

Nebraska Employer Tax Credit Application for Employing Convicted Felons

Complete this application if you are an employer of a convicted felon and applying for certification for the employer tax credit.

Name of Employer _____

Street or Other Mailing Address _____

City _____ State _____ ZIP Code _____

Employer's Nebraska ID Number or Social Security Number (SSN) _____ FEIN _____

Type of Nebraska Return Claiming Tax Credit 1040N 1041N 1065N 1120N 1120-SN

Part A (Complete Part B Before Entering Information in Part A)

- 1 Taxable year the eligible wages entered in Part B were paid:
Year Beginning _____ Year Ending _____
- 2 Number of Eligible Employees employed during the taxable year. _____
- 3 Total qualifying wages paid from Part B (page 2). Enter only a whole dollar amount. _____
- 4 Total Nebraska Employer Tax Credit Requested. Multiply line 3 by 10% (.10). Round any amount less than 50 cents to the next lower dollar and round any amount from 50 cents to 99 cents to the next higher dollar. _____

Email. By entering an email address, the taxpayer acknowledges that the Nebraska Department of Revenue (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."

Authorized Signature. This application must be signed by the owner, corporate officer, fiduciary, or other individual who is authorized to sign by a power of attorney on file with DOR.

Under penalties of law, I declare that I have examined the information provided, and to the best of my knowledge and belief, it is correct and complete.

**sign
here** ▶

Authorized Signature _____	Date _____	Print Name _____
Title _____	Phone Number _____	Email Address _____
Street or Other Mailing Address _____	City, State, ZIP Code _____	
Contact Person _____	Phone Number _____	Email Address _____

Certification of Nebraska ETCs For DOR Use Only

\$ _____
ETC Approved _____ Comments: _____

Approved _____

Approved in Part Authorized Signature _____ Title _____ Date _____

Disapproved _____

Certificate # _____

Submit this application via the Nebraska Department of Revenue's [secure file sharing system here](#).
Retain a copy for your records.

Instructions

Who May File. The Form ETC-A must be filed by the employer for approval of the nonrefundable credit against their income tax. The employer must have employed an individual who has been convicted of a felony in this or any other state. The nonrefundable income tax credit may be claimed on corporate, individual, or fiduciary income tax returns. The credit cannot be claimed by an S-Corporation, partnership, or LLC filing as an S-corporation or partnership unless the pass-through entity has made the election to be subject to Nebraska income tax.

When and Where to Apply. The nonrefundable tax credit is available for taxable years beginning on or after January 1, 2023. The wages paid during the employer's taxable year is limited to the first twelve months of the employee's employment. Separate applications must be filed for each taxable year.

Mail the application to:

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

Enter All Amounts as Whole Dollars. Do not include cents on the form. Do not change the pre-printed zeros in the cents column of the Form ETC-A. 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.

Processing Procedure. DOR will process the applications in the order received and approve the tax credits for each calendar year until the total amount of approved credits of \$5 million dollars has been reached. If an application is not complete when received, the application date will be adjusted to the date all required information was received. If more than one complete application is filed on the day in which the cumulative expected credits for the year exceed the amount of funds available, the remaining available funds will be prorated among all qualified applications filed on that day.

Notification of Certified Credits. Once an application is reviewed and the approved credits are certified, DOR will notify the employer of the amount of the certified credits issued to the employer. The credit is 10% of the wages paid by the employer to the eligible employee during the taxable year for the first 12 months of the eligible employee's employment with the employer. The credit with respect to one eligible employee cannot exceed \$20,000.

Claiming Credits. The approved nonrefundable tax credit may be claimed in tax years beginning on or after January 1, 2023. The credit may be claimed on the appropriate line of the corporate, individual, or fiduciary income tax returns. Partnerships and S corporations electing to be subject to Nebraska income tax may also claim the credit. The credit can be distributed to beneficiaries.

First Twelve Months. The qualifying wages must be paid within the first twelve months of the date of hire. Complete two lines on page 2 when the eligible employee has a break in employment (terminated, and then rehired) prior to completing the first twelve months of employment. The combined dates for the wages of the initial hire and rehire cannot exceed twelve months - only the wages paid during the first twelve months of employment are eligible.