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DEPARTMENT OF REVENUE

2022
Nebraska
S Corporation Income Tax Booklet

Included in this Booklet are:

Form 1120-SN;
Schedules A, I, II, III, K-1N;
Form 7004N; and
Use Tax information.

Electronic filing and payment options are available.

Questions?
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800-742-7474 (NE or IA) or 402-471-5729

8-301-2021

2022 Nebraska S Corporation Income Tax Return
Instructions

What's New

Credit for Nebraska School District and Community College Property Taxes (LB 873 – Operative July 21, 2022). The Nebraska Property Tax Incentive Act provides refundable credits to any taxpayer who paid school district and community college property taxes. To claim the credits a taxpayer must complete and submit a Nebraska Property Tax Credit, Form PTC.

Nebraska Higher Blend Tax Credit Act (LB 1261 – Operative July 21, 2022). This Act allows a refundable credit to retail dealers who stored, dispensed, and sold ethanol blends of gasoline of E-15 or higher at Nebraska retail motor fuel sites during the prior calendar year. For calendar year 2022, the total credits are limited to $2 million dollars. To receive credits, an application must be submitted to the DOR each year. Applications will be considered by the DOR in the order received. New applications will not be accepted after December 31, 2026.

Important Information for All Filers

Purpose. The instructions in this booklet provide guidance in completing the most common Nebraska S corporation return of income 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 Nebraska S Corporation Income Tax Return, Form 1120-SN, 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.

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 1120-SN 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 to report changes made to your federal return;
- 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 5% from the original due date to the date the tax is paid. See Revenue Ruling 99-22-1 for applicable interest rates.

Reporting Changes or Corrections. If information on a Nebraska S corporation return previously filed is incorrect, a Form 1120-SN with the "Amended Return" box checked must be filed. An amended Form 1120-SN cannot be e-filed. When filing an amended return, remember:

- Changes made by the IRS or another state must be reported to the DOR within 60 days;
- Form 1120-SN is year-specific. Please be sure to use the correct form for the tax year you are amending;
- 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; and
- Show only the corrected figures on the amended return.

When an amended return reflects a reduction in tax due because Nebraska source income for its nonresident individual shareholders is reduced, the S corporation will not receive a refund. Individual shareholders may file a claim for refund resulting from the reduced Nebraska source income.

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.

Estimated Income Tax Payments. An S corporation may make voluntary estimated income tax payments. For additional information see the 2023 Nebraska Corporation Estimated Income Tax Payment Voucher Booklet.

Nonresident Shareholders

S corporations must remit Nebraska income tax withholding for each nonresident individual shareholder who does not complete a Nebraska Nonresident Income Tax Agreement, Form 12N. For the purposes of Form 12N and the income tax withholding requirements, an individual includes a nonresident grantor of a grantor trust.

Nonresident shareholders who sign the Form 12N agree to file a Nebraska income tax return and pay all taxes due directly to the DOR. This relieves the S corporation from the obligation to remit income tax withholding on the shareholder's behalf. All signed and completed Forms 12N must be attached to the Form 1120-SN.

If a Form 12N is not signed and completed for a nonresident individual shareholder, the amount to be paid is 6.84% of the nonresident shareholder's share of S corporation taxable income from Nebraska sources.

The S corporation reports the amount of income tax remitted on behalf of each nonresident shareholder on the Nebraska Shareholder's Share of Nebraska Income, Deductions, Modifications, and Credits – Schedule K-1N. Attach each Nebraska Schedule K-1N to the S corporation return. Do not remit income tax for corporations, estates, or trusts (except grantor trusts) that are shareholders. Nebraska law does not require payment of income tax by an S corporation on behalf of these entities. Instead, these entities are required to file a Nebraska return.

A nonresident individual shareholder may claim the amount of income tax remitted by the S corporation as a credit against his or her Nebraska income tax liability by attaching a copy of the Nebraska Schedule K-1N to the Nebraska Individual Income Tax Return, Form 1040N.

Nonresident individual shareholders do not have to file a Nebraska individual income tax return if:

- Their only connection with the state is conducting business activities of the S corporation; and
- The S corporation has remitted income tax from all the Nebraska income attributable to the nonresident's share of the S corporation's income.

In lieu of filing a Nebraska Individual Income Tax Return, a nonresident shareholder may elect to allow the full amount of income tax withholding to be retained by the state. Any nonresident may still file a Form 1040N, and claim a refund if one is due. A nonresident shareholder is not relieved of its responsibility to file a Form 1040N if the S corporation has not remitted income tax withholding attributable to the nonresident's share of the S corporation's income.

No Composite Filing. The DOR does not allow filing "composite" income tax returns. S corporations with nonresident shareholders must either:

- Obtain a signed and completed Form 12N from the nonresident individual shareholder; or
- Remit Nebraska income tax withholding on the nonresident shareholder's share of Nebraska income with Form 1120-SN.

Nonresident Shareholder – No Income Tax Withholding Requirement. The S corporation is not required to remit income tax for any nonresident individual shareholder who completes and submits a Form 12N to the S corporation, **before the original filing** of the Form 1120-SN. For purposes of the Form 12N, an individual includes a nonresident grantor of a grantor trust. A completed Form 12N must:

- Include all the requested information; and
- Be signed and dated by the shareholder or the shareholder's authorized representative (attach a copy of Power of Attorney, Form 33).

Any nonresident shareholder who files Form 12N must file a Form 1040N. Failing to file the required Form 1040N may result in:

- An assessment issued to the nonresident individual shareholder based on the information available to the DOR; or
- The loss, by the nonresident individual shareholder, of any current year Nebraska net operating or capital loss distributed from the S corporation. A Nebraska net operating or capital loss carryforward will not be allowed to offset Nebraska income until the Nebraska return for the loss year has been filed.

Shareholder's Return. Both resident and nonresident shareholders are subject to the Nebraska income tax on their share of the S corporation income derived from sources within Nebraska.

Reporting Nebraska Source Income to Shareholders. An S corporation must provide all shareholders with a Nebraska Schedule K-1N. See the Nebraska Schedule K-1N instructions for additional information.

The income, loss, and deduction amounts reported on the Nebraska Schedule K-1N must be calculated in the same manner as income is distributed.

When S corporations issue a Nebraska Schedule K-1N to shareholders, they must complete all distribution schedules such as Nebraska Employment and Investment Growth Act Credit Computation, Form 775N, Nebraska Advantage Act Incentive Computation, Form 312N, and ImagiNE Nebraska Act Incentive Computation, Form 1107N, in addition to reporting the distributed credits to the shareholders in Part C of the Schedule K-1N.

Income Tax Withholding on Contractors. Construction contractors are required to withhold income tax at 5% on any payment or payments exceeding $600 made to their construction subcontractors that are not registered on the Nebraska Department of Labor's Contractor Registration Database. An S corporation, against whom the contractor income tax withholding was applied, must distribute the amount withheld to its shareholders. The total amount of income tax withheld from the S corporation must be distributed in the same manner as income. No credit will be allowed on the Form 1120-SN for contractor income tax withholding. For additional information see "Construction Contractors" section.

Credits Distributable to Shareholders

Community Development Assistance Act (CDAA) Credit. The Nebraska CDAA credit is allowable for contributions to approved projects of community betterment organizations recognized by the Nebraska Department of Economic Development (DED). Attach the 2022 Nebraska Community Development Assistance Act Credit Computation, Form CDN to the Form 1120-SN. Each shareholder is allowed a share of the credit calculated by using the same method used to report income received from the S corporation. S corporations do not need to attach a copy of the Form 1099NTC. The DOR will receive the Form 1099NTC information directly from DED.

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

Nebraska Department of Economic Development
245 Fallbrook Blvd, Suite 002
PO Box 94666
Lincoln, NE 68521-4666
opportunity.nebraska.gov

Darin Lubke
402-471-3116
darin.lubke@nebraska.gov

Beginning Farmer Credit. This credit is available to owners of agricultural assets, when the agricultural assets are rented to qualifying beginning farmers or livestock producers. Each shareholder eligible for the credit will receive a copy of the Statement of Nebraska Tax Credit, Form 1099 BFC, from the Nebraska Department of Agriculture. Each shareholder is allowed a share of the credit calculated by using the same method used to report income received from the S corporation. The Form 1099 BFC does not need to be filed with the shareholder's individual income tax return. S corporations do not need to attach a copy of the Form 1099 BFC. The DOR will receive the Form 1099 BFC 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

Form 3800N Credits. Nebraska provides several tax incentive credits that may be earned by entities conducting business in this state.

S corporations must file tax incentive credit distribution forms including Forms 775N, 312N, Form 1107N, Form 544N, and 3800N Worksheet HBTC before credits can be allowed to individual shareholders. Attach a distribution schedule for Form 775N, Schedule II, Form 312N, Schedule II, Form 1107N, Form 544N, or 3800N Worksheet HBTC (that lists each shareholder, the shareholder's tax ID number, the income percentage, and each shareholder's distributed credits). The total amount distributed by the S corporation must be distributed in the same proportion as ordinary income.

Use Tax

An S corporation may be subject to use tax. An S 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 S 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 S 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 customer 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 S Corporation Income Tax Return, Form 1120-SN, is not simply an informational return. The Form 1120-SN and schedules are necessary to:

- Calculate the income, deductions, and credits that will be passed through to the shareholders;
- Calculate and pay income tax on behalf of nonresident individual shareholders; and
- Report and pay any recapture of incentive credits. This includes the economic development distribution schedules such as Forms 775N, 312N, 1107N, and 544N.

Who Must File?

The Nebraska S Corporation Income Tax Return, Form 1120-SN, must be filed by every S corporation, as defined by Internal Revenue Code (IRC) § 1361, with income from Nebraska sources. Form 1120-SN must also be filed by every S corporation that will distribute Nebraska incentive credits to its shareholders.

Financial institutions maintaining a permanent place of business in this state, actively soliciting deposits from residents of this state and organized as a S corporation must file a Nebraska Financial Institution Tax Return, Form 1120NF and a Nebraska S Corporation Income Tax Return, Form 1120-SN.

Qualified Subchapter S Subsidiaries. Any subsidiary of an S corporation that is treated as a Qualified Subchapter S Subsidiary (QSSS) for federal income tax purposes will be treated in the same manner for Nebraska income tax purposes. All of the assets, liabilities, and items of income, deductions, and credits of the QSSS will be considered to be those of its parent.

When and Where to File?

This return must be filed on or before the 15th day of the third month following the close of the taxable year. For information on e-filing the return, see the Nebraska Handbook for e-file Providers of Income Tax Returns, Publication 1345N-MeF.

Electronically file or mail the Form 1120-SN to:
Nebraska Department of Revenue
PO Box 94818
Lincoln, NE 68509-4818

How to Complete Form 1120-SN

Tax Period. A 2022 Form 1120-SN must be used to file for the calendar year 2022, or a fiscal year beginning in 2022. 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 the S 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 S 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 S corporation from the Business Classification Code listing.

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

Nebraska ID Number. Enter the Nebraska ID number assigned to the S corporation by the DOR. S corporations that do not have a Nebraska state ID for S corporation income tax should e-file using their Nebraska income tax withholding or sales and use tax number. The prefix is the tax category and should not be included as part of the Nebraska ID number when entered. For example, do not include the 21 or 01 prefix as part of the Nebraska ID number. S corporations that do not have an existing Nebraska state ID number should use the online Register a Business application to obtain a Nebraska ID number.

Final Return. Check the "Final Return" box at the top of the return if the S corporation ceased to exist during the 2022 tax year.

Distributed Form 3800N Credit. Check the "Distributed Form 3800N Credit" box if the S corporation is distributing Form 3800N tax credits in this tax year. Include a distribution schedule in addition to recording the amount of the distributed credit on the Schedule K-1N.

Line 1

Ordinary Business Income. Enter the ordinary business income or loss as shown on line 21 of Federal Form 1120S.

Line 2

Nebraska Adjustments Increasing Ordinary Business Income. Enter the amount from line 11 of Nebraska Schedule A. See the Schedule A instructions for additional information.

Line 3

Nebraska Adjustments Decreasing Ordinary Business Income. Enter the amount from line 22 of Nebraska Schedule A. The following examples are items that are **not** allowable adjustments decreasing federal ordinary business income:

- 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.

See the Nebraska Schedule A instructions for additional information.

Line 4

Nebraska Adjusted Income. If the S corporation does not have adjustments to ordinary business income, enter the line 1 amount on line 4. If the S corporation has adjustments to ordinary business income, line 4 equals line 1 plus line 2 minus line 3.

Line 5

Income Reported to Nebraska. If all of the income earned by the S corporation is derived from Nebraska sources, enter the line 4 amount on line 5. If the S corporation earned income from both within and without Nebraska, enter the amount from line 3 of Nebraska Schedule I. See the Nebraska Schedule I instructions for additional information.

Line 6

Income Reported to Nebraska Subject to Withholding. Enter the amount from the column (F), Nebraska Schedule II total.

Line 7

Nebraska Income Tax Withholding for Nonresident Individual Shareholders. Enter the amount from the column (G), Nebraska Schedule II total.

Line 8

Form 3800N Credit and Recapture. Enter the net amount of any refundable credits and any recapture of credits reported on the Nebraska Incentives Credit Computation, Form 3800N. If the credits are larger than the recapture, enter as a negative number.

Line 9

Tax Deposited with Form 7004N and 2022 Estimated Income Tax Payments. Add the total amount paid as estimated payments and any amount paid with the Nebraska extension request, Form 7004N. Enter the total on line 9.

Line 10

Credit for School District Property Taxes. This refundable tax credit is allowed to S corporations that paid Nebraska school district property taxes for tax years beginning or deemed to begin on or after January 1, 2020. To claim the credit, taxpayers must complete and submit a Nebraska Property Tax Act Credit, Form PTC. Enter the amount from line 1 of Form PTC and attach Form PTC.

S corporations that claimed the amount from line 1 of Form PTC on line 18 of Form 1120NF, enter zero. Financial institutions that elected to be treated as S corporations may claim the credit on either Form 1120-SN or Form 1120NF, but not both.

Line 11

Credit for Community College Property Taxes. This refundable credit is allowed to S corporations that paid Nebraska community college property taxes for tax years beginning or deemed to begin on or after January 1, 2022. To claim the credit, taxpayers must complete and submit a Nebraska Property Tax Credit, Form PTC. Enter the amount from line 2 of Form PTC and attach Form PTC.

S Corporations that claimed the amount from line 2 of Form PTC on line 19 of Form 1120NF, enter zero. Financial institutions that elected to be treated as S corporations may claim the credit on either Form 1120-SN or Form 1120NF, but not both.

Line 12

Tax Due. If line 7 plus line 8 minus lines 9, 10, and 11 is greater than zero, enter the result on line 12.

Mandates of Electronic Payment. Some entities are required to make their payments (tax, penalty, and interest) electronically. All electronic payment and credit card options satisfy the mandate requirement. All entities are encouraged to make their payments electronically.

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 the 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. 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 tax payment. 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 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 the DOR may be presented for payment electronically.

Line 13

Overpayment. If line 7 plus line 8 minus lines 9, 10, and 11 is less than zero, enter the result on line 13.

Note: An S corporation filing an amended return will not receive a refund of any income tax due with its original return when the Nebraska source income for its nonresident individual shareholders is reduced. Instead, the shareholders may file a claim for an income tax refund resulting from the reduced Nebraska source income.

Line 14

Amount Credited to 2023 Estimated Income Tax. Enter the amount of overpayment shown on line 13 that you want credited as a tax year 2023 estimated payment for the S corporation.

Line 15

Overpayment to be Refunded. Enter the amount of overpayment shown on line 13 that you want refunded. The overpayment to be refunded is calculated by subtracting line 14 from line 13. The DOR recommends having any refund on line 15 directly deposited into the S corporation's bank account. See line 16 instructions below.

Line 16

Direct Deposit. To deposit the refund directly into the S 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 16a and 16c, and complete line 16b, Type of Account.

The box on line 16d must be checked if the refund will go to a bank 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

Sign and Date the Tax Return. This return must be signed by a corporate officer. Include a daytime phone number and an email address in case the DOR needs to contact you.

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."

If a corporate officer authorizes another person to sign the return, there must be a Power of Attorney, Form 33, on file with the DOR or attached to the return.

The act of e-filing a return is your signature. By e-filing the return, taxpayers and their 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.

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 ID Number (PTIN), their firm's name, and Federal Employer ID Number (EIN).

Nebraska Schedule A Instructions

Adjustments to Ordinary Business Income

Purpose. The Nebraska Schedule A is used to adjust the S corporation's ordinary business income for items of income and deduction that are required under federal or Nebraska law to be reported to the shareholders separately. The ordinary business income, plus or minus these adjustments, will estimate the income that was distributed to the shareholders, and become part of the shareholders' federal adjusted gross income. These adjustments to ordinary business income are necessary to calculate any required income tax withholding on Nebraska Schedule II – Shareholder's Share of Nebraska Income.

Adjustments Increasing Ordinary Business Income

Lines 1-8	The amounts on each of these lines come directly from Federal Form 1120S, Schedule K.
Line 9	**State and Local Government Interest and Dividend Income.** Enter all state and local bond interest or dividends that are exempt from federal income tax and not issued by Nebraska state and local government subdivisions.
Line 10	**Other Income.** Enter any other additions to income for the S corporation that are includible in the shareholders' federal income, but are not reflected in lines 1 through 9. List the type of adjustment on line 10a, Schedule A, and the associated amount on line 10b. Attach a schedule if needed.
Line 11	**Total Adjustments Increasing Ordinary Business Income.** Enter the total of lines 1 through 10 here and on line 2 of Form 1120-SN.

Adjustments Decreasing Ordinary Business Income

Line 12	**Qualified U.S. Government Interest Deduction.** Enter the amount of interest and dividend income from U.S. government obligations exempt from state taxation. The Taxability of Interest and Dividend Income From State, Local, and U.S. Government Obligations Information Guide, lists U.S. interest and dividend income that can be included on line 12, 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 12.
Lines 13-20	The amounts on each of these lines come directly from Federal Form 1120S, Schedule K.
Line 21	**Other Deductions.** Enter any other deductions to income for the S corporation that are deductible in the shareholders' federal income, but are not reflected in lines 12 through 20 above. List the type of adjustment on line 21a, Nebraska Schedule A, and the associated amount on line 21b. Attach a schedule if needed.
Line 22	**Total Adjustments Decreasing Ordinary Business Income.** Enter the total of lines 12 through 21 here and on line 3 of Form 1120-SN.

Nebraska Schedule I Instructions

Apportionment for Multistate Business

Purpose. The Nebraska Schedule I is used to determine the amount of Nebraska source income (Form 1120-SN, line 5, Income Reported to Nebraska) received by an S corporation deriving income from both within and without Nebraska.

Nebraska source income is determined by apportioning the S corporation 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 S corporation in Nebraska during the taxable year. The denominator is the total sales of the S corporation everywhere during the taxable year. Total sales includes 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.

For tax years beginning January 1, 2014 or after, 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.

An S 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.

If the S corporation 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.

If an S corporation is a member of a unitary group which includes a C corporation, the apportionment factor for the S corporation will be the apportionment factor as determined for the unitary group. This factor will be applied to the income of the S corporation. Separate returns must be filed for the S corporation and the C corporation.

An S corporation 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 S corporation's filings in other states. If the S corporation modifies the basis for including or excluding gross receipts in the sales factor used in returns for prior years, the 2022 return must disclose the nature and extent of the modification.

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

Computation of Nebraska Source Income — You must complete lines 4-15 prior to completing lines 1-3.

Line 1	**Nebraska Adjusted Income.** Enter the amount from line 4 of Form 1120-SN.
Line 2	**Nebraska Apportionment Factor.** Enter the amount from line 15, Nebraska Schedule I, Form 1120-SN.
Line 3	**Income Apportioned to Nebraska.** Enter the result of line 1 multiplied by line 2. Also enter this amount on line 5, Form 1120-SN.

Nebraska Apportionment Factor - Sales or Gross Receipts

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

- ◆ Sales of tangible personal property delivered in Nebraska;
- ◆ 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 of the property 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 selling, renting, licensing, or leasing 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 Less Returns and Allowances. Enter the gross receipts, less any returns and allowances reported on the Federal Form 1120S.

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 of the interest, dividend, and royalty income from intangible property received by the S 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 renting or leasing all real or tangible personal property.

In the Nebraska column, enter gross receipts for renting or leasing 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 Property 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 S corporation and is included in the amount reported on line 4, Form 1120-SN. List the type of adjustment on line 13a, the total amount on line 13b, and the Nebraska amount on line 13c. Attach a schedule if needed.

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) and the ordinary business income (loss) from partnerships. If the S corporation would be considered unitary with the partnership if the partnership was a corporation, enter the distributed share of the partnership's gross receipts.

If the S corporation and the partnership would not be considered unitary, enter the distributed 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.

Line 14

Total Sales or Gross Receipts. In the Total column, add lines 4 and 8 through 13. 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 3:

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

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

Shareholder's Share of Nebraska Income

Purpose. The Schedule II is completed to identify the shareholders and to calculate income tax withholding for the nonresident individual shareholders. No income tax withholding is remitted when the nonresident individual shareholder has completed a 2022 Nebraska Nonresident Tax Agreement, Form 12N.

Complete the Schedule II through column (C) for all shareholders. Column (D) is only required for individual shareholders. Columns (E), (F), and (G) are completed for nonresident individual shareholders.

Column (A). Enter each shareholder's name and address information. This should be the address of the actual shareholder, not the S corporation's address. If the shareholder is a grantor trust, enter the name and address of the grantor.

Column (B). Enter the Social Security number for each individual shareholder or grantor of a grantor trust. Enter the Federal ID number for each shareholder that is not an individual or grantor trust.

Column (C). Enter the pro rata ownership percentage of each shareholder during the S corporation's taxable year.

Column (D). For each shareholder who is an individual or grantor trust, enter a "Y" if the shareholder is a Nebraska resident, or an "N" if the shareholder is not a Nebraska resident.

Do not complete columns (E), (F), and (G) when either of the following applies:

1. A loss is reported on line 5, Form 1120-SN; or
2. The box at the top of the Nebraska Schedule II is checked indicating that the S corporation only received portfolio income.

Generally, portfolio income includes all gross income (other than income derived in the ordinary course of a trade or business) that is attributable to interest, dividends, or royalties.

For additional items considered to be portfolio income, see the instructions for Federal Form 1120S.

Column (E). Place a check mark in this column if a properly completed and signed Form 12N is attached. Do not complete columns (F) and (G) if this box is checked.

Column (F). Enter the nonresident individual shareholder's share of Nebraska income reported by the S corporation. This amount is determined by multiplying the line 5, Form 1120-SN amount, by the column (C), Nebraska Schedule II percentage. Enter the column (F) total on line 6, Form 1120-SN.

Column (G). Multiply the amount in column (F) by .0684 and enter the result in column (G). This is the amount of Nebraska income tax withholding for each nonresident individual shareholder who did not complete a Form 12N. Report the amount of income tax withholding remitted for each nonresident individual shareholder on a Shareholder's Share of Nebraska Income, Deductions, Modifications, and Credits - Nebraska Schedule K-1N. Enter the total of column (G) on line 7, Form 1120-SN. Do not enter a negative amount in column (G).

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.

This schedule must be completed if the S corporation is a member of a unitary group and should include any Qualified Subchapter S Subsidiary (QSSS) and all C corporations which are part of the unitary group.

The total Amount of Nebraska Sales or Receipts reported on this schedule must agree with the Total Sales or Gross Receipts from line 14 of the Nebraska column of Nebraska Schedule I.

NOTE: For Nebraska income tax purposes, including nexus, the parent S corporation and all QSSSs will be treated as one entity.

Nebraska Schedule K-1N Instructions

Shareholder's Share of Income, Deductions, Modifications, and Credits

Purpose. The Nebraska Schedule K-1N is used by the S corporation to report each shareholder's share of the entity's Nebraska income, deductions, modifications, and credits. The Nebraska Schedule K-1N is also used by each shareholder to complete their Nebraska tax return.

The S corporation must provide a Nebraska Schedule K-1N to each shareholder. A copy of every Nebraska Schedule K-1N must be submitted with the Form 1120-SN.

Enter the shareholder's share of the distributed Form 3800N credits. When S corporations issue Nebraska Schedules K-1N to shareholders, they must also: complete distribution schedules such as Forms 775N, 312N, 1107N, 544N, the 3800N Worksheet HBTC (listing the HBTC certificate); and report the distributed credit amount to the shareholders on line 18 of the Schedule K-1N. To distribute credits earned under the Urban Redevelopment Act, contact the DOR to obtain the necessary worksheet and other documentation requirements.

S Corporation and Shareholder Information

Nebraska ID Number. Enter the Nebraska ID number assigned to the S corporation by the DOR. The S corporation's Nebraska ID number on the Schedule K-1N and the Form 1120-SN must be the same. Refer to the Nebraska ID number instructions for Form 1120-SN.

Federal ID Number. Enter the Federal ID numbers assigned by the IRS to both the corporation and the shareholder. If the shareholder is an individual, enter the individual's Social Security number.

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

S Corporation's Nebraska Apportionment Factor. Enter the S corporation's Nebraska apportionment factor from line 15 of Schedule I, Form 1120-SN.

Shareholder's Ownership Percentage. Enter the shareholder's percentage of stock ownership for the tax year from the Federal Schedule K-1. Convert the decimal shown on the Schedule II to a percentage before entering on the K-1N.

Part A – Shareholder's Share of Income and Deductions

Complete Part A to report the shareholder's share of the S corporation's income (loss) and deductions from Nebraska sources.

Lines 1-13

For S corporations that are only subject to income tax in Nebraska, the amounts entered on lines 1-13 will come directly from the shareholder's Federal Schedule K-1.

For S corporations that are subject to income tax in another state, the amounts entered on lines 1-13 will be the result of the Federal Schedule K-1 amounts multiplied by the S corporation's Nebraska apportionment factor.

Part B – Shareholder's Share of Modifications

Complete Part B to report the shareholder's share of the income distributed by the S corporation that modifies the federal adjusted gross income or federal taxable income of the shareholder. For S corporations that are only subject to income tax in Nebraska, the amounts entered on lines 14 and 15 will be the same as the amounts reported to the IRS.

For S corporations that are subject to income tax in another state, the amounts entered on lines 14 and 15 will be the result of the federal amounts multiplied by the S corporation's Nebraska apportionment factor.

Line 14

Qualified U.S. Government Interest Deduction. Enter the shareholder's share of all interest and dividend income from U.S. government obligations exempt from state taxation. The Taxability of Interest and Dividend Income From State, Local, and U.S. Government Obligations Information Guide lists U.S. interest and dividend income that can be included on line 14, Nebraska Schedule K-1N. Interest income from repurchase agreements involving U.S. government obligations **is not** exempt U.S. government interest. Gains or losses from the sale or other disposition of federal securities are taxable for state income tax purposes and should not be included on line 14.

Line 15

State and Local Government Interest and Dividend Income. Enter the shareholder's share of all state and local bond interest or dividends that are exempt from federal income tax and not issued by Nebraska state and local government subdivisions.

Line 16

Income (Loss) from Non-Nebraska Sources. The shareholder's share of the non-Nebraska income or (loss) is equal to the shareholder's share of line 4, Form 1120-SN minus the shareholder's share of line 5, Form 1120-SN.

Part C – Shareholder's Share of Credits

Complete Part C to report the credits that were earned by the S corporation and distributed to the shareholders.

Line 17

Community Development Assistance Act (CDAA) Credit. Enter the shareholder's share of the distributed CDAA credit reported on the Nebraska Community Development Assistance Act Credit Computation, Form CDN, Part C.

Line 18

Form 3800N Credits. Enter the shareholder's share of the distributed Form 3800N credits. When S corporations issue Nebraska Schedule K-1N to shareholders, they must also: complete distribution schedules such as Forms 775N, 312N, 1107N, 544N, 3800N Worksheet HBTC (listing the HBTC certificate number), and report the distributed credit amount to the shareholders on line 18 of the Schedule K-1N. An amount entered for the Nebraska Historic Tax Credit on line 18f does not entitle the shareholder to claim the credit. Rather, the shareholder must be issued a NHTC certificate by the DOR before any credit will be allowed. For additional information, see our website. For claiming the distributed credit under the Urban Redevelopment Act, contact the DOR to obtain the necessary worksheet and other documentation requirements.

Line 19

Contractor Income Tax Withholding. An S corporation that was subjected to the mandatory 5% contractor income tax withholding must distribute the amount withheld to its shareholders. The amount entered on line 19 is the total amount of Nebraska withholding reported on the Form 1099-MISC issued to the S corporation, multiplied by the shareholder's ownership percentage. For additional information, see "Income Tax Withholding on Contractors" found on page 4 of the Form 1120-SN instructions.

Line 20

Nebraska Income Tax Withholding. Enter the amount from column (G), Schedule II, Form 1120-SN, that reflects the income tax remitted by the entity on behalf of the shareholder. For an amended Schedule K-1N, enter the larger of the amount calculated on either the original or the amended column (G), Schedule II, Form 1120-SN.

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Nebraska S Corporation Income Tax Return

for the calendar year January 1, 2022 through December 31, 2022 or other taxable year
beginning , and ending ,

FORM 1120-SN
2022

Please Type or Print

Name Doing Business As (dba)

Legal Name

Street or Other Mailing Address

City | State | Zip Code

PLEASE DO NOT WRITE IN THIS SPACE

Business Classification Code | Date Business Began in Nebraska

Principal Business Activity in Nebraska | Federal ID Number | Nebraska ID Number

Does the S corporation have nonresident individual shareholders?
☐ YES (Complete Schedule II.) ☐ NO

Check if:

(1) ☐ Initial Return
(2) ☐ Final Return (Example, dissolved. See instr.)
(3) ☐ Address Change
(4) ☐ Name Change
(5) ☐ Amended Return
(6) ☐ Form 7004 Attached
(7) ☐ Form 3800N, 775N, 312N, or 1107N Attached
(8) ☐ Distributed Form 3800N Credit

1 Ordinary business income (line 21, Federal Form 1120S)	1		00
2 Nebraska adjustments increasing ordinary business income (line 11, Schedule A)	2		00
3 Nebraska adjustments decreasing ordinary business income (line 22, Schedule A)	3		00
4 Nebraska adjusted income (line 1 plus line 2 minus line 3)	4		00
5 Income reported to Nebraska (enter line 4 above or line 3, Schedule I, if applicable) If less than zero, do not complete columns (E), (F), or (G) on Schedule II	5		00

If line 5 shows a loss, skip lines 6 and 7 and go to line 8.

6 Income reported to Nebraska subject to withholding. Enter the Column (F), Schedule II total	6		00
7 Nebraska income tax withheld for nonresident individual shareholders. Enter the Column (G), Schedule II total	7		00
8 Form 3800N credit and recapture (see instructions)	8		00
9 Tax deposited with Form 7004N and 2022 estimated income tax payments	9		00
10 Credit for school district property taxes (attach Form PTC)	10		00
11 Credit for community college property taxes (attach Form PTC)	11		00
12 TAX DUE if line 7 plus line 8 minus lines 9, 10, and 11 is greater than zero. ☐ Check this box if your payment is being made electronically	12		00
13 Overpayment if line 7 plus line 8 minus lines 9, 10, and 11 is less than zero	13		00
14 Amount on line 13 you want credited to 2023 estimated income tax	14		00
15 Overpayment to be REFUNDED (line 13 minus line 14). Complete lines 16a, 16b, and 16c to receive your refund electronically. Complete line 16d if appropriate (see instructions)	15		00

16a Routing Number

16b Type of Account 1 = Checking 2 = Savings

Direct Deposit

16c Account Number

(Can be up to 17 characters. Omit hyphens, spaces, and special symbols. Enter from left to right and leave any unused boxes blank.)

16d ☐ Check this box if this refund will go to a bank account outside the United States (see instructions).

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 | ( ) Phone Number

paid preparer's use only

Preparer's Signature | Date | Preparer's PTIN

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 to this return.
All filers are encouraged to e-file their return including schedules K-1N.

Mail this return and payment to: **Nebraska Department of Revenue, PO Box 94818, Lincoln, NE 68509-4818.**

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S Corporation With Other Income And Deductions
Nebraska Schedule A—Adjustments to Ordinary Business Income

• Enter amounts for lines 1 through 8 and 10 from Schedule K, Federal Form 1120S.

FORM 1120-SN
Schedule A
2022

Name on Form 1120-SN

Nebraska ID Number

Adjustments Increasing Ordinary Business Income		Totals	
1 Net rental real estate income	1		00
2 Other net rental income	2		00
3 Interest income	3		00
4 Ordinary dividends	4		00
5 Royalties	5		00
6 Net short-term capital gain	6		00
7 Net long-term capital gain	7		00
8 Net gain under IRC Section 1231 (other than casualty or theft)	8		00
9 State and local government bond interest and dividend income (see instructions)	9		00
10 Other income (list below or attach schedule) a List type: _____ b Amount: $_____ Total other income. Enter total of lines 10b	10		00
11 Total adjustments increasing ordinary business income (total of lines 1 through 10). Enter here and on line 2, Form 1120-SN	11		

Adjustments Decreasing Ordinary Business Income • Enter amounts for lines 13 through 21 from Schedule K, Federal Form 1120S.		Totals	
12 Qualified U.S. government interest deduction (see instructions)	12		00
13 Net rental real estate loss	13		00
14 Other net rental loss	14		00
15 Net short-term capital loss	15		00
16 Net long-term capital loss	16		00
17 Net loss under IRC Section 1231	17		00
18 Other loss	18		00
19 Charitable contributions	19		00
20 Section 179 deduction	20		00
21 Other deductions (list below or attach schedule) a List type: _____ b Amount: $_____ Total other deductions. Enter total of lines 21b	21		00
22 Total adjustments decreasing ordinary business income (total of lines 12 through 21). Enter here and on line 3, Form 1120-SN	22		00

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S Corporation With Income Derived From Sources Both Within and Without Nebraska
Nebraska Schedule I—Apportionment for Multistate Business

• If you use this schedule, read instructions.

FORM 1120-SN
Schedule I
2022

Name on Form 1120-SN

Nebraska ID Number

1 Nebraska adjusted income (line 4, Form 1120-SN)	1		00
2 Nebraska apportionment factor (line 15 below)	2	. %	
3 Income apportioned to Nebraska (line 1 multiplied by line 2). Enter here and on line 5, Form 1120-SN	3		00

Nebraska Apportionment Factor – Sales or Gross Receipts

	Total			Nebraska		
4 Sales or gross receipts less returns and allowances	4		00			
5 Sales delivered or shipped to purchasers in Nebraska: Shipped from outside Nebraska				5		00
6 Sales delivered or shipped to purchasers in Nebraska: Shipped from within Nebraska				6		00
7 Sales shipped from Nebraska to the U.S. government				7		00
8 Interest on sales of tangible personal property	8		00	8		00
9 Interest, dividends, and royalties from intangible property	9		00	9		00
10 Gross rents	10		00	10		00
11 Net gain on sales of intangible property	11		00	11		00
12 Gross receipts from sales of tangible personal property and real property not included above	12		00	12		00
13 Other income (list below or attach schedule) a List type:_____ b Total Amount: $ _____ c Nebraska Amount: $_____ Enter total of lines 13b in first column. Enter total of lines 13c in second column.	13		00	13		00
14 **Total sales or gross receipts**	14		00	14		00
15 **Nebraska apportionment factor** (divide line 14, Nebraska column, by line 14, Total column, and round to six decimal places). Enter as a percent here and on Schedule I, line 2 above	15	. %				

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Nebraska Schedule II —
Shareholder's Share of Nebraska Income

• If you use this schedule, read the instructions and attach this page to Form 1120-SN.

Note: An S Corporation with out-of-state shareholders and with ONLY portfolio income need not complete Columns (E), (F), and (G). Instead, check this box ☐

FORM 1120-SN Schedule II 2022

Name on Form 1120-SN

Nebraska ID Number

(A)		(B) Shareholder		(C) Percent of Ownership	(D) Nebraska Resident Individual (Y or N)	Nonresident Individuals and Grantor Trusts (Skip if line 5, Form 1120-SN is less than zero)		
Shareholder Name	Shareholder Address	SSN	FEIN (Skip Columns D through G)			(E) Check if Form 12N Attached	(F) Shareholder Income (Line 5 Form 1120-SN x Column C Percent)	(G) Nebr. Income Tax Withholding Amount [Col (F) x .0684] (Enter on Nebr. Sch. K-1N)
Totals								

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Nebraska Schedule III—Subsidiary or Affiliated Corporations

FORM 1120-SN
Schedule III
2022

Name and Address of All Corporations	ID Numbers		Apportionment Factor Information*
	Nebraska	Federal	Amount of Nebraska Sales or Receipts
S Corporation Filing this Return			
Parent Corporation, If Different from Above			
Subsidiary/Affiliated Corporations			
Totals			

*Complete the apportionment factor information summarizing the numerator of the corporations filing a combined corporation income tax return.

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

FORM 1120-SN
Schedule K-1N
2022

Corporation's Name and Mailing Address	Shareholder's Name and Mailing Address
Name Doing Business As (dba)	Name
Legal Name	
Street or Other Mailing Address	Street or Other Mailing Address
City State Zip Code	City State Zip Code
Nebraska ID Number / Federal ID Number	Social Security Number/Federal ID Number / Spouse's Social Security Number
Taxable Year of Organization Beginning _____ , 20 _____ and Ending _____ , 20 _____	Check One: ☐ Resident Individual ☐ Nonresident Individual ☐ Estate or Trust ☐ Exempt Organization
S Corporation's Nebraska Apportionment Factor %	Shareholder's Ownership Percentage % / If applicable, check the appropriate box: ☐ Final ☐ Amended

Part A
Shareholder's Share of Income and Deductions

1	Ordinary business income (loss)	1	
2	Net rental real estate income (loss)	2	
3	Other net rental income (loss)	3	
4	Interest income	4	
5	Ordinary dividends	5	
6	Royalties	6	
7	Net short-term capital gain (loss)	7	
8	Net long-term capital gain (loss)	8	
9	Net Section 1231 gain (loss)	9	
10	Other income (loss) (list below or attach schedule) a List type: _____ b Amount: $_____ Total other income (loss). Enter total of lines 10b	10	
11	Contributions	11	
12	Section 179 deduction	12	
13	Other deductions (list below or attach schedule) a List type: _____ b Amount: $_____ Total other deductions. Enter total of lines 13b	13	

Part B
Shareholder's Share of Modifications

14	Qualified U.S. government interest deduction	14	
15	State and local government interest and dividend income	15	
16	Income (loss) from non-Nebraska sources	16	

Part C
Shareholder's Share of Credits

17	Community Development Assistance Act credit	17	
18	Form 3800N credits (see instructions)		
	a Employment and Investment Growth Act 18a $_____		
	b Nebraska Advantage Act 18b $_____		
	c Nebraska Advantage Rural Development Act 18c $_____		
	d Nebraska Advantage Research and Development Act 18d $_____		
	e New Markets Tax Credit 18e $_____		
	f Nebraska Historic Tax Credit 18f $_____		
	g ImagiNE Nebraska Act 18g $_____		
	h Key Employer and Jobs Retention Act 18h $_____		
	i Urban Redevelopment Act 18i $_____		
	j Renewable Chemical Production Tax Credit Act 18j $_____		
	k Nebraska Higher Blend Tax Credit Act 18k $_____		
	Total of 18a through 18k	18	
19	Contractor withholding (see instructions)	19	
20	Nebraska income tax withheld (see instructions)	20	

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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 US 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	Community Development Assistance Act credit	3	
4	Form 3800N nonrefundable credits	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 credits, including any Beginning Farmer credit, employer's credit for expenses incurred for TANF (ADC) recipients, and Property Tax Incentive Act credit	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

Mail this application 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

8-021-1968 Rev. 9-2022
Supersedes 8-021-1968 Rev. 12-2021

Instructions

Who May File. A corporation (C corporation and S corporation), fiduciary, partnership, or limited liability company making a tentative tax payment, and/or wanting more time to file a Nebraska tax return, must file a Nebraska Application for Extension of Time, Form 7004N. The Form 7004N must be filed even if a tentative income tax payment is made electronically.

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, or a copy of the approved federal extension. 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. Form 7004N must be filed on or before the due date of the original return. Corporations may also file Form 7004N on or before the date that a federal extension expires.

Where to File. Mail Form 7004N to the Nebraska Department of Revenue, PO Box 94818, Lincoln, Nebraska 68509-4818.

Line 9. Other payments or credits. Enter the total other credits. The property tax incentive act credit includes the credits for school district property taxes and community college taxes paid.

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 payments 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.]

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."