

Research Tax Credit Worksheet

for Tax Years 2009 and After
and ending

For tax year beginning _____

and ending _____

Name on Form 3800N _____

Social Security Number or Nebraska ID Number _____

- A** Do you have expenditures for research or experimental activities in **Nebraska** on or after the beginning of the tax year?
 Yes
 No. If No, STOP HERE. You cannot claim the Research Tax Credit.
- B** Have you hired any employees in Nebraska on or after the beginning of the tax year?
 Yes. Answer question C.
 No. Skip question C and complete the remainder of the worksheet.
- C** Have you verified the work eligibility of all newly-hired Nebraska employees through the United States Citizenship & Immigration Service's (USCIS's) E-Verify system? (see instructions)
 Yes, I have verified the work eligibility of all Nebraska employees newly-hired during tax year _____.
 My E-Verify Identification Number is _____ (required).
 No, I have NOT verified the work eligibility of all Nebraska employees newly-hired during the tax year. (STOP HERE. You cannot claim the Research Tax Credit.)

Please note that this, and the information that follows below, may be subject to further review or audit.

1 a Enter the tax year end date you first took the regular research tax credit for research and experimental (R&D) activities in Nebraska (tax year 2006 or after)	1a	mo./day/year
b Enter the tax year end date you first took the enhanced research tax credit for R&D activities taking place in Nebraska on the campus of a college or university (tax year 2009 or after) (see instructions)	1b	mo./day/year
2 Enter total amount of federal research credit allowed for this tax year from Federal Form 6765, line 38 or line 40 (for Tax Year 2025: line 30 or line 32). (Attach Federal Form 6765.) Do not include any amounts which were distributed on Federal Form 6765, line 39 (see instructions)	2	
<input type="checkbox"/> If the taxpayer claiming the research tax credit is a member of a controlled group of corporations or a member of a group of businesses under common control, which required the federal research credit to be calculated for the entire group, check here and attach a copy of the statement that was attached to the Federal Form 6765 showing how the taxpayer's share of the credit was calculated.		

Alternative Methods to Apportionment Credit

Complete either lines 3 through 9, or lines 10 through 20 (see instructions).

Method I – Apportionment Using Property and Payroll Factors

3 Nebraska property factor (attach schedule showing calculations)		
a Off-campus, but in Nebraska	3a	%
b On-campus in Nebraska. Address of college or university campus or facility in Nebraska: _____	3b	%
4 Nebraska payroll factor (attach schedule showing calculations)		
a Off-campus, but in Nebraska	4a	%
b On-campus in Nebraska	4b	%
5 a Add lines 3a and 4a (off-campus)	5a	%
b Add lines 3b and 4b (on-campus)	5b	%
6 Average property and payroll factors		
a Off-campus (line 5a ÷ 2)	6a	%
b On-campus (line 5b ÷ 2)	6b	%
7 a Multiply line 2 x line 6a (off-campus)	7a	
b Multiply line 2 x line 6b (on-campus)	7b	
8 a Regular research tax credit (line 7a x 15%) (off-campus)	8a	
b Enhanced research tax credit (line 7b x 35%) (on-campus)	8b	
9 Total research tax credit (line 8a plus line 8b)	9	

Method II – Apportionment Using Actual Expenditures

10 Enter amount of all qualified expenses for R&D activities in Nebraska	10	
11 Enter amount of expenses on line 10 which were not performed on the campus of a college or university	11	
12 Enter amount of expenses on line 10 which were performed on the campus of a college or university (line 10 minus line 11) Address of college or university campus or facility in Nebraska: _____	12	
13 Enter total amount of qualified expenses for R&D activities in all states (from Federal Form 6765, line 9 or line 28)	13	
14 Divide line 11 by line 13 (off-campus)	14	%
15 Divide line 12 by line 13 (on-campus)	15	%
16 Multiply line 2 x line 14 (off-campus)	16	
17 Multiply line 2 x line 15 (on-campus)	17	
18 Regular research tax credit (line 16 x 15%) (off-campus)	18	
19 Enhanced research tax credit (line 17 x 35%) (on-campus)	19	
20 Total research tax credit (line 18 plus line 19)	20	

Name on Form 3800N	Social Security Number or Nebraska ID Number
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Use of the Credit	
21 Enter the larger of line 9 or line 20	21
22 Amount of credit (refundable to the entity claiming the credit) from line 21 used on Nebraska income tax return (enter here and on line 18 of Form 3800N)	22
23 Amount of credit from line 21 used for refunds of state sales/use taxes paid on qualifying expenditures (see instructions)	23
24 Amount of credit from line 21 (nonrefundable) distributed to partners, shareholders, members, or beneficiaries (see instructions)	24
25 Total credit usage (line 22 + line 23 + line 24). Total cannot exceed line 21	25

Schedule A — Distribution of Research Tax Credit			
(A) Name of Partner, Shareholder, Member, or Beneficiary* (Attach schedule if additional space is needed)	(B) Social Security Number or Nebraska ID Number	(C) Share of Income or Ownership [Column (C) percentages must total 100%]	(D) Amount of Distributed Credit [Line 24 multiplied by Column (C) percentage]
1		%	
2		%	
3		%	
4		%	
5 Total [Column (D) total must equal the amount entered on line 24 of the Research Tax Credit Worksheet above.]		100%	5

*Note: Each partner, shareholder, member, or beneficiary must be notified of their distributed share of the research tax credit on the K-1N.

General Instructions

Who May File. Any business firm making expenditures in Nebraska for research and experimental (R&D) activities as defined in [Internal Revenue Code \(IRC\) § 174](#) may claim a **regular research tax credit** equal to 15% of the federal credit allowed under [IRC § 41](#). If R&D activities are performed in Nebraska on the campus of a college or university, or at a facility owned by a college or university, the **enhanced research tax credit** for that portion of the activities is 35% of the federal credit.

The term “on-campus” refers to activity that takes place in Nebraska either on a campus or at a facility owned by a college or university.

“Business firm” means any business entity including a sole proprietorship, partnership, corporation, limited liability company (LLC), fiduciary, joint venture, or other private entity that is subject to sales tax under [Neb. Rev. Stat. § 77-2703](#).

Eligibility for benefits under the Nebraska Advantage Research and Development Act requires that a taxpayer verify, through the United States Citizenship and Immigration Services (USCIS) E-Verify system, the work eligibility status of all newly-hired Nebraska employees (that is, those Nebraska employees hired on or after the first day of the tax year, or on or after October 1, 2009, whichever is later). For more information about the E-Verify requirements, please refer to [Revenue Ruling 29-13-3](#).

When and Where to File. This worksheet must be completed and attached to the [Nebraska Incentives Credit Computation, Form 3800N](#). The research tax credit is available for the first tax year it is claimed, and for the 20 succeeding tax years. Prior to 2012, business firms could only claim the regular or enhanced research tax credit for a total of five tax years. If you previously exhausted your eligibility for the research tax credit, you may again be eligible for the credit in tax year 2012 and future years through the 20th year following the first tax year it was claimed. For example, if a business firm first claimed the research tax credit in tax year 2006, that firm exhausted its five years of eligibility with tax year 2010 and was not eligible for the research tax credit in tax year 2011. However, this firm may again become eligible to claim the credit in 2012 and the 14 tax years following, through 2026 (assuming there are no short tax years at any time after tax year 2006).

Specific Line Instructions

Line 1a. Enter the first tax year end date when the regular research tax credit was claimed. The regular research tax credit may be claimed for R&D activities in Nebraska beginning with tax year 2006. Beginning in tax year 2009, there is both a regular and an enhanced research tax credit for which you may qualify separately.

Line 1b. The enhanced research tax credit is available for R&D activities occurring in Nebraska that are either on the campus of a college or university, or at a facility owned by a college or university. Tax year 2009 is the first tax year that you may be eligible for the enhanced research tax credit.

Line 2. Enter the amount of the federal credit allowed for increasing research activities from line 38 or line 40, as appropriate, found on the Credit for Increasing Research Activities, Federal Form 6765, for the applicable tax year (for Tax Year 2025: line 30 or line 32). If you are a member of a controlled group of corporations as defined in IRC § 41(f)(1)(A) or (f)(5), or if you are a member of a group of businesses (for example, corporations, partnerships, or LLCs) under common control as defined in IRC § 41(f)(1)(b), you and all members of the group were required to calculate the federal research credit as a single entity. If this is the case, check the box, enter the credit amount representing your share of the federal research credit, and attach the statement that was attached to the Federal Form 6765 which explains how your share of the federal research credit was calculated.

- **If you are doing business only in Nebraska, and only at off-campus sites**, skip lines 3 through 20, and multiply the amount on line 2 by 15%. Enter this amount on line 21, and complete the remainder of the form.
- **If you are doing business only in Nebraska, and only at on-campus sites**, skip lines 3 through 20, and multiply the amount on line 2 by 35%. Enter this amount on line 21, and complete the remainder of the form. Provide the address of the college or university campus or facility in the space on line 3b. If more than one campus or facility was used, please indicate this and attach on a separate sheet, the address of each campus or facility in Nebraska where the R&D activities were performed.
- **All others must complete either lines 3 through 9 or lines 10 through 20, depending on the method of apportionment selected, and enter the calculated credit on line 21. If you are unsure which apportionment method to use, you may complete both lines 3 through 9 and lines 10 through 20, and enter the larger of line 9 or line 20 on line 21. You do not have to use the same apportionment method for all years the credit is claimed.**

Lines 3 and 4. The Nebraska property and payroll factors are determined pursuant to Neb. Rev. Stat. §§ [77-2734.12](#) and [77-2734.13](#), respectively. The on-campus property and payroll factors are calculated this same way, substituting “on-campus” for “in this state” as applicable. If you checked the box under line 2 indicating that your federal research credit was calculated for a group of businesses, calculate the property and payroll factors for the taxpayer claiming the research tax credit, not for the entire group of businesses.

The property factor is a fraction where the numerator is the average value of the taxpayer’s real and tangible personal property rented or owned in the state, and the denominator is the average value of all real and tangible personal property owned or rented. The averages are calculated by adding the value at the beginning of the year to the value at the end of the year and dividing by two. Property that is owned is valued at its original cost, and rented property is valued by multiplying the annual rent times eight.

The payroll factor is a fraction where the numerator is the amount paid as compensation in this state and the denominator is the total amount paid as compensation.

If you have both on-campus R&D activities and R&D activities that are in Nebraska, but off-campus, the numerators of the property and payroll factors for lines 3a and 4a must **exclude** the amount of the numerators of the on-campus property and payroll factors on lines 3b and 4b, respectively. Round the factors to 4 decimal places and enter as a percent. (Example: .24679 should be rounded and entered as 24.68%) Please attach a schedule showing your calculation of these apportionment factors including the averaging of the beginning and ending property values and separating the value of rented property from the value of the property owned. Provide the college or university campus or facility’s address in Nebraska where the R&D activities took place in the space on line 3b. If more than one campus or facility was used, please indicate this and attach on a separate sheet, the address of each campus or facility in Nebraska where the R&D activities were performed.

Lines 5 and 6. Round the factors to 4 decimal places and enter as a percent. (Example: .24679 should be rounded and entered as 24.68%.)

Lines 7a and 7b. Multiply line 2 by the average factors calculated on lines 6a and 6b.

Lines 10 and 13. Enter the total amount of qualified expenses for R&D activities in Nebraska and the total amount of qualified expenses for R&D activities in all states on these lines, respectively. For most businesses, the total amount of qualified expenses in all states is on line 9, or line 28 of Federal Form 6765. If you checked the box under line 2, indicating that your federal research credit was calculated for a group of businesses, enter the total amount of qualified expenses for R&D activities in Nebraska and the total amount for all states for the business firm claiming the research tax credit, not the amount on line 9 or line 28 of Federal Form 6765 for the entire group of businesses.

Lines 11 and 12. Enter on line 11 the total amount of qualified expenses for R&D activities in Nebraska which were **not** performed on the campus of, or at a facility owned by, a college or university. Subtract line 11 from line 10 and enter the difference on line 12. Provide the college or university campus or facility’s address in Nebraska where the R&D activities took place in the space on line 12. If more than one campus or facility was used, please indicate this and attach on a separate sheet, the address of each campus or facility in Nebraska where the R&D activities were performed.

Lines 14 and 15. Round the factors to 4 decimal places and enter as a percent. (Example: .24679 should be rounded and entered as 24.68%.)

Lines 16 and 17. Multiply line 2 by the factors calculated on lines 14 and 15.

Line 21. This is your total available Nebraska research tax credit. Indicate in lines 22 through 24 how you wish to use this credit.

Line 22. The amount of the research tax credit is refundable to the person or entity who created the credit, whether or not there is a liability shown on the return.

Line 23. Claims may be filed quarterly for refunds of **state** sales and use taxes paid, either directly or indirectly, after filing the income tax return for the tax year when the credit was first allowed. **Local sales and use taxes may not be refunded.** A taxpayer **indirectly** pays **state** sales and use taxes when the taxes are paid by a contractor on annexed building materials in a project built for the taxpayer. The contractor must either certify the actual amount of taxes paid, or certify that **state** sales and use taxes were paid on all annexed building materials. If the second option is chosen, the law presumes that 40% of the project's cost was for building materials on which the tax was paid. The contractor must maintain documentation to adequately support any certification made.

Line 24. If credits are distributed to owners of the business firm, the credits must be distributed in the same percentage as income is distributed to the recipients. The credit is a **nonrefundable** credit in the hands of the recipient, and may only be used against the recipient's Nebraska income tax liability for the current year. Once distributed, a credit cannot be returned to the entity. To take the distributed credit, recipients enter the amount in the applicable column D of Schedule A on lines 8 and 21 of the Nebraska Form 3800N.