

Instructions

Definitions.

Direct support professional means any individual who is employed in this state and provides direct care support or any other form of treatment, services, or care for individuals with intellectual and developmental disabilities.

Medicaid home and community-based services (HCBS) waiver means a Medicaid waiver approved by the federal Centers for Medicare and Medicaid Services under the authority of section 1915(c) of the federal Social Security Act. The term includes a comprehensive developmental disabilities waiver and a developmental disabilities adult day waiver.

Who May File. The Individuals with Intellectual and Developmental Disabilities Support Act Employer Tax Credit Application, Form 3154 may be filed by an employer that meets one or more of the following tax credit eligibility requirements:

- An employer that employed one or more direct support professionals during the taxable year if the direct support professional was:
 - o employed by such employer for at least six months during the taxable year; and
 - o worked at least 500 hours for such employer during the taxable year.
- An employer that employed an individual receiving services pursuant to a Medicaid HCBS waiver during the taxable year if the individual was:
 - o receiving services pursuant to a Medicaid HCBS waiver;
 - o employed by such employer for at least six months during the taxable year; and
 - o worked at least 200 hours for such employer during the taxable year.
- An employer that provided any of the following types of services to an individual pursuant to a Medicaid HCBS waiver during the taxable year:
 - o Prevocational;
 - o Supported employment - individual;
 - o Small group vocational support; or
 - o Supported employment - follow along.

When To File. The nonrefundable tax credits are available for taxable years beginning on or after January 1, 2025. Application submission for each tax year will open as published on the Nebraska Department of Revenue's (DOR) website.

What To File. The employer applicant must submit the completed Form 3154.

Processing Procedure. The DOR will process completed applications in the order received and will approve tax credits until the annual limit is reached. The annual limit by State fiscal year is \$1 million for 2025-2026, \$1.5 million for 2026-27, and \$2 million for any fiscal year thereafter. The statutory credit limitation applies to all tax credits authorized under the Individuals with Intellectual and Developmental Disabilities Act (Act) in Neb. Rev. Stat. §§ 77-3154 through 77-3162. If more than one tax credit application under the Act 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 completed applications filed on that day.

Claiming the Credits. After approval of the application, a taxpayer may claim the certified credit amount by completing the Nebraska Incentives Credit Computation, Form 3800N, and attaching the Form 3800N to the applicable income tax return. Pass-through entity taxpayers that elect to be subject to tax may also take the credit using Form 3800N with the applicable income tax return. Any unused credit cannot be carried forward.

Distribution of Credits. An employer that is a partnership, a limited liability company, a corporation having an election in effect under subchapter S of the Internal Revenue Code of 1986, as amended, or an estate or trust may distribute the tax credit in the same manner and proportion as the income is distributed. If the credit will be distributed, the employer applicant must complete the Nebraska Certified Tax Credit Distribution Schedule, Form TCD, after the credit has been approved and certified by DOR.

Records. Employers must retain records supporting this application for at least three years after filing the tax return claiming the credit.

Email. By entering an email address, the applicant acknowledges that the DOR may contact them by email. The applicant 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 ShareFile system. All communication and notices for applications submitted in eDASH will be sent to the email address entered on the application.

Authorization for DOR to Send Notice by Secure Electronic Means. If you have authorized the DOR to deliver any notice by electronic means in a secure manner to the email address entered, you accept any risk to confidentiality associated with this method of communication. The DOR will send all confidential information by secure email.

Appeal. The amount of approved credit is a final action of the Tax Commissioner and may be appealed. Appeals must be filed with the District Court of Lancaster County within 30 days after the date of the Tax Commissioner's final determination. The amount of approved credit, outside of notification that the total annual limit allocated for all approved credits has been reached, is a final action of the Tax Commissioner and may be appealed.

Specific Instructions

Applicant Information. Enter the applicant's business name and address, Nebraska Income Tax ID number or Social Security Number, and Federal Employer Identification number or Social Security number. Check the appropriate box for the type of Nebraska income return on which the credit will be claimed.

Tax Year of Application. Enter the tax year in which the qualified employees were employed by the applicant or the qualified individuals received services pursuant to a Medicaid HCBS waiver from the applicant.

National Provider Identifier (NPI) number. NPI numbers are issued by the National Plan & Provider Enumeration System (NPPES) under the U.S. Centers for Medicare & Medicaid Services.

Part A - Employment of direct support professionals. The direct support professional employee must have been employed by the applicant for at least six months during the taxable year and worked at least 500 hours for the applicant during the taxable year. If the direct support professional had a break in employment (terminated, then rehired), list each time period separately. DOR reserves the right to verify the information provided in this section with the employer's income tax withholding records submitted to DOR.

Part B - Employment of individuals receiving services pursuant to Medicaid HCBS waivers. Employees qualify under this section if the individual is:

- Receiving services pursuant to a Medicaid HCBS waiver;
- Is employed by the applicant for at least six months during the taxable year; and
- Worked at least 200 hours for the applicant during the taxable year.

If the employee had a break in employment (terminated, then rehired), list each time period separately. DOR reserves the right to verify the information provided in this section with the employer's income tax withholding records submitted to DOR and with Nebraska Department of Health and Human Services (DHHS) HCBS waiver records.

Part C - Services provided by Applicant to individuals with a Medicaid HCBS waiver. Applicants qualify under this section if they provide any of the following services to an individual pursuant to a Medicaid HCBS waiver during the taxable year:

- Prevocational;
- Supported employment – individual;
- Small group vocational support; or
- Supported employment – follow along.

DOR reserves the right to verify the information provided in this section with DHHS HCBS waiver records. The information must match the provider's claims submitted to DHHS for these waiver services as of the date of this application.

Total Individuals with Intellectual and Developmental Disabilities Support Act tax credit requested. Enter the sum of Line 2, Part A; Line 2, Part B; and Line 2, Part C.