



# 2014

# Nebraska

## Financial Institution

## Tax Return

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**Included in this Booklet:**

Form 1120NF; and  
Shareholder's Schedule.

**Electronic payment options are available.**  
See [instructions](#).

**Questions?**  
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# 2014 Nebraska Financial Institution Tax Return

## Instructions

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### What's New

**Electronic Payments.** Financial institutions that made tax payments exceeding \$8,000 in the prior year are required to make all payments electronically. Beginning July 1, 2015, the threshold for electronic payments will be lowered to \$7,000.

**New Markets Tax Credit (NMTC).** For tax years beginning on and after January 1, 2014, financial institutions are eligible for a nonrefundable, nontransferable credit for an investment in a qualified community development entity. The credit may be used against the franchise tax imposed on financial institutions.

**Nebraska Job Creation and Mainstreet Revitalization Act.** For tax years beginning on and after January 1, 2015, financial institutions may earn a nonrefundable, transferable tax credit equal to 20% of eligible expenditures to rehabilitate, preserve, or restore qualifying historically-significant real property. An application with the State Historical Preservation Officer of the Nebraska State Historical Society is required to qualify for the credit.

### Terms

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**Average Deposits.** Average deposits are the total deposits accepted at the financial institution's Nebraska offices, plus deposits solicited from Nebraska residents that are accepted at offices outside of Nebraska.

- ◆ **Calendar-year financial institutions** total the deposits held on the last day of the preceding year and the last day of each calendar quarter within the current year, and divide by five.
- ◆ **Fiscal-year financial institutions**, or short-period financial institutions, total the deposits held on the last day of the preceding fiscal year, the last day of each complete calendar quarter within the fiscal year, and the last day of the fiscal year, and divide by the number of amounts added together.

**Deposits.** Deposits are:

- ◆ Money placed in the custody of the financial institution for safety or convenience that may be withdrawn at the will of the depositor, or under the rules and regulations agreed upon by the financial institution and the depositor; and
- ◆ Money for which a certificate may be issued and that may be payable on demand, on certain notice, or at a fixed future date or time.

Deposits do not include money placed with the trust department of any financial institution in a fiduciary capacity. Deposits do include any money placed in the trust department with the financial institution that is not in a fiduciary capacity.

**Financial Institution.** Financial institution includes any of the following entities that are chartered or qualified to do business in Nebraska. A financial institution also includes a bank holding company or a financial holding company that is not chartered to do business in Nebraska, but maintains a permanent place of business in the state and actively solicits deposits from Nebraska residents for an affiliate.

- ◆ Bank
- ◆ Building and loan association
- ◆ Cooperative credit association
- ◆ Credit union, **except federally chartered**
- ◆ Industrial loan and investment company
- ◆ Loan servicing center, if deposits are accepted
- ◆ Savings bank
- ◆ Savings and loan association
- ◆ Any subsidiary of the entities listed above

A subsidiary **does not** include any bank, bank holding company, financial holding company, or savings and loan association that is owned 50% or more by a mutual savings and loan association and does not actively solicit deposits from Nebraska residents.

**Net Financial Income.** Net financial income is the income of the financial institution, including its subsidiaries, after ordinary and necessary expenses, but before income taxes and extraordinary gains or losses. Income and expenses must be computed according to the requirements of the financial institution's regulatory agencies.

## Who Must File?

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Every financial institution, as defined above, must file a [Nebraska Financial Institution Tax Return](#).

A financial institution does not file a [Nebraska Corporation Income Tax Return, Form 1120N](#).

## Important Information for All Filers

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**Period Covered by the Return.** This return must be filed for the 2014 calendar year or fiscal year beginning in 2014. Contact the Nebraska Department of Revenue (Department) for instructions if the financial institution's fiscal year ends other than on a calendar quarter.

Financial institutions experiencing a short year (less than 12 months) must file a short-period return on or before the 15th day of the third month following the end of its short year. See:

- ◆ [Revenue Ruling 24-90-1: Financial Institution Tax - Filing Requirements of Short-Period Tax Returns](#); and
- ◆ [Revenue Ruling 24-91-1: Financial Institution Tax - Average Deposits of Short-Period Tax Returns](#).

**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 1120NF. 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:

- ◆ Failure to file a return and pay tax due on or before the due date;
- ◆ Failure to pay the tax due on or before the due date;
- ◆ Failure to file an Amended Nebraska Financial Institution Tax Return to report changes made to the institution's amount of deposits or net financial income;
- ◆ Preparing or filing a fraudulent return; or
- ◆ Understatement of deposits or net income before taxes and extraordinary items on a financial institution tax return.

Filing a false or fraudulent Nebraska return is subject to penalty, even if the amounts reported are taken from your federal return or reports filed with state or federal regulatory agencies. Unpaid tax is subject to interest at the statutory rate of 3% from the original due date to the date the tax is paid. See [Revenue Ruling 99-14-2](#) for applicable interest rates.

**Reporting Changes or Corrections.**

- ◆ Use [Amended Nebraska Financial Institution Tax Return, Form 1120XNF](#), for the tax year corresponding to the return being amended for years after 2000.
- ◆ Use [Amended Nebraska Financial Institution Tax Return, Form 1120XNF-3](#), to amend tax years 1993 – 2000.
- ◆ Contact the Department to obtain the appropriate form for amending a return for tax years prior to 1993.

NOTE: A refund of tax is only allowed when an amended return is filed within 90 days of the date the tax is due or was paid, whichever is later, or within 90 days of a change made by a state or federal regulatory agency.

When filing an amended return to reflect corrected Call Report information, attach copies of the changed pages from the Call Report. When filing an amended return to report a change made by a state or federal regulatory agency to the financial institution's amount of deposits or its net financial income, include a dated copy of the regulatory agency's notice.

**Nebraska Extension of Time.** No extension of time to file or pay the tax is allowed.

**Accounting Methods.** The accounting method required by state and federal regulatory agencies must be used for Nebraska financial institution tax purposes. Income and expenses of a financial institution must be computed according to the requirements of its regulatory agencies.

**Multistate Financial Institutions.** Financial institutions that are subject to tax in more than one state must compute their tax liability based on the amount of average deposits connected with the financial institution's operations in Nebraska. These deposits equal the total of deposits accepted at the financial institution's Nebraska offices, plus deposits solicited from Nebraska residents that are accepted at the financial institution's offices outside of Nebraska. The financial institution's limitation amount is computed using the portion of the net financial income that is apportioned to Nebraska through the use of property and payroll factors.

## When and Where to File

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This return must be filed on or before the 15th day of the third month following the close of the taxable year of the financial institution.

Mail the return to:

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

**Note: No extension of time to file this return or pay the tax is allowed.**

## How to Complete Form 1120NF

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**Reminder for S Corporations.** Financial institutions organized as S corporations must complete the Shareholder's Schedule (Schedule) of [Form 1120NF](#) and provide each shareholder with a [Statement of Nebraska Financial Institution Tax Credit, Form NFC](#). These forms are used to calculate the amount of credit available to each shareholder.

- ◆ File the Shareholder's Schedule with Form 1120NF. If additional lines are needed, make copies of the Schedule and attach to Form 1120NF.
- ◆ Financial institutions organized as S corporations owned by an S corporation holding company must list the shareholders of the holding company on the Schedule.
- ◆ Shareholders will file the Form NFC with their individual income tax returns when claiming their proportionate share of credit for the tax paid by the financial institution.

**Business Classification Code.** Enter the number that best describes your principal activity from the following list:

- 522110 Commercial bank;
- 522120 Savings institution;
- 522130 Credit union; or
- 522190 Other depository credit intermediation.

<b>Lines 1 – 5</b>	<b>Ending Deposits.</b> Enter the amount of ending deposits at the preceding year-end and the ending deposits of each calendar quarter of the financial institution’s taxable year beginning in 2014. Refer to the chart on page 7 of these instructions as a guide to determine the ending deposits for each period.
<b>Line 7</b>	<b>Average Deposits.</b> Divide the total deposits on line 6 by five, and enter the result on line 7. Fiscal-year or short-period returns should compute average deposits as described in <b>Average Deposits</b> on page 2 of these instructions.
<b>Line 8</b>	<p><b>Financial Institution Tax.</b> The financial institution must pay the lesser of the tax on average deposits or the limitation amount. The tax is required to be paid on or before the original due date of the return. Financial institutions have the option to file an estimated payment during the final month of the tax year.</p> <p>The estimated payment is made on a <a href="#">Nebraska Financial Institution Voluntary Estimated Tax Payment, Form 1120NF-ES</a>.</p> <p>The rate of tax is the rate in effect on the first day of the financial institution’s taxable year. For tax year 2014, the rate of tax is \$.47 per \$1,000 of average deposits.</p>
<b>Line 9</b>	<p><b>Net Income.</b> Enter the amount of net income before income taxes and extraordinary items of the financial institution for the taxable year beginning on or after January 1, 2014. Refer to the chart on page 7 of these instructions to assist in determining the appropriate line number amount and possible adjustments to make for each reporting period necessary to arrive at the total representing the entire taxable year. Enter this total as net income before income taxes and extraordinary items on line 9.</p> <p><b>Net Losses.</b> If the financial institution has a net loss before income taxes and extraordinary items, enter -0- on line 9. Net losses cannot be carried to any other year or any other return. Net losses cannot be used to obtain a refund for a prior or subsequent taxable year.</p>
<b>Line 10</b>	<b>Limitation Amount.</b> For tax year 2014, the rate is 3.81% of the net financial income.
<b>Line 12</b>	<p><b>Community Development Assistance Act (CDAA) Credit.</b> This nonrefundable credit is allowable for contributions to approved projects of community betterment organizations recognized by the Nebraska Department of Economic Development (DED). Attach the <a href="#">2014 Nebraska Community Development Assistance Act Credit Computation, Form CDN</a>, to the <a href="#">Form 1120NF</a>. Financial institutions do not need to attach a copy of the Form 1099NTC. The Department will receive the Form 1099NTC information directly from DED. The credit must be claimed on the tax return for the year in which the contribution was made. Any tax credit balance may be carried over and applied against your tax liability for the next five years immediately succeeding the tax year in which the credit was first properly claimed and allowed.</p> <p>More detailed information on this credit can be obtained by contacting:</p> <p style="padding-left: 40px;">Nebraska Department of Economic Development Community and Rural Development Division PO Box 94666, Lincoln, Nebraska 68509-4666 402-471-6280 or 800-426-6505 <a href="http://neded.org">neded.org</a></p>
<b>Line 13</b>	<b>New Markets Tax Credit (NMTC).</b> This nonrefundable credit is allowed for an investment in a qualified community development entity. Attach a copy of <a href="#">Nebraska Incentives Credit Computation, Form 3800N</a> , and any supporting schedules, and enter the amount from line 10 of Form 3800N. The tax credit may be claimed for the tax year that includes the applicable credit allowance date. The credit is nonrefundable, but may be carried forward for up to five taxable years from the year it is first allowed.
<b>Line 14</b>	<b>Total Nonrefundable Credits.</b> Total the credits on lines 12 and 13.
<b>Line 15</b>	<b>Net Tax.</b> Subtract line 14 from line 11. If the result is less than zero, enter -0-.
<b>Line 16</b>	<b>Voluntary Estimated Tax Payment.</b> Enter the amount of any voluntary estimated tax payment previously filed using <a href="#">Form 1120NF-ES</a> .

**Line 17**

**Balance Due.** If the amount on line 15 is greater than line 16, enter the difference as a balance due on line 17.

**Electronic Payment.** Payment of tax may be made electronically.

Financial institutions that made tax payments exceeding \$8,000 in the prior year are required to make all payments electronically. Beginning July 1, 2015, the threshold for electronic payments will be lowered to \$7,000. The threshold is scheduled to be lowered each July until 2017, when the threshold will be set at \$5,000.

**Payment Options (Nebraska e-pay, ACH Credit, Tele-pay).** Pay the amount due electronically. It's secure, easy, and fast. Details on electronic payments can be found in the "Make a Payment" section on the Department's [website](#).

**Credit Card.** Secure credit card payments can be initiated through Official Payments at [officialpayments.com](#), or via telephone at 800-2PAY-TAX. Eligible credit cards include American Express, Discover, MasterCard, and VISA. A convenience fee (2.49% of the tax payment, \$1 minimum) will be 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.

**Check or Money Order.** Make check or money order payable to the Nebraska Department of Revenue. Checks written to the Department may be presented for payment electronically.

**Line 18**

**Overpayment.** If the amount on line 16 is greater than line 15, enter the difference as an overpayment on line 18.

**Line 20**

**Amount to be Refunded.** The Department recommends having any refund on line 20 directly deposited to your bank account. See line 21 instructions below.

**Lines 21a-21d**

**Direct Deposit.** To have your refund directly deposited into your checking or savings account, enter the routing number and account number associated with the account.

- ◆ **21a.** The routing number is listed first and must be nine digits.
- ◆ **21b.** Indicate the type of account – checking or savings.
- ◆ **21c.** The account number is listed to the right of the routing number and can be up to 17 characters.
- ◆ **21d.** Box 21d is used to comply with new banking rules regarding International ACH Transactions (IATs). These refunds cannot be processed as direct deposits and instead, will be mailed.

**Sign and Date the Tax Return.** This return must be signed by an officer of the financial institution. If another person is authorized to sign this return, there must be a [power of attorney](#) on file with the Department or attached to the return.

**Paid Preparer's Use Only.** Any person who is paid for preparing a financial institution's return must also sign the return as a preparer. The preparer must enter his or her Preparer Tax ID Number (PTIN), their firm's name, and Federal Employer ID Number (EIN).

**Contact Information.** If you need additional assistance, please contact:

Nebraska Department of Revenue  
 PO Box 94818  
 Lincoln, NE 68509-4818  
 800-742-7474 (Nebraska and Iowa) or 402-471-5729  
[revenue.nebraska.gov](http://revenue.nebraska.gov)

<b>Call Report References*</b>		
•For use in completing lines 1-5 and line 9 of Form 1120NF		
<b>Type of Financial Institution</b>	<b>Reports and Line Numbers</b>	
	<b>Lines 1-5: Ending Deposits</b>	<b>Line 9: Net Income Before Income Taxes and Extraordinary Items</b>
Banks and Savings and Loan Associations with Domestic and Foreign Offices	Form FFIEC 031 Consolidated Report of Condition Schedule RC-Balance Sheet Liabilities (Page RC-1) Line 13 Deposits <b>Enter the total of lines 13.a. and 13.b.</b>	Form FFIEC 031 Consolidated Report of Income Schedule RI-Income Statement Line 8 (Page RI-2) Income (loss) before income taxes and extraordinary items and other adjustments <b>Enter line 8.</b> <b>FOR THE ENTIRE TAXABLE YEAR</b>
Banks and Savings and Loan Associations with Domestic Offices Only	Form FFIEC 041 Consolidated Report of Condition Schedule RC-Balance Sheet Liabilities (Page RC-1) Line 13 Deposits <b>Enter line 13.a.</b>	Form FFIEC 041 Consolidated Report of Income Schedule RI-Income Statement Line 8 (Page RI-2) Income (loss) before income taxes and extraordinary items and other adjustments <b>Enter line 8.</b> <b>FOR THE ENTIRE TAXABLE YEAR</b>
Credit Unions	National Credit Union Administration Form NCUA 5300 Statement of Financial Condition Liabilities, Shares/Deposits (Page 3) Line 18 Total Shares and Deposits <b>Enter line 18, column C.</b>	National Credit Union Administration Form NCUA 5300 Statement of Financial Condition Income (Operating): <b>FOR THE ENTIRE TAXABLE YEAR</b> Line 31 Net income Less: Line 14 Gain (loss) on investments Line 15 Gain (loss) on Non-Trading Derivatives Line 16 Gain (loss) on disposition of fixed assets Line 17 Gain from Bargain Purchase (Merger) Line 18 Other Non-operating Income (Expense) <b>Enter line 31 minus lines 14 through 18.</b>

\*This chart references the call reports available as of June 30, 2014. If these call reports are modified and the line numbers do not remain constant, please use this chart as a guide to report the financial institution's deposits, estimated deposits, estimated net income before income taxes and extraordinary items, and actual net income before income taxes and extraordinary items in a consistent manner.



**Nebraska Financial Institution Tax Return**  
for the calendar year January 1, 2014 through December 31, 2014 or other taxable year  
beginning \_\_\_\_\_, 2014 and ending \_\_\_\_\_, 20\_\_\_\_\_

**FORM 1120NF**  
**2014**

Name of Financial Institution		<b>PLEASE DO NOT WRITE IN THIS SPACE</b>
Street or Other Mailing Address		
City	State	
Business Classification Code	Federal ID Number	Nebraska ID Number <b>24—</b>

**Type of financial institution – check applicable box:**

(1)  Bank                      (2)  Savings and Loan                      (3)  Credit Union                      (4)  Other \_\_\_\_\_

• Enter dollar amounts in ones, not in thousands (for example, 14 million must be written as 14,000,000).

1 Preceding year-end deposits .....	<b>1</b>		00	
2 First quarter ending deposits .....	<b>2</b>		00	
3 Second quarter ending deposits .....	<b>3</b>		00	
4 Third quarter ending deposits .....	<b>4</b>		00	
5 Fourth quarter ending deposits .....	<b>5</b>		00	
6 Total deposits (total of lines 1 through 5).....	<b>6</b>			00
7 Average deposits (see instructions).....	<b>7</b>			00
8 Financial institution tax (line 7 multiplied by .00047) .....	<b>8</b>			00
9 Net income before income taxes and extraordinary items (enter -0- if the financial institution has a net loss) .....	<b>9</b>			00
10 Limitation amount (line 9 multiplied by .0381) .....	<b>10</b>			00
11 Enter line 8 or line 10, whichever is less.....	<b>11</b>			00
12 Community Development Assistance Act (CDA) credit (attach Form CDN) .....	<b>12</b>			00
13 New Markets Tax Credit (NMTC) (attach Form 3800N) .....	<b>13</b>			00
14 Total nonrefundable credits .....	<b>14</b>			00
15 Net tax (subtract line 14 from line 11; if less than zero, enter -0-).....	<b>15</b>			00
16 Voluntary estimated tax payment (if any) .....	<b>16</b>			00
17 Balance due (line 15 minus line 16)	<b>17</b>			00
<input type="checkbox"/> Check this box if payment is made electronically .....	<b>17</b>			00
18 Overpayment (line 16 minus line 15) .....	<b>18</b>			00
19 Amount on line 18 you want CREDITED to 2015 voluntary estimated tax .....	<b>19</b>			00
20 Amount to be REFUNDED (line 18 minus line 19). Complete lines 21a, 21b, and 21c to receive your refund electronically .....	<b>20</b>			00

**Expecting a Refund?**  
• Have it sent directly to your bank account! (See instructions on page 6.)

**21a** Routing Number                       **21b** Type of Account                      1 = Checking                      2 = Savings

(Enter 9 digits, the first two digits must be 01 through 12, or 21 through 32. Use the checking or savings account number from an actual check, not a deposit slip.)

**21c** Account Number

(Can be up to 17 characters. Omit hyphens, spaces, and special symbols.)

**21d**  Check this box if this refund will go to a bank account outside the United States.



Under penalties of perjury, I declare that I have examined this return, and to the best of my knowledge and belief, it is correct and complete.

<b>sign here</b>	Authorized Signature	Date	Email Address
	Title	( )	Daytime Phone
<b>paid preparer's use only</b>	Preparer's Signature	Date	Preparer's PTIN
	Firm's Name (or yours if self-employed), Address, and Zip Code	EIN	( ) Daytime Phone

**This return is due on or before the 15th day of the third month following the taxable year-end.**  
**No extension of time to file or pay will be granted.**  
Mail this return 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**



# Shareholder's Schedule — Shareholder's Share of Nebraska Financial Institution Tax Paid

• Attach this schedule to Form 1120NF.

Financial Institution on Form 1120NF

Nebraska ID Number

<b>(A) Name</b>	<b>(B) Mailing Address</b>	<b>(C) City</b>	<b>(D) State</b>	<b>(E) Zip Code</b>	<b>(F) Social Security Number</b>	<b>(G) Percent of Ownership</b>	<b>(H) Financial Institution Tax (Line 15, Form 1120NF)</b>	<b>(I) Column G Multiplied by Column H</b>

## Instructions

### Shareholder's Schedule — Shareholder's Share of Nebraska Financial Institution Tax Paid

Financial institutions organized as S corporations must complete and file the Shareholder's Schedule with the Financial Institution Tax Return, Form 1120NF, to report each shareholder's proportionate share of credit for the tax paid by the financial institution. If more lines are needed, make additional copies and attach to the Form 1120NF.

**Columns A Through E.** Enter the name and mailing address of the shareholder.

**Column F.** Enter the Social Security number, or other appropriate tax ID number, of the shareholder.

**Column G.** Enter the shareholder's ownership percentage (calculate to at least six decimal places, then round to five decimals). For example, if the ownership percentage is .123464, round to .12346 and enter 12.346%.

If an ownership percentage changes during the year, compute the individual shareholder's percentage using a ratio of income received by the individual to the total income of the financial institution. The percentages in column G must total 100%.

**Column H.** Enter the total amount of tax paid by the financial institution from line 15, Form 1120NF.

**Column I.** Multiply the tax paid in column H by the percentage in column G.