

Purchase of a Nebraska Residence in a Designated Extremely Blighted Area Credit

Must complete and attach this form to Form 1040N when claiming the credit.

| | |
|--------------------|------------------------|
| Name on Form 1040N | Social Security Number |
|--------------------|------------------------|

Part A – Property Information

| | | |
|--|--|---|
| 1 Date Nebraska Residence was Purchased (MM/DD/YYYY) | This property is my primary residence? <input type="checkbox"/> Yes <input type="checkbox"/> No | This residence is in a designated extremely blighted area? Attach documentation, see instructions for line 1. <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 2 Seller's Name | | I did not purchase this residence from a family member or spouse's family member? <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 3 Address of Property Purchased (House Number, Street, and City) | | |
| Property ID or Parcel Number of Property | | |

If you answered No to any question in Part A STOP you are not qualified to request this credit.

Part B – Computation of the Credit

| | | | |
|---|----|--|--|
| 4 Nebraska Residence in Designated Extremely Blighted Area Credit (EB Credit). Enter \$5,000 if you purchased a residence in an Extremely Blighted Area in 2022 or enter the unused credit carried over from the 2021 Form 1040N-EB, line 9 | 4 | | |
| 5 Nebraska tax liability. Enter line 17, Form 1040N..... | 5 | | |
| 6 a Nebraska personal exemption credit (residents). Enter line 18, Form 1040N..... | 6a | | |
| b Credit for tax paid to another state. Enter line 19, Form 1040N | 6b | | |
| c Credit for the elderly or disabled (residents). Enter line 20, Form 1040N ... | 6c | | |
| d Community Development Assistance Act credit. Enter line 21, Form 1040N..... | 6d | | |
| e Nebraska child/dependent care nonrefundable credit (residents). Enter line 23, Form 1040N..... | 6e | | |
| f Credit for financial institution tax. Enter line 24, Form 1040N..... | 6f | | |
| g Employer credit for expenses incurred for TANF (ADC) recipients. Enter line 25, Form 1040N..... | 6g | | |
| h Total nonrefundable credits other than the EB Credit. Enter the sum of 6a through 6g..... | 6h | | |
| 7 Tax after nonrefundable credits other than the EB Credit (line 5 minus 6h) If a negative amount, enter zero..... | 7 | | |
| 8 Nebraska Residence in Designated Extremely Blighted Area Credit claimed for 2022 line 4 or 7, (whichever is less). Enter here and on line 26, Form 1040N..... | 8 | | |
| 9 Amount to be carried forward to 2023 (line 4 minus line 8)..... | 9 | | |

DRAFT AS OF
October 6, 2022
DO NOT FILE

Instructions

Who May File. Any eligible individual may file the Purchase of a Nebraska Residence in a Designated Extremely Blighted Area Credit, Form 1040N-EB to claim the credit and compute any unused tax credit to carry forward.

When to File. The Form 1040N-EB must be completed and attached to the individual income tax return filed for the tax year that includes the date the primary residence located in a designated extremely blighted area was purchased and any subsequent year to which any unused credit is carried forward and used.

Eligible Individuals. The Nebraska Residence in a Designated Extremely Blighted Area Credit may be claimed by individuals that purchased a Nebraska residence in a designated extremely blighted area. It must be the individual's primary residence; and the individual cannot have purchased the residence from a family member of the individual or family member of the individual's spouse.

Family member means individual's spouse, child, parent, brother, sister, grandchild, or grandparent, whether by blood, marriage, or adoption.

The purchase must have been made in a taxable year beginning or deemed to begin on or after January 1, 2020 and before January 1, 2026. The tax credit may only be claimed once with respect to a single residence.

The tax credit is recaptured if the individual claiming the tax credit sells or otherwise transfers the residence or quits using the residence as his or her primary residence within five years after the end of the taxable year in which the residence was purchased and for which the credit was claimed. When the nonrefundable tax credit is recaptured, the individual must file an amended return for the initial year the credit was claimed and each subsequent year the tax credit was carried forward and used.

Records. An eligible individual must keep records of both the purchase of the residence and the extremely blighted designation. The individual must keep those records for the longer of the following periods:

- Five years from the end of the taxable year in which the residence was purchased, or
- Three years from the date the return using the credit is filed.

Property ID or Parcel ID. Enter the number assigned by the county to the property. This number may be found on the County Assessment Notice or the Real Estate Tax Statement issued by the county where the property is located. The property ID or parcel ID number may also be found using the [County Assessors and Parcel Search](#).

How to Complete Form, 1040N-EB

Part A – Property Information

Part A is used to identify the Nebraska primary residence purchased in a designated extremely blighted area.

Line 1. Enter the date the Nebraska primary residence was purchased.

You can only claim this credit if the property is:

- 1- your primary residence;
- 2- in a designated extremely blighted area; and
- 3- was not purchased from a family member.

If you answered yes to all questions in Part A, attach documentation indicating the property is in a designated extremely blighted area.

Documentation can be obtained from the city planning department where the residence is located. City planning departments may provide information showing the designated extremely blighted areas on their websites along with lookup tools or maps. City planning departments without the information on their websites may be contacted via phone to obtain the information.

The City of Omaha Planning Department website includes an interactive [look-up tool](#) to find properties in the designated extremely blighted areas in Omaha.

The City of Lincoln Urban Development website includes a [look-up tool](#) used to determine if the property is in a designated extremely blighted area in Lincoln.

Line 2. Enter the seller's name. If you purchased the primary residence from a family member or spouse's family member, do not complete the form, you do not qualify for the tax credit.

Line 3. Enter the address and property ID or parcel ID of the property.

Part B – Computation of the Credit

Part B is used to compute the credit and determine the unused amount to carry forward to subsequent tax years.

Line 4. Enter \$5,000 if you purchased a Nebraska primary residence in an extremely blighted area in 2022 or enter the unused credit carried over from the 2021 Form 1040N-EB, line 9. Any unused credit may be carried forward to subsequent tax years until the credit is used.

Line 9. Amount to be carried forward. Any designated extremely blighted area tax credit may be carried forward to subsequent tax years until used. Eligible individuals will need to complete and attach the Form 1040N-EB to the individual income tax return for each year a portion of the tax credit is used.

DRAFT AS OF
October 6, 2022
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