and Partnerships, Form 2220N , to determine if the corporation owes this penalty. A Form 2220N must be completed if the Nebraska tax less allowable credits is greater than \$400. If the corporation is required to complete Form 2220N, enter the amount of penalty from line 20, Form 2220N.
Line 34	<p>Amount Due. There is an amount due when line 31 is less than the total of lines 23 and 33.</p> <p>Mandates of Electronic Payment. Some entities are required to make their payments (tax, penalty, and interest) electronically. For mandate purposes, all of the electronic payment options identified below satisfy the mandate requirement. All entities are encouraged to make their payments electronically.</p>

Electronic Payment Options

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.

Nebraska e-pay. Nebraska e-pay is DOR's web-based electronic payment system. You enter your payment and bank account information, and choose a date (up to a year in advance) to have your account debited. You will receive an email confirmation for each payment scheduled.

ACH Credit. You (or your bank) create an electronic file in the appropriate ACH file format. It is submitted to the Federal Reserve and instructs your bank to "credit" the state's bank account.

Nebraska Tele-pay. Nebraska Tele-pay is DOR's phone-based electronic payment system. Call 800-232-0057, enter your payment and bank account information, and choose a date (up to a year in advance) to have your account debited. You will receive a confirmation number at the end of your call.

Credit Card. Secure credit card payments can be initiated through ACI Payments, Inc. at acipayonline.com or via phone at 800-272-9829. Eligible credit cards include American Express, Discover, MasterCard, and VISA. 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 made 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.]

Cancel a payment. To cancel a scheduled EFW payment, contact our Taxpayer Assistance office at 800-742-7474 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.

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.

Line 35	Overpayment. If line 31 is greater than the sum of lines 23 and 33, enter the result of line 31 minus the total of lines 23 and 33.
Line 36	Amount Credited to 2026 Estimated Income Tax. Enter the amount of overpayment shown on line 35 that you want credited as a tax year 2026 estimated income tax payment for the corporation.
Line 37	Overpayment to be Refunded. Enter the amount of overpayment shown on line 35 that you want refunded. The overpayment to be refunded is calculated by subtracting line 36 from line 35. DOR recommends having any refund on line 37 directly deposited to the corporation’s bank account. See line 38 instructions below.
Line 38	Direct Deposit. To deposit the refund directly into the corporation’s 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. Enter these numbers in the boxes found on lines 38a and 38c, and complete line 38b, Type of Account. The box on line 38d must be checked if the refund will go to a bank account outside the United States. This is necessary to comply with banking rules regarding International ACH Transactions (IATs). These refunds cannot be processed as direct deposits and instead will be mailed.
Signature	<p>Sign and Date the Tax Return. This return must be signed by a corporate officer. Include a daytime phone number and email address in case DOR needs to contact you about your account.</p> <p>Email. 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.”</p> <p>If a corporate officer authorizes another person to sign the return, there must be a Power of Attorney, Form 33, on file with DOR or attached to the return.</p> <p>The act of e-filing a return is your signature. By e-filing the return, taxpayers and their tax preparers, 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.</p> <p>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 their Preparer Tax Identification Number (PTIN), their firm’s name, and Federal Employer Identification Number (EIN).</p>

Nebraska Schedule A Instructions

Adjustments to FTI

Purpose. The [Nebraska Schedule A](#) is used to adjust the corporate taxpayer’s FTI reported on line 2 of the Form 1120N. The Nebraska Schedule A must be completed by all corporate taxpayers making any adjustments on lines 3 or 4 of Form 1120N. Any adjustments that are summarized on Nebraska Schedule A are carried forward to lines 3 and 4, Form 1120N.

Adjustments Increasing FTI

Line 1	State and Local Government Interest and Dividend Income. Enter all state and local government interest or dividends that are exempt from federal income tax and not issued by Nebraska state and local government subdivisions.
Line 2	Federal Net Operating Loss Deduction. Enter the federal net operating loss allowed as a deduction on the federal return. See line 9, Form 1120N instructions for allowable Nebraska net operating losses.
Line 3	Federal Capital Loss Carryover. Enter the portion of the federal capital loss carryover allowed as a deduction this year. See line 7, Form 1120N instructions for allowable Nebraska capital losses.
Line 4	<p>Allocable, Nonapportionable Loss. Enter the amount of any claimed allocable, nonapportionable loss. Allocable, nonapportionable loss is a loss that is not part of the unitary business, and has not been claimed as a loss that is part of the unitary business that is subject to apportionment by another state with substantially the same law as Nebraska.</p> <p>Attach a detailed description of the claimed amount, together with evidence that the loss is not part of the unitary business. Also, attach an affidavit from a corporate officer that the corporate taxpayer has not claimed the same loss to be a part of a unitary business subject to apportionment in another state with substantially the same law as Nebraska on apportionability of losses. Note that Nebraska law is unique on apportionability of losses. Therefore, it may be extremely difficult for a corporate taxpayer to meet the above requirements.</p>
Line 5	Related Expenses. Enter the amount of related expenses. Related expenses include all direct and indirect expenses attributable to the activities producing the allocable, nonapportionable loss entered on line 4.
Line 6	<p>Interest Expense Disallowance. Enter the interest expense calculated for the allocable, nonapportionable loss.</p> <p>To calculate the interest expense:</p> <ul style="list-style-type: none">◆ Divide the taxpayer's average investment in the activities producing the allocable, nonapportionable loss by the taxpayer's average total assets to obtain a ratio; and◆ Multiply this ratio by the total interest deduction allowed in the computation of federal taxable income.
Line 7	Total Allocable, Nonapportionable Loss. Enter the result of line 4 plus lines 5 and 6.
Line 8	Nebraska and Local Income, Sales, and Use Taxes Deducted on Federal Form 1065 Under Section 164 of the IRC. Enter the amount of taxes from line 15, Schedule K-1N, Form 1065N.
Line 9	Other Increasing Adjustments. Enter any other adjustment increasing FTI not reported on lines 2 through 8. List the type of adjustment on line 9a, Schedule A, and the associated amount on line 9b. Attach a detailed explanation of the basis for each adjustment and any necessary schedules. Any net capital loss that is derived from the sale or exchange of gold or silver bullion should be included on line 9 to the extent such loss is included in FTI.
Line 10	Total Adjustments Increasing FTI. Enter the result of line 1 plus lines 2, 3, 7, 8, and 9 here and on line 3, Form 1120N.

Adjustments Decreasing FTI

Line 11	<p>Qualified U.S. Government Interest Deduction. Enter the amount of interest and dividend income from U.S. government obligations exempt from state taxation.</p> <p>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</p>
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on line 11, Nebraska Schedule A. Interest income from repurchase agreements involving U.S. government obligations **is not** deductible as 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 11.

Line 12	Total Foreign Dividends. Enter the amount of total foreign dividends from line 7, Nebraska Schedule II .
Line 13	Special Foreign Tax Credit Adjustment. Enter the amount of adjustment from line 12, Nebraska Schedule II.
Line 14	<p>Allocable, Nonapportionable Income. Enter the amount of any claimed allocable, nonapportionable income. Allocable, nonapportionable income is income that is not part of the unitary business, and has not been claimed as income that is a part of the unitary business that is subject to apportionment by another state with substantially the same law as Nebraska on apportionability of income. Note that Nebraska law is unique on apportionability of income. Therefore, it may be extremely difficult for a corporate taxpayer to meet the above requirements.</p> <p>Note: Entries must be made on lines 15 and 16, or the entire amount of allocable, nonapportionable income claimed may be disallowed.</p> <p>Attach a detailed description of the claimed amount, together with evidence that the income is not part of a unitary business. Also, attach an affidavit from a corporate officer that the corporate taxpayer has not claimed the same income to be a part of a unitary business subject to apportionment in another state with substantially the same law as Nebraska.</p>
Line 15	Related Expenses. Enter the amount of related expenses. Related expenses include all direct and indirect expenses attributable to the activities producing the allocable, nonapportionable income amount entered on line 14.
Line 16	<p>Interest Expense Disallowance. Enter the interest expense calculated for the allocable, nonapportionable income.</p> <p>To calculate the interest expense:</p> <ul style="list-style-type: none">◆ Divide the taxpayer's average investment in the activities producing the allocable, nonapportionable income by the taxpayer's average total assets to obtain a ratio; and◆ Multiply this ratio by the total interest deduction allowed in the computation of federal taxable income.
Line 17	Net Allocable, Nonapportionable Income. Enter the result of line 14 minus lines 15 and 16.
Line 18	<p>Nebraska College Savings Program. Nebraska allows a subtraction from a participant's federal taxable income for the amount of annual contributions made to an account established under the Nebraska Educational Savings Plan Trust (NEST 529). The maximum annual exempt contribution per return is \$10,000. Contributions to other states' 529 college savings plans cannot be deducted on line 18.</p> <p>Interest and earnings from the Nebraska College Savings Program may be deducted to the extent that the income is included in federal taxable income. This adjustment must be taken on line 20, Other Decreasing Adjustments.</p>
Line 19	Contributions made to the Medical Debt Relief Fund. Enter the amount of contributions made to the Medical Debt Relief Fund. Do not include any portion of the contribution that was deducted on the federal return.
Line 20	<p>Other Decreasing Adjustments. Enter any other applicable adjustment not reported on lines 11 through 19. List the type of adjustment on line 20a, Schedule A, and the associated amount on line 20b. Attach a detailed explanation of the basis for each adjustment and any necessary schedules.</p> <p>Any net capital gain that is derived from the sale or exchange of gold or silver bullion should be included on line 20 to the extent such gain is included in federal taxable income.</p> <p>Note: This line should only be used to adjust for the sale or exchange of bullion as noted above or for other valid adjustments that have not been claimed elsewhere on Nebraska Schedule A.</p>

The following examples are items that are **not** allowable adjustments decreasing federal taxable income:

- ◆ Global Intangible Low-Taxed Income (GILTI). See DOR's General Information Letters [24-20-1, Global Intangible Low-Taxed Income and Foreign-Derived Intangible Income](#) for information regarding Nebraska's treatment of GILTI inclusions;
- ◆ The wage expense disallowed by the work opportunity tax credit;
- ◆ Federal income taxes or other federal taxes paid;
- ◆ The depreciation disallowed by the investment credit or other federally-required basis reduction;
- ◆ Income earned in another state. Instead, [Nebraska Schedule I, Apportionment for Multistate Business](#), must be completed; and
- ◆ Income from a partnership. For additional information, see [Business Entity Regulation 24-315, Sales Factor; Business Entities As Owners in a Partnership or Joint Venture](#).

Line 21

Total Adjustments Decreasing FTI. Enter total adjustments here and on line 4, Form 1120N.

Nebraska Schedule I Instructions

Apportionment for Multistate Business

Purpose. The Nebraska Schedule I is used to determine the amount of Nebraska source income ([Form 1120N](#), line 6, Nebraska taxable income before Nebraska carryovers) received by a corporation that derives income from within and without Nebraska.

Nebraska source income is determined by apportioning the corporate income using a single, sales only factor. Apportionment refers to the division of income between states by the use of a formula containing one or more apportionment factors.

Sales Factor. The sales factor is a fraction. The numerator is the total sales of the corporate taxpayer in Nebraska during the taxable year. The denominator is the total sales of the corporate taxpayer everywhere during the taxable year. Total sales include gross sales of real and tangible personal property, less returns and allowances, and all other items of gross receipts, except income for the discharge of indebtedness, amounts received from hedging transactions involving intangible assets, and net gains from marketable securities held for investment. The sales factor on this schedule is rounded to six decimal places. It is entered as a percentage.

When a [corporate taxpayer](#) consists of two or more corporations engaged in a [unitary business](#), a part of which is conducted in Nebraska, the income of the corporate taxpayer apportioned to Nebraska is determined by applying the ratio of the corporate taxpayer's sales in Nebraska to the sales of the entire unitary group. The corporate taxpayer's sales in Nebraska should include only those sales made by members of the unitary group with nexus in this state. Each corporate taxpayer must file one income tax return for the entire group. The return will include all corporations in the unitary business. Any corporation that is required, or has received permission, to use an alternative apportionment formula, may only be included in a return with other corporations using the same apportionment formula.

For tax years beginning on or after January 1, 2014, a corporation may no longer use the costs of performance method of apportioning sales other than sales of tangible personal property except for a corporation operating as a communications company. For additional information, see the Nebraska Apportionment Factor - Sales or Gross Receipts section.

A corporation using an alternative method of apportionment must attach a copy of the Tax Commissioner's prior written approval of the alternative method. The alternative apportionment factor computation must be included. Enter the factor on line 2, [Nebraska Schedule I](#).

NOTE: Approval of an alternative method of apportionment is rare.

Intercompany sales between unitary corporations using the combined income approach are excluded from the sales factor.

If the corporate taxpayer is a partner in a partnership or joint venture, see [Business Entity Regulation 24-315, Sales Factor; Business Entities As Owners in a Partnership or Joint Venture](#).

A corporate taxpayer that operates a trucking business and has income from both within and without this state, must compute its sales factor in accordance with [Business Income Tax Regulation 24-343, Special Apportionment Rules; All Tax Years; Trucking Companies](#).

The method of computing the sales factor must be consistent with prior tax years and with the corporate taxpayer's filings in other states. If the corporation modifies the basis for including or excluding gross receipts in the sales factor used in returns for prior years, the 2025 return must disclose the nature and extent of the modification.

If the corporation files returns with other states that are not uniform in the inclusion or exclusion of gross receipts, the Form 1120N filed with DOR must disclose the nature and extent of the variance.

Computation of Nebraska Source Income

Line 1	Adjusted FTI. Enter the amount from line 5, Form 1120N.
Line 2	Nebraska Apportionment Factor. Enter the amount from line 15, Nebraska Schedule I, Form 1120N .
Line 3	Taxable Income Apportioned to Nebraska. Enter in line 3 the result of line 1 multiplied by line 2. Also enter this amount on line 6, Form 1120N.

Nebraska Apportionment Factor – Sales or Gross Receipts

Nebraska sales include all items of income received by the corporate taxpayer from Nebraska sources. The following types of sales are from Nebraska sources:

- ◆ Sales of tangible personal property delivered in this state;
- ◆ Sales of tangible personal property shipped from Nebraska to the U.S. government;
- ◆ Gross receipts from the interest or service charges arising from the sale of tangible personal property if the sale is attributed to Nebraska;
- ◆ Sales of other than tangible personal property –
 - ✓ To the extent a service relates to real or tangible personal property located in Nebraska;
 - ✓ To the extent a service relates to part of the buyer's trade or business operated in Nebraska;
 - ✓ A service provided to an individual present in Nebraska at the time the service is received;
 - ✓ To the extent an application service is used in Nebraska;
 - ✓ To the extent intangible property is used in Nebraska;
 - ✓ To the extent an intangible asset used in a treasury function is managed in Nebraska;
 - ✓ To the extent a loan is secured by real or tangible personal property located in Nebraska;
 - ✓ To the extent a loan is not secured by real or tangible personal property, if the borrower is in this state. The location is presumed to be the borrower's billing address.
 - ✓ Fees, charges, and net gains from credit card receivables, if the credit card holder's billing address is in Nebraska;
 - ✓ Gross receipts from the sale, rental, or lease of real property if the real property is located in Nebraska;
 - ✓ Gross receipts from renting, leasing, or licensing tangible personal property if the property is in Nebraska. If the property was located within and without Nebraska during the taxable year, then the gross receipts are attributable to Nebraska in proportion to the percentage of time the property was located in Nebraska;
 - ✓ For sales not specifically addressed above, sales to an individual if the individual's billing address is in Nebraska, and sales to a business if the business places its order from Nebraska or the billing address of the business if the ordering place cannot be readily determined; and
 - ✓ Sales made by a communications company if the income-producing activity is performed in Nebraska based on costs of performance.

For additional information, see [Neb. Rev. Stat. § 77-2734.14](#).

Line 4	Sales or Gross Receipts Minus Returns and Allowances. Enter the gross receipts, less any returns and allowances reported on the Federal Form 1120.
Line 5	Sales Delivered or Shipped to Purchasers in Nebraska: Shipped From Outside Nebraska. Delivery in Nebraska is determined without regard to the F.O.B. point or other conditions of the sale. The amount entered on this line should not include sales to the U.S. government.
Line 6	Sales Delivered or Shipped to Purchasers in Nebraska: Shipped From Within Nebraska. Delivery in Nebraska is determined without regard to the F.O.B. point or other conditions of the sale. The amount entered on this line should not include sales to the U.S. government.
Line 7	Sales Shipped From Nebraska to the U.S. Government. The U.S. government is the purchaser when it makes direct payment to the seller. The amount on this line includes all sales of tangible personal property to the U.S. government that are shipped from an office, store, warehouse, factory, or other place of business in this state. For other sales made to the U.S. government, use the rules for sales of other than tangible personal property. For additional information, see Neb. Rev. Stat. § 77-2734.14 .
Line 8	Interest on Sales of Tangible Personal Property. In the Total column, enter all interest or service charges received from the sale of tangible personal property. In the Nebraska column, enter all the interest or service charges related to the sale of tangible personal property delivered in Nebraska and from sales to the U.S. government shipped from Nebraska.
Line 9	Interest, Dividends, and Royalties From Intangible Property. In the Total column, enter all the interest, dividend, and royalty income from intangible property received by the corporation. In the Nebraska column, enter the amount sourced to Nebraska as determined by Neb. Rev. Stat. § 77-2734.14(3) .
Line 10	Gross Rents. In the Total column, enter the gross receipts from the rental or lease of all real or tangible personal property. In the Nebraska column, enter the gross receipts from the rental or lease of real or tangible personal property located in Nebraska. If the tangible personal property rented or leased is located or used both inside and outside this state, the Nebraska receipts are attributable to Nebraska in proportion to the percentage of time the property was located in Nebraska.
Line 11	Net Gain on Sales of Intangible Property. In the Total column, enter the net gain on sales of all intangible property made during the tax year. In the Nebraska column, enter the amount of net gain from sales made to a buyer who uses the intangible in Nebraska as determined by Neb. Rev. Stat. § 77-2734.14 . NOTE: A net loss on the sale of intangible property is not included in the calculation of the Nebraska sales factor.
Line 12	Gross Receipts From Sales of Tangible Personal and Real Property Not Included Above. In the Total column, enter the gross receipts from sales of all tangible personal property and real property not included above. In the Nebraska column, enter the gross receipts from sales of real property located in Nebraska. Also enter the gross receipts from tangible personal property delivered in this state or delivered to the U.S. government from a location in this state.
Line 13	Other Income. In the Total column, enter any other income not reported above that was received by the corporation. In the Nebraska column, enter any other income not reported above that was derived from Nebraska sources. The amounts entered on this line include, but are not limited to, net farm income (loss) subpart F inclusions, GILTI, and the ordinary business income (loss) from partnerships. If the corporation would be considered unitary with the partnership if the partnership was a corporation, enter the distributive share of the partnership's gross receipts. If the corporation and the partnership would not be considered unitary, enter the distributive share of the income received from the partnership. See Business Entity Regulation 24-315, Sales Factor: Business Entities As Owners in a Partnership or Joint Venture , for additional information regarding

the apportionment of income received from a partnership. For additional information on subpart F inclusions and GILTI, see [Revenue Ruling 24-21-1](#) Subpart F Income and [General Information Letter 24-20-1](#), Global Intangible Low-Taxed Income and Foreign-Derived Intangible Income.

Line 14 **Total Sales or Gross Receipts.** In the Total column, add lines 4 and 8 through 13, and enter the result on line 14.

In the Nebraska column, add lines 5 through 13, and enter the result on line 14.

Line 15 **Nebraska Apportionment Factor.** Compute the Nebraska apportionment factor by dividing line 14, Nebraska column, by line 14, Total column; round to six decimal places and enter as a percent.

Example 4.

$$\frac{\text{Line 14 Nebraska column } 107,699}{\text{Line 14 Total column } 499,992} = .2154014464231428$$

Enter 21.5401 % on line 15.

Since the seventh digit (4) is less than five, the sixth digit (1) is not rounded up to 2.

Nebraska Schedule II Instructions

Foreign Dividend and Special Foreign Tax Credit Deduction

Purpose. The Nebraska Schedule II is used to calculate the deduction for dividends included in federal taxable income (line 30, Federal Form 1120) from corporations whose dividends do not qualify for the dividends received deduction under Internal Revenue Code (IRC) § 243.

In addition, an adjustment is allowed for income that is taxed by a foreign country, or one of its political subdivisions, at a rate in excess of the maximum federal corporate tax rate. The adjustment can be made for each foreign country or group of foreign countries. The amount of federal taxable income from operations within a foreign taxing jurisdiction must be reduced by the amount of taxes actually paid to the foreign jurisdiction that are not deductible solely because the foreign tax credit was elected on the federal income tax return.

The amount of after-tax income is then divided by one minus the maximum tax rate for corporations in the IRC. The result of this calculation is subtracted from the amount of federal taxable income from foreign operations.

The difference is reported in the total adjustments decreasing FTI computed on Nebraska Schedule A, and is included as an adjustment to federal taxable income on line 4, Form 1120N. **Schedule C, Federal Form 1120, and Parts A and B of Federal Form 1118 must be attached.**

Line 1 **Dividends From Foreign Corporations and Certain FSCs Subject to the IRC § 245 Deduction.** Enter the total of lines 6 and 7, column (a), Schedule C, Federal Form 1120; or lines 6 and 7, column (a), Schedule A, Federal Form 1120-L.

Line 2 **Special Deductions on Line 1 Amount.** Enter the total of lines 6 and 7, column (c), Schedule C, Federal Form 1120; or lines 6 and 7, column (c), Schedule A, Federal Form 1120-L.

Line 3 **Net Foreign Dividends Subject to the IRC § 245 Deduction Included in Federal Taxable Income.** Enter the result of line 1 minus line 2.

Line 4 **Other Dividends From Foreign Corporations.** Enter the amount from line 14, Schedule C, Federal Form 1120, or line 15, Schedule A, Federal Form 1120-L. A U.S. life insurance company claiming a deduction for “Other corporate dividends” from line 19, Schedule A, Federal Form 1120-L, must include a detailed description of the dividends claimed.

Line 5 **Income From Controlled Foreign Corporations Under Subpart F Treated as a Foreign Dividend Under the IRC.** Enter the amount of foreign dividends from Schedule C, Federal Form 1120. This includes amounts reported on Federal Schedule C, line 16b. The amount entered on this line may only include Subpart F inclusion income that is a foreign dividend or deemed foreign dividend under the IRC. Attach a copy of the Federal Schedule C to support a deduction for amounts reported on line 16b.

Most subpart F inclusions reported on Federal Schedule C, line 16c are not foreign dividends or deemed foreign dividends under the IRC. Attach a copy of Federal Schedule C; Forms 5471; Schedules I, Form 5471. The above forms and schedules do not identify any amount reported on line 16c as a dividend or deemed dividend. Therefore, you must also attach documents or worksheets that identify the amount of foreign dividends or deemed foreign dividends included in line 16c. See [Revenue Ruling 24-21-1](#) for additional information regarding Nebraska's treatment of subpart F income.

Line 6	Foreign Dividend Gross-up (IRC § 78). The amount entered includes dividends reported on line 18, Schedule C, Federal Form 1120, less the IRC § 78 amount included in the GILTI deduction. Attach a copy of the forms and schedules supporting the amount entered. Those forms and schedules include, but may not be limited to, Schedule C of Federal Form 1120, Federal Form 8993, and Federal Forms 1118.
Line 7	Total Foreign Dividends. Enter the sum of lines 3 through 6 on line 7 and line 12, Schedule A.

Special Foreign Tax Credit Deduction Computation

Line 8	FTI From Qualifying Foreign Taxing Jurisdictions. Enter the total federal taxable income that is also taxed by a foreign jurisdiction at a rate in excess of the maximum federal corporate tax rate. Attach a schedule detailing FTI and foreign taxes paid by country.
Line 9	Foreign Taxes. Enter the amount of foreign taxes paid on line 8 amounts for which the foreign tax credit is taken.
Line 12	Special Foreign Tax Credit Adjustment. Subtract line 11 from line 8. If less than zero, enter zero. Do not enter an amount greater than the amount reported on line 8.

Nebraska Schedule III Instructions

Subsidiary or Affiliated Corporations

Purpose. The Nebraska Schedule III is used to identify the members of a unitary group and summarize the Nebraska sales or receipts for those members of the unitary group that have nexus in this state. The Schedule III also summarizes the Nebraska payments, including deposits made with the Form 7004N and estimated income tax payments made by the members of the unitary group.

This schedule must be completed if the corporate taxpayer is a member of a unitary group or if the corporate taxpayer, either individually or as a group, owns 50% or more of another corporation, or is owned 50% or more by another corporation.

The total amount of column A must equal line 25, Form 1120N.

The total amount of column B must equal line 26, Form 1120N.

The total amount of column D must equal line 14 in the Nebraska column of Schedule I, Form 1120N.

If additional space is required, attach a schedule using the same format as Nebraska Schedule III.

Nebraska Schedule IV Instructions

Converting Net Income to Combined Net Income

Purpose. The Nebraska Schedule IV is used to determine the combined federal taxable income of the unitary group.

This schedule must be completed by each corporate taxpayer filing a combined [Nebraska Corporation Income Tax Return, Form 1120N](#). If additional space is required, attach a schedule using the same format as Nebraska Schedule IV.

Please Type or Print	Name Doing Business As (dba)			PLEASE DO NOT WRITE IN THIS SPACE	
	Legal Name				
	Street or Other Mailing Address				
	City	State	ZIP Code		
Business Classification Code		Date Business Began in Nebraska	Principal Business Activity in Nebraska	Federal ID Number	Nebraska ID Number
DUNS Number		Is the taxpayer a foreign adversarial company (FAC) or claiming 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)			

Check if:

<input type="checkbox"/> Initial Return	<input type="checkbox"/> Address Change	<input type="checkbox"/> Exempt Organization	<input type="checkbox"/> 7004/7004N Attached
<input type="checkbox"/> Final Return (e.g., dissolved. See instr.)	<input type="checkbox"/> Name Change	<input type="checkbox"/> Cooperative Meeting IRC § 6072(d)	<input type="checkbox"/> 3800N, 775N, 312N, or 1107N Attached

Corporation Filing Status (Answer questions A through D, as applicable.)

- A.** Does this corporation own at least 50% of another corporation; or is it owned at least 50% by another corporation?
(1) ☐ YES (2) ☐ NO
If Yes, attach Federal Form 851 or a schedule of affiliated corporations and federal IDs. Answer questions B, C, and D.
- B.** Is one single Nebraska return being filed for the entire group?
(1) ☐ YES (2) ☐ NO
- C.** Are you filing as a unitary group in any other state?
(1) ☐ YES (2) ☐ NO
- D.** Check the method used to determine Nebraska income (check only one):
(1) ☐ Combined report of a controlled group of corporations
(2) ☐ Separate report by a member of a controlled group of corporations (attach supporting documentation)
(3) ☐ Alternate method (attach Nebraska Department of Revenue approval)

1 Federal gross sales or receipts, less returns and allowances.	1		00
2 Federal taxable income (FTI) (see instructions).	2		00
3 Adjustments increasing FTI (line 10, from attached Nebraska Schedule A) ...	3		00
4 Adjustments decreasing FTI (line 21, from attached Nebraska Schedule A) ..	4		00
5 Adjusted FTI (enter line 2 plus line 3 minus line 4).	5		00
6 Nebraska taxable income before Nebraska carryovers (see instructions).	6		00
7 Nebraska capital loss carryover (see instructions – attach worksheet).	7		00
8 Nebraska taxable income after Nebraska capital loss carryover (line 6 minus line 7).	8		00
9 Nebraska net operating loss carryover (see instructions – attach worksheet).	9		00
10 Net Nebraska taxable income (line 8 minus line 9).	10		00
11 Nebraska tax <input type="checkbox"/> Check this box if you are an insurance company	11		00
12 Premium tax credit (see instructions – attach schedule)	12		00
13 Employer's credit for expenses incurred for TANF (ADC) recipients (see instr.)	13		00
14 School Readiness Tax Credit for providers Enter Certificate number from Form SR-3604	14		00
15 Community Development Assistance Act credit (attach Form CDN).	15		00
16 Form 3800N nonrefundable credit (attach Form 3800N)	16		00
17 NE employer tax credit for employing convicted felons. Enter certificate number from Form ETC-A	17		00
18 Opportunity Scholarships Credit for contributors	18		00
19 Child Care Tax Credit for contributors. Enter certificate number from Form CCTC-A	19		00
20 Creating High Impact Economic Futures (CHIEF) credit	20		00
21 Nebraska Pregnancy Help Act Credit for contributors	21		00
22 Total nonrefundable credits (total of lines 12 through 21)	22		00
23 Nebraska tax after nonrefundable credits. Subtract line 22 from line 11 (if line 22 is more than line 11, enter -0-)	23		00

24	Form 3800N refundable credit (attach Form 3800N)	24		00
25	Tax deposited with Form 7004N	25		00
26	2025 income tax and/or estimated income tax payments (minus any Form 4466N adjustment)	26		00
27	Beginning Farmer credit	27		00
28	Nebraska income tax withheld (see instructions)	28		00
29	Credit for community college property taxes (attach Form PTC)	29		00
30	PTET credit (attach Schedules K-1N) a Name: _____ b Nebraska ID Number: _____ c 2018 - 2022 amount: \$ _____ d 2025 amount: \$ _____ Enter the total of line 30c and 30d on line 30. (Attach a schedule if the credit was received from more than one partnership.)	30		00
31	Total refundable credits and payments (total of lines 24 through 30)	31		00
32	Tax Due (line 23 minus line 31).	32		00
33	Penalty for underpayment of estimated income tax (see instructions)	33		00
34	Amount Due (when line 31 is less than the total of lines 23 and 33). If paying electronically, check here <input type="checkbox"/>	34		00
35	Overpayment (when line 31 is greater than the total of lines 23 and 33).	35		00
36	Amount of line 35 to be credited to 2026 estimated income tax	36		00
37	Overpayment to be refunded (line 35 minus line 36). Direct deposit: Complete lines 38a, 38b, and 38c. ...	37		00

38a	Routing Number										38b	Type of Account		1 = Checking 2 = Savings (see instructions)
38c	Account Number													
38d	<input type="checkbox"/> Check this box if this refund will go to a bank account outside the United States.													

Under penalties of perjury, I declare that as taxpayer or preparer, I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is correct and complete.

sign here	Signature of Officer _____		Date _____	Email Address _____
	Title _____		Daytime Phone Number _____	
paid preparer's use only	Preparer's Signature _____		Date _____	Preparer's PTIN _____
	Print Firm's Name (or yours if self-employed), Address and ZIP Code _____		EIN _____	Daytime Phone _____

Paper filers must attach a copy of the federal return and supporting schedules, as filed with the IRS, to this return.

All filers are encouraged to e-file their return.

Mail this return and remit payment (electronically, if required) to:
Nebraska Department of Revenue, PO Box 94818, Lincoln, NE 68509-4818.
revenue.nebraska.gov, 800-742-7474 (NE and IA), 402-471-5729

Nebraska Schedule A — Adjustments to FTI
Nebraska Schedule I — Apportionment for Multistate Business

Name on Form 1120N

Nebraska ID Number

Nebraska Schedule A

• You must use Schedule A if you make an adjustment on lines 3 or 4 of Form 1120N.

Adjustments Increasing FTI

1	State and local government interest and dividend income (see instructions)	1		00
2	Federal net operating loss deduction	2		00
3	Federal capital loss carryover	3		00
4	Allocable, nonapportionable loss	4		
5	Related expenses	5		
6	Interest expense disallowance	6		
7	Total allocable, nonapportionable loss (add lines 4-6) (attach affidavit - see instructions)	7		00
8	Nebraska and local income, sales, and use taxes deducted on federal Form 1065 under section 164 of the IRC. (from Schedules K-1N)	8		00
9	Other increasing adjustments a List type: b Amount: \$	9		00
10	Total adjustments increasing FTI (total of lines 1, 2, 3, 7, 8, and 9). Enter here and on line 3, Form 1120N	10		00

Adjustments Decreasing FTI

11	Qualified U.S. government interest deduction. (attach supporting schedule)	11		00
12	Total foreign dividends (line 7, Nebraska Schedule II)	12		00
13	Special foreign tax credit adjustment (line 12, Nebraska Schedule II)	13		00
14	Allocable, nonapportionable income	14		00
15	Related expenses	15		00
16	Interest expense disallowance	16		00
17	Net allocable, nonapportionable income (line 14 minus lines 15 and 16) (attach affidavit—see instructions)	17		00
18	Nebraska College Savings Program (see instructions)	18		00
19	Contributions made to the Medical Debt Relief Fund	19		00
20	Other decreasing adjustments a List type: b Amount: \$	20		00
21	Total adjustments decreasing FTI (total of lines 11, 12, 13, 17, 18, 19, and 20). Enter here and on line 4, Form 1120N	21		00

Nebraska Schedule I —

Apportionment for Multistate Business

1	Adjusted FTI (line 5, Form 1120N)	1		00
2	Nebraska apportionment factor (from line 15 below)	2		%
3	Taxable income apportioned to Nebraska (line 1 multiplied by line 2). Enter here and on line 6, Form 1120N	3		00

Nebraska Apportionment Factor – Sales or Gross Receipts

	Total	Nebraska
4	00	
5		00
6		00
7		00
8	00	00
9	00	00
10	00	00
11	00	00
12	00	00
13	00	00
14	00	00
15		%

Nebraska Schedule II — Foreign Dividend and Special Foreign
Tax Credit Deduction

Name on Form 1120N

Nebraska ID Number

Nebraska Schedule II —
Foreign Dividend and Special Foreign Tax Credit Deduction

• Attach Schedule C, Federal Form 1120 or Schedule A, Federal Form 1120-L and a schedule separating foreign and domestic dividends.

Foreign Dividend Deduction Computation

NOTE: The Nebraska Foreign Dividend Deduction calculated on lines 1 through 6 is only for those dividends included in federal taxable income from corporations that are not subject to the Internal Revenue Code (IRC). This includes those corporations whose dividends do not qualify for the dividends received deduction under IRC § 243.

1	Dividends from foreign corporations and certain FSCs (foreign sales corporations) subject to the IRC § 245 deduction (total of lines 6 and 7, column (a), Schedule C, Federal Form 1120)	1		00
2	Special deductions on line 1 amount. Enter the total of lines 6 and 7, column (c), Schedule C, Federal Form 1120.....	2		00
3	Net foreign dividends subject to the IRC § 245 deduction included in FTI (line 1 minus line 2).....	3		00
4	Other dividends from foreign corporations. Enter amount from line 14, Schedule C, Form 1120	4		00
5	Income from controlled foreign corporations under Subpart F treated as a foreign dividend under the IRC.....	5		00
6	Foreign dividend gross-up (IRC § 78). (see instructions)	6		00
7	Total foreign dividends (add lines 3 through 6). Enter the result here and on line 12, Schedule A, Form 1120N.....	7		00

Special Foreign Tax Credit Deduction Computation

Note: This deduction is only to be claimed when a corporation subject to the IRC is taxed by a foreign country, or one of its political subdivisions, at a rate in excess of the maximum federal corporate tax rate (see instructions).

8	FTI from qualifying foreign taxing jurisdictions a Jurisdictions: _____ b Amount: \$ _____ Total FTI from qualifying foreign taxing jurisdictions. Enter total of lines 8b	8		00
9	Foreign taxes	9		00
10	After tax foreign income (line 8 minus line 9)	10		00
11	After tax foreign income not taxed (divide line 10 result by .79; enter result here).....	11		00
12	Special foreign tax credit adjustment (subtract line 11 from line 8. If less than 0, enter 0). Enter here and on line 13, Schedule A, Form 1120N.....	12		00

Nebraska Schedule III — Subsidiary or Affiliated Corporations

Name and Address of All Corporations	ID Numbers		Tax Payment Information*			Apportionment Factor Information**
	Nebraska	Federal	(A) Total Income Tax Deposits from 7004N	(B) Total Estimated Income Tax Payments, 1120N-ES	(C) Amount Paid with this Return	(D) Amount of Nebraska Sales or Receipts
Corporation Filing this Return:						
Parent Corporation, if different from above:						
Subsidiary/Affiliated Corporations:						
Totals						

* Complete columns (A), (B), and (C) if tax payments were made under more than one Nebraska ID number.
 ** Complete column (D) to summarize the numerator of the corporations filing one combined corporation income tax return.

Nebraska Schedule IV — Converting Net Income to Combined Net Income

• If this schedule is used, read instructions and attach this schedule to Form 1120N.

Name on Form 1120N

Nebraska ID Number

Income and Deductions	Corporation FEINs (Enter FEINs as column headings.)			(I) Subtotal	(II) Eliminations (Attach explanation.)	(III) Combined Income
1 Gross receipts or sales less returns and allowances						
2 Cost of goods sold						
3 Gross profit (subtract line 2 from line 1)						
4 Dividends and inclusions						
5 Interest						
6 Gross rents						
7 Gross royalties						
8 Capital gain net income						
9 Net gain (loss)						
10 Other income						
11 TOTAL INCOME (total of lines 3 through 10)						
12 Compensation of officers						
13 Salaries and wages (less employment credit)						
14 Repairs and maintenance						
15 Bad debts						
16 Rents						
17 Taxes and licenses						
18 Interest						
19 Charitable contributions						
20 Depreciation not claimed elsewhere on federal return						
21 Depletion						
22 Advertising						
23 Pension, profit sharing, etc., plans						
24 Employee benefit programs						
25 Energy efficient commercial buildings deduction						
26 Other deductions (attach schedules)						
27 TOTAL DEDUCTIONS (total of lines 12 through 26)						
28 Taxable income before federal adjustments (line 11 minus line 27)						
29 Less: a Net operating loss deduction						
b Special deductions						
c Total net operating loss and special deductions						
30 Taxable income (line 28 minus line 29c). The amount in the "Combined Income" column should be entered on line 2, Form 1120N						

**Application for Automatic Extension of Time
to File Nebraska Corporation, Fiduciary, or Partnership Return**
Taxable year beginning , and ending ,

FORM
7004N

Name Doing Business As (dba)			
Legal Name			
Street or Other Mailing Address			
City	State	ZIP Code	Federal ID Number Nebraska ID Number

Automatic 6-Month Extension

• Check one of the boxes below if filing Federal Forms 1041, 1041-QFT, 1041-N, or 1065.

- ☐ Nebraska Fiduciary Income Tax Return, Form 1041N ☐ Nebraska Return of Partnership Income, Form 1065N

Automatic 7-Month Extension

• Check all appropriate boxes if filing Nebraska Forms 1120N or 1120-SN.

- ☐ Automatic seven-month filing extension from the original due date. ☐ Extension in addition to the federal extension up to a maximum of seven months from the original due date.
Attach a copy of the Federal Form 7004 filed with the Internal Revenue Service.

- Is the corporation organized as an exempt organization? ☐ YES ☐ NO
Is the corporation a cooperative described in IRC section 6072(d)? ☐ YES ☐ NO
Is the corporation an S corporation? ☐ YES ☐ NO
Is the corporation a foreign corporation with no U.S. offices? ☐ YES ☐ NO

Tentative Tax Payment Calculation

• Entities filing a fiduciary or partnership return need not complete lines 1 through 10 below. A fiduciary or partnership must complete line 11.

1	Tentative income tax liability for taxable period before any applicable credits	1		
2	Premium tax credit	2		
3	Form 3800N nonrefundable credits	3		
4	Other nonrefundable credits (see instructions)	4		
5	Total nonrefundable credits (total of lines 2 through 4).	5		
6	Tentative income tax liability after nonrefundable credits. Subtract line 5 from line 1 (if the line 5 amount is more than the line 1 amount, enter -0-).	6		
7	Form 3800N refundable credits	7		
8	Estimated income tax payments	8		
9	Other payments or refundable credits (see instructions)	9		
10	Total prior payments and credits (total of lines 7 through 9).	10		
11	Tentative tax payment (line 6 minus line 10)	11		

Check this box if your payment is being made electronically. ☐

If the corporation is a member of a unitary group of corporations filing a combined return, complete the following section.

Name and Address of Each Member of the Unitary Group	ID Numbers	
	Nebraska	Federal

Under penalties of perjury, I declare that I have been authorized to make this application, and that to the best of my knowledge and belief, the statements made above are correct and complete.

**sign
here** ▶

Authorized Signature

Date

Email Address

Title

Daytime Phone Number

File this with your income tax return or mail this application and timely remit payment (electronically, if required) to:

Nebraska Department of Revenue, PO Box 94818, Lincoln, NE 68509-4818.
revenue.nebraska.gov, 800-742-7474 (NE and IA), 402-471-5729

Instructions

Who May File. A corporation (C corporation or S corporation), fiduciary, partnership, or limited liability company making a tentative tax payment, will use the Nebraska Application for Extension of Time, Form 7004N if the Federal Form 7004 has **not** been properly filed and granted and/or if additional time is necessary to file a Nebraska corporation income tax return beyond a federal extension of time. The Form 7004N must be filed at the time of a tentative income tax payment unless the payment is made electronically and is identified as an extension payment.

If you have filed for a federal extension and are not making a tentative income tax payment to Nebraska, you do not need to complete this application. When your Nebraska income tax return is filed, you must attach a copy of the Federal Form 7004 filed with the IRS, or a copy of the approved federal extension. If a federal extension of time has been granted, the filing date for Forms 1120N, 1120-SN, and 1065N is automatically extended for the same period. If a federal extension of time has been granted to an estate or trust, the filing date for Form 1041N is automatically extended for six months.

Corporations. When a federal extension of time has been granted and additional time is necessary to file a Nebraska corporation income tax return, file Form 7004N on or before the date the federal extension expires. Attach a copy of the Federal Form 7004 filed with the IRS. A maximum of a seven-month extension beyond the original due date of the corporation income tax return is allowed for Nebraska.

Partnerships, Estates, and Trusts. Nebraska will only allow partnerships an extension of time up to the maximum number of months provided by the IRS. Nebraska will allow estates and trusts an extension of up to six months. No additional Nebraska extension will be granted.

When to File. When Federal Form 7004 has not been properly filed and granted, Form 7004N must be signed on or before the due date of the original return. Form 7004N must be filed at the time the tentative income tax payment is remitted when paying by check or money order. If the tentative income tax payment is remitted electronically, Form 7004N must be attached to the Nebraska income tax return when the income tax return is filed with the box next to "7004/7004N Attached" checked. Failure to check the box on the income tax return may result in processing delays and/or the issuance of an improper balance due notice. **The tentative income tax payment must be remitted on or before the due date of the original return regardless of the method of payment.**

When a federal extension of time has been granted and additional time is necessary to file a Nebraska corporation income tax return, the Nebraska Form 7004N must be signed on or before the date the federal extension expires and filed with the Nebraska return. When the Form 7004N is submitted with the actual return, the box next to "7004/7004N Attached" must be checked. Failure to check the box on the income tax return may result in processing delays and/or the issuance of an improper balance due notice.

Taxpayers requesting the automatic extension must attach the Form 7004N and/or Federal Form 7004, if applicable, to the Nebraska income tax return and check the box next to "7004/7004N Attached" on the return.

Where to File. Form 7004N must be attached to the Nebraska income tax return with the "7004/7004N Attached" box checked, if payment was remitted electronically. If payment is made by check or money order, Form 7004N must be mailed to the Nebraska Department of Revenue, PO Box 94818, Lincoln, Nebraska 68509-4818 with the payment.

Line 4. Other nonrefundable credits. Enter the total of the employer's credit for expenses incurred for TANF (ADC) recipients, School Readiness Tax Credit for providers, CDAA credit, Nebraska employer tax credit for employing convicted felons, Opportunity Scholarship Credit for contributors, Child Care Tax Credit for contributors, Creating High Impact Economic Futures (CHIEF) credit, and Pregnancy Help Act Credit for contributors.

Line 9. Other payments or refundable credits. Enter the total of the Beginning Farmer credit, Nebraska income tax withheld, Property Tax Incentive Act credits, and PTET credit. Effective January 1, 2024, the Property Tax Incentive Act credit only includes the credit for community college taxes paid as property tax relief for school district taxes is now applied directly on the property tax statement. The PTET credit includes your share of the Nebraska pass-through entity tax paid by a partnership in which you hold an ownership interest.

Amount of Payment. Payment of the amount shown on line 11 must be remitted either with this form or electronically using one of the electronic payment options identified below.

Mandates of Electronic Payment. Some entities are required to make their payments (tax, penalty, and interest) electronically. For mandate purposes, all of the electronic payment options listed below satisfy the mandate requirement. All entities are encouraged to make their tentative income tax payments for an extension electronically.

Electronic Payment Options

Nebraska e-pay. Nebraska e-pay is the Nebraska Department of Revenue's (DOR's) web-based electronic payment system. You enter your payment and bank account information, and choose a date (up to a year in advance) to have your account debited. You will receive an email confirmation for each payment scheduled.

ACH Credit. You (or your bank) create an electronic file in the appropriate ACH file format. It is submitted to the Federal Reserve and instructs your bank to "credit" the state's bank account.

Nebraska Tele-pay. Nebraska Tele-pay is the DOR's phone-based electronic payment system. Call 800-232-0057, enter your payment and bank account information, and choose a date (up to a year in advance) to have your account debited. You will receive a confirmation number at the end of your call.

Credit Card (Corporations only). Secure credit card payments can be initiated through ACI Payments, Inc. at acipayonline.com or via phone at 800-272-9829. Eligible credit cards include American Express, Discover, MasterCard, and VISA. 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 made to the 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.]

When using any of the [electronic payment options](#) to remit a tentative income tax payment for an extension, you must select the applicable FTA Tax Type Code for the extension payment.

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 the DOR may be presented for payment electronically.

Corporate Unitary Group. Members of a unitary group filing a single return using the combined income approach should only request one extension for the entire group. The name, address, Federal ID number, and Nebraska ID number of each corporation included in the combined return must be listed on Form 7004N.

Terminating the Extension. The DOR may, at any time, terminate a C corporation’s extension of time by mailing the taxpayer a notice of termination and allowing ten days from the date of the termination notice to file the Nebraska corporate return.

Taxpayer Notification. The DOR will notify the applicant if this request for extension is denied. The notice will be sent to the address entered on Form 7004N. **No notice will be sent with respect to approved applications for an extension of time to file a return.**

Signatures. This application must be signed by a corporate officer, fiduciary, partner, member, a person currently enrolled to practice before the IRS, or an attorney or certified public accountant qualified to practice before the IRS. If the taxpayer authorizes any other person to sign this application, there must be a [power of attorney](#) on file with the DOR.

Email. By entering an email address, the taxpayer acknowledges that the DOR may contact the taxpayer by email. The taxpayer accepts any risk to confidentiality associated with this method of communication. The 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.”

Instructions

If you paid Nebraska property taxes yourself directly or through your monthly payments into escrow, use this form to claim the property tax credit. Look up your parcel in the Nebraska Property Tax Look-up Tool (Look-up Tool) to complete line 2. Enter the line 2a amount on line 1.

Purpose. The Nebraska Property Tax Credit, Form PTC, is used to identify parcels and compute a tax credit for Nebraska community college property taxes (qualified property taxes) paid.

Nebraska Property Tax Look-up Tool. You can determine the amount of qualified property taxes paid on a parcel in the 2025 calendar year, by using the Nebraska Department of Revenue's (DOR's) Nebraska Property Tax Look-up Tool. DOR strongly recommends using this Look-up tool.

Qualified Property Taxes Paid. The qualified property taxes are paid on the date received by the county treasurer. The date qualified property taxes were received is affected by the following rules.

1. **Mortgage Escrow Accounts.** When your payment to a mortgage company includes an escrow for property taxes, the date the county treasurer receives payment from the escrow account is the date the qualified property taxes were paid;
2. **Parcel Sales – Property Taxes Funded.** When you fund property taxes at closing, the related qualified property taxes were paid when received by the county treasurer. You may claim the allowable credit only for the calendar year that the county received the money from the escrow agent;
3. **Parcel Sales – Property Taxes Reimbursed.** When the buyer reimburses the seller for property taxes that were already paid, the buyer cannot take the credit on any portion of the reimbursement because the county treasurer already received the taxes paid by the seller.
4. **County Treasurer Escrow Accounts.** When you make partial property tax payments that are held in escrow by the county treasurer, qualified property taxes are paid when applied to the parcel in the records of the county treasurer.
5. **Tax Sale Certificate.** The qualified property taxes are received by the county treasurer when collected from the person that purchased the tax sale certificate. Persons who redeem the tax certificate are repaying a loan to obtain a lien release. The redeemer cannot take the credit for the redemption.

The DOR obtains property tax data from each county treasurer. That data includes the amount of property taxes received during a calendar year. The DOR will use the county treasurer receipt data, unless you can show the county treasurer's data is incorrect.

Limitation on Qualified Property Taxes. Qualified property taxes paid do not include property taxes levied for bonded indebtedness, taxes levied as a result of an override of the limits on property tax levies approved by voters, or credits applied to the property taxes levied. The Look-up Tool automatically takes these items into account in computing the qualified property taxes paid.

Qualified property taxes paid do not include property taxes that were five years or more delinquent at the time of payment.

Enter All Qualified Property Tax Amounts as Whole Dollars. 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.

Records. All taxpayers must retain records for at least three years after filing the tax return claiming the credit for qualified property taxes paid. Taxpayers using the DOR's Look-up Tool should print or save the information provided by the Look-up Tool.

Who Must File. Form PTC must be filed by the individual, corporation, partnership, LLC, fiduciary, or financial institution that paid the tax and is claiming the credit.

When and Where to File. Form PTC must be filed with the Nebraska income tax or financial institution tax return on which the credit is claimed.

How to Complete the Form PTC

Taxpayers claiming the credit should complete Part B before completing Part A. This form can be completed quickly and easily using the Look-up Tool.

Part A – Computation of the Credit

Part A is used to compute the credit for qualified property taxes paid and reported in Part B.

Part B – Community College Property Taxes Paid in 2025

Part B is used by individuals, C corporations, S corporations, partnerships, LLCs, financial institutions, and fiduciaries that paid qualified property taxes in 2025.

Fiscal Year and Short Year Filers. The credit may be claimed in the first income tax year that begins in the calendar year the qualified property taxes were paid.

Fiscal Year Filers. Taxpayer's with a fiscal year beginning in 2025 and ending in 2026 may complete Part B for qualified property taxes paid during the entire 2025 calendar year. The credit claimed in this fiscal year cannot include any qualified property taxes paid in 2026.

Short Year Filers. Taxpayers with a short period beginning in 2025 and ending in 2026. If this is the first short year beginning in 2025, complete Part B for qualified property taxes paid during the entire 2025 calendar year.

Taxpayers with a short period beginning and ending in 2025. If this is the first short year beginning in 2025, complete Part B for the qualified property taxes paid during the entire 2025 calendar year. You may have to file an extension to be sure that the information will be available in Look-up Tool at the time you file the first short year return. Taxpayers filing for the second short period beginning in 2025 cannot claim the credit on the second short period return.

Information must be entered separately for each parcel for which qualified property taxes were paid in calendar year 2025. A separate entry must also be made for each property tax year for which qualified property taxes were paid in 2025. If Part B does not have enough rows to include all the parcels or years for which you paid qualified property taxes, attach a schedule in the same format as Part B.

Example 1. Joe Pear owns two parcels in Lancaster County and paid property taxes on those parcels for the 2024 and 2025 property tax year during the 2025 calendar year. Joe owned parcel 17-12-345-678-000 for the entire 2025 calendar year and purchased parcel 17-87-654-321-000 on July 1, 2024. The total property taxes paid were:

Property Tax Year	Parcel ID Number	Total Property Taxes Paid
2024	17-12-345-678-000	\$5,760
2025	17-12-345-678-000	\$6,100
2024	17-87-654-321-000	\$2,650
2025	17-87-654-321-000	\$5,490

Joe used the Property Tax Look-up Tool to compute the qualified property taxes he paid. Joe entered in the Look-up Tool the total property taxes he paid for the “Actual payments made by Joe Pear to Lancaster County Treasurer in calendar year 2025.” Part B of Form PTC should be completed as follows:

Property Tax Year	Nebraska County Number (Do not enter county numbers from license plates.)	Parcel ID Number (Include the dashes for Lancaster County.)	Nebraska Community College Property Taxes You Paid
2024	55	17-12-345-678-000	259 00
2025	55	17-12-345-678-000	275 00
2024	55	17-87-654-321-000	119 00
2025	55	17-87-654-321-000	247 00
Total eligible community college property taxes you paid in 2025			2a 900 00

Property Tax Year. Enter the property tax year for which the qualified property taxes were levied. Most taxpayers pay their property taxes in the year after the taxes were levied. If more than one year of property taxes were paid in the 2025 calendar year, a separate entry must be made for each property tax year. See example 1 above.

Nebraska County Number. Enter the number assigned to the county where the parcel is located. This number is provided by the Look-up Tool or may be found on the [County Parcel ID Search](#). This number is not the same as the county number used for license plates. Do not enter the county number from a license plate.

Parcel ID Number. Enter the parcel ID number assigned by the county assessor to the parcel. This number may be found on the Real Estate Tax Statement issued by the county treasurer where the parcel is located. The parcel ID number may also be found using the Look-up Tool. Some counties use the term “property ID” rather than “parcel ID”. Parcel ID numbers assigned by Lancaster County include dashes. The parcel ID number entered on Form PTC for parcels located in Lancaster County must include the dashes. The parcel ID numbers for the other 92 counties have either 9 or 10 digits and no dashes.

Qualified Property Taxes Paid. Enter the amount of qualified property taxes you paid on the parcel during the 2025 calendar year. This amount may be computed using the Look-up Tool or the taxpayer’s records. Those records include, but are not be limited to, the Real Estate Tax Statement issued by the county treasurer where the parcel is located. Any property taxes paid that were delinquent for five years or more at the time of payment cannot be included in the tax credit calculation.

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, instead of refunding taxes after 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.

Total Community College Property Taxes Paid in 2025. On line 2a enter the sum of the community college property taxes paid on the parcel or parcels listed in Part B.