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DEPARTMENT OF REVENUE

2024

Nebraska

S Corporation

Income Tax Booklet

Included in this Booklet are:

Form 1120-SN;

Schedules A, I, II, III, K-1N, PTET;

Form 7004N; and

Use Tax information.

Electronic filing and payment options are available.

Questions?

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2024 Nebraska S Corporation Income Tax Return

Instructions

What's New

Individual Income Tax Rate Change (LB 754, 2023). For the 2024 taxable year the highest rate for individual income tax on the Nebraska taxable income is reduced to 5.84%. The 5.84% tax rate will be used by entities electing to pay the pass-through entity tax (PTET) for tax year 2024. Entities not electing to pay the PTET, will use the 5.84% tax rate in calculating the Nebraska Income tax withholding for nonresident individuals and grantor trusts on Form 1120-SN, Schedule II.

School Readiness Tax Credit (LB 754, 2023). Beginning with tax year 2024, the School Readiness Tax Credit Act restored both a nonrefundable and refundable income tax credit with updated tax credit amounts. Eligible childcare and education providers and staff members must first apply to the Nebraska Department of Revenue (DOR) for the taxpayer to receive certification of the tax credit. Applications will be processed in the order received. The total amount of credits available under the Act is limited to \$7.5 million for each tax year.

The nonrefundable tax credit to the provider is equal to the average monthly number of subsidy children who attend the provider's program multiplied by a dollar amount based on the quality scale rating of the eligible program:

- A) \$1,200 for a Step Five program;
- B) \$1,000 for a Step Four program;
- C) \$800 for a Step Three program;
- D) \$600 for a Step Two program; and
- E) \$400 for a Step One program.

This nonrefundable tax credit is available to individuals, corporate taxpayers, and fiduciaries. The providers must first apply to the DOR to receive the credits. The nonrefundable credit can be claimed by an S corporation or partnership electing to pay tax. The refundable tax credit is limited to individuals.

Opportunity Scholarships Act (LB 753, 2023 and LB 1402, 2024). Beginning with tax year 2024 and until October 31, 2024, individuals and entities that made cash contributions to a certified scholarship-granting organization may qualify for a nonrefundable tax credit. Taxpayers must have notified the scholarship-granting organization of their intent to make a contribution and the amount to be claimed as a credit. The nonrefundable credit is equal to the lesser of:

- ◆ The total amount of contributions made to scholarship-granting organizations during the tax year;
- ◆ 50% of the income tax liability of the taxpayer for such year; or
- ◆ \$100,000, or \$1 million for estates and trusts.

A taxpayer may only claim a credit on the portion of the contribution that was not claimed as a charitable contribution deduction on their federal return. Any unused credit may be carried forward for the next five years after the credit was first granted. This credit can be claimed by an S corporation or partnership electing to pay the Nebraska income tax. If a shareholder, beneficiary, or member is claiming the credit based on a distribution, the credit is first limited by the tax liability of the pass-through entity or fiduciary.

Child Care Tax Credit Act (LB 754). Beginning with the 2024 tax year, a nonrefundable credit is available to persons and entities subject to the Nebraska income tax that make qualifying contributions under the Act and apply with DOR.

The credit is equal to 75% or 100% of the qualifying contribution, not to exceed \$100,000 for any single year. The credit is equal to 100% of the contribution if made to:

- ◆ An eligible program with a physical presence in an opportunity zone in Nebraska designated pursuant to the federal Tax Cuts and Jobs Act, Public Law 115-97; or

- ◆ An eligible program with at least one child enrolled in the childcare subsidy program established pursuant to Neb. Rev. Stat. §§ 68-1202 and 68-1206, and the childcare provider is actively caring and billing for the child.

If the above is not met, the credit is equal to 75% of the qualifying contribution.

Any unused credits may be carried forward to the next five tax years after the credit was first used. A taxpayer may only claim a credit on the portion of the contribution that was not claimed as a charitable contribution on their federal return. This credit can be claimed by an S corporation or partnership electing to pay the Nebraska income tax. The credit is distributable to beneficiaries of estates and trusts.

Nebraska Biodiesel Tax Credit Act (LB 1095, 2024 and LB 937, 2024). Beginning with the 2024 tax year, retail dealers of biodiesel may be eligible for a refundable tax credit. The tax credit equals 14 cents multiplied by the total number of gallons of biodiesel sold on a retail basis during the prior calendar year through a motor fuel pump located at the retailer dealer's motor fuel site. The credit is calculated only on the biodiesel portion of any product sold by the retail dealer that is a blend of biodiesel and diesel or other fuel. The tax credit may be used against any Nebraska income tax.

To receive the credit a retail dealer must file a Biodiesel Tax Credit Application, Form BDTC-A with DOR from January 1 to April 15 of each calendar year. A separate application must be filed for each calendar year. DOR may approve up to \$1 million in tax credits in Nebraska state fiscal year 2024-25 and \$1.5 million for Nebraska state fiscal years after 2024-25. If the total amount of credits

requested in any Nebraska state fiscal year exceeds the credit limit, DOR will allocate the tax credits proportionally based upon the amounts requested.

Creating High Impact Economic Futures (CHIEF) Act (LB 1344, 2024). Effective January 1, 2025, the Community Development Assistance Act (CDAA) is replaced by the CHIEF Act. Under the CHIEF Act, individuals and entities that contribute to community betterment organization programs or projects certified for tax credit status by the Nebraska Department of Economic Development during a tax year are eligible for the nonrefundable credit. The credit for contributions made by an individual is equal to 100% of the contribution. The credit is equal to 50% of the contribution for all other contributors. Contributions must be made after January 1, 2025. Any unused credits may be carried forward to the next five tax years after the credit was first allowed.

School District Property Tax Credit (LB 34). LB 34 enacted in the 2024 special session created the School District Property Tax Relief Act. This act provides property tax relief for school district taxes **directly** on the property tax statement reducing property taxes before they are paid.

For tax years beginning on or after January 1, 2024, the Form PTC will only be used to claim a credit for community college property taxes paid.

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 8% from the original due date to the date the tax is paid. See the [DOR Interest Rate Assessed on State Taxes Revenue Ruling](#) for applicable interest rates.

Reporting Changes or Corrections. If information on a Nebraska S corporation return previously filed is incorrect, an Amended Nebraska S Corporation Income Tax Return, Form 1120-XSN must be filed. A Form 1120-XSN cannot be e-filed. When filing an amended return, remember:

- ◆ Changes made by the IRS or another state must be reported to DOR within 60 days;
- ◆ 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
- ◆ 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 [Application for Extension of Time to File Nebraska 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. Estimated income tax payments must be made by every S corporation that elected to be subject to Nebraska income tax, if the Nebraska income tax liability can reasonably be expected to exceed allowable credits by \$400 or more. The requirement to make estimated payments applies to tax years beginning on and after January 1, 2024. For additional information see the [2025 Nebraska Corporation Estimated Income Tax Payment Voucher Booklet](#).

Underpayment of Estimated Income Tax Penalty. An S corporation may owe a penalty if the amount of tax due, after allowable credits, is \$400 or more.

If the amount of tax due is \$400 or more, the corporation must complete an Underpayment of Estimated Tax for Corporations, S corporations, or Partnerships, Form 2220N, to calculate any applicable penalty. Taxpayers can include the 2023 school district property tax credit in the penalty calculation formula.

Nonresident Shareholders

S corporations that did not elect to be subject to Nebraska income tax for 2024, 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 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 5.84% 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
 1. The S corporation has remitted income tax from all the Nebraska income attributable to the nonresident's share of the S corporation's income; or
 2. The S corporation remitted the pass-through entity tax (PTET) and the credit for the nonresident individual shareholder's share of the PTET remitted would fully satisfy their Nebraska income tax liability.

In lieu of filing a Nebraska Individual Income Tax Return, a nonresident shareholder may elect to allow the full amount of income tax withholding or the refundable PTET credit 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 or PTET attributable to the nonresident's share of the S corporation's income.

No Composite Filing. 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;
- ◆ Remit Nebraska income tax withholding on the nonresident shareholder's share of Nebraska income with [Form 1120-SN](#); or
- ◆ Make the PTET election and remit the PTET due.

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. The S corporation is also not required to remit income tax for any nonresident individual if it makes the PTET election. 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 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](#), [Nebraska Schedule PTET - Shareholders Share of Nebraska Pass-Through Entity Tax, Form 1120-SN](#), 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 if it does not make the PTET election. The total amount of income tax withheld from the S corporation must be distributed in the same manner as income. An S corporation that made the PTET election, may claim a credit for the 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 [2024 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. DOR will receive the Form 1099NTC information directly from DED. An S corporation that made the PTET election cannot use this credit to offset its PTET liability.

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

Nebraska Department of Economic Development
 245 Fallbrook Blvd, Suite 002
 Lincoln, NE 68521-4666
opportunity.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. DOR will receive the Form 1099 BFC information directly from the Nebraska Department of Agriculture.

School Readiness Tax Credit for providers. Enter the amount of the credit from the tax credit certification issued by DOR. A copy of the tax credit certificate must be attached to this return when filed. The total amount distributed by the S corporation must be distributed in the same proportion as ordinary income.

Opportunity Scholarships Act Credit for contributors. Enter the lesser of the amount of cash contributions made to scholarship-granting organizations, 50% of the income tax liability (line 6, Form 1120-SN), or \$100,000. An S corporation may only claim a credit on the portion of the contribution that was not deducted as a charitable contribution on its federal return. The total amount distributed by the S corporation must be distributed in the same proportion as ordinary income. The taxpayer may carry forward the excess credit for up to five taxable years after the taxable year in which the credit was first allowed. Taxpayers must use the carryover credit in the earliest taxable year possible.

Creating High Impact Economic Futures (CHIEF) credit. This nonrefundable credit is allowable for contributions to community betterment organization programs or projects certified for tax credit status by the Nebraska Department of Economic Development. The credit must be claimed on the tax return for the year in which the contribution was made. The total amount distributed by the S corporation must be distributed in the same proportion as ordinary income. Any credits may be carried forward for up to five years from the year in which the credit was first allowed. Attach Form 1879NTC.

For more details regarding this credit, contact:

Nebraska Department of Economic Development
245 Fallbrook Blvd, Suite 002
Lincoln, NE 68521-4666
opportunity.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, 1107N, 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 ($\$1,600 \times 5.5\%$) and the local tax is \$24 ($\$1,600 \times 1.5\%$). 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;
- ◆ Report any applicable PTET for tax years 2018 through 2022, and 2024. For additional information see instructions for line 17, Form 1120-SN; 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 2024 Form 1120-SN must be used to file for the calendar year 2024, or a fiscal year beginning in 2024. 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 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 2024 tax year.

PTET Election. Check box 5 if the S corporation is electing or previously elected to be subject to income tax for the 2024 tax year. The election for 2024 must be made on or before the due date of the return including any approved extension.

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 22 of Federal Form 1120-S.
Line 2	Nebraska Adjustments Increasing Ordinary Business Income. Enter the amount from line 12 of Nebraska Schedule A. See the Schedule A instructions for additional information.
Line 3	<p>Nebraska Adjustments Decreasing Ordinary Business Income. Enter the amount from line 23 of Nebraska Schedule A. The following examples are items that are not allowable adjustments decreasing federal ordinary business income:</p> <ul style="list-style-type: none">◆ 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. <p>See the Nebraska Schedule A instructions for additional information.</p>
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	Electing Pass-Through Entity Tax (PTET) for Tax Year 2024. If the S corporation elected to be subject to Nebraska income tax for the 2024 tax year, enter the result of line 5 multiplied by 5.84%. If the partnership did not elect to be subject to Nebraska income tax for the 2024 tax year, skip lines 6 through 14.
Line 7	<p>Premium Tax Credit. Enter the total amount of premium taxes paid (not accrued) by the S corporation in this taxable year. These taxes include:</p> <ul style="list-style-type: none">◆ Premium taxes paid to the Nebraska Department of Insurance (NDOI) under Neb. Rev. Stat. §§ 77-908 and 81-523; and◆ Assessments paid to the NDOI for the Comprehensive Health Insurance Pool that are allowed as an offset against any related premium and related retaliatory tax liability under Neb. Rev. Stat. § 44-4233. <p>Premium taxes do not include amounts shown on the NDOI annual tax return as fees or the Workers’ Compensation Court cash fund tax.</p>

Example 3.

An insurance company made the following 2024 estimated premium tax payments and payments with its 2023 and 2024 NDOI returns.

Tax Year	Payment Type	Payment Date	Payment Amount	2024 Premium Tax Credit
2023	Payment with return	March 1, 2024	\$3,000	
	Less: Fees included on the 2023 return		100	\$ 2,900
2024	Estimated	April 15, 2024	4,000	4,000
2024	Estimated	June 15, 2024	4,000	4,000
2024	Estimated	Sept. 15, 2024	4,000	4,000
2024	Payment with return	March 1, 2025	4,000	0
Total				\$14,900

In this example, the insurance company will enter \$14,900 on line 7 as a credit for premium taxes paid.

A corporation claiming this credit must attach a copy of the NDOI annual tax return related to any payment claimed as a credit for premium taxes paid. A schedule listing the date and amount of payment and the payee must also be attached.

Line 8 **Employer’s Credit for Expenses Incurred for TANF (ADC) Recipients.** Enter the total credit from line 2, Form TANF.

Line 9 **Form 3800N Nonrefundable Credit.** Enter the total nonrefundable credits reported on Nebraska Incentives Credit Computation, Form 3800N. Attach a copy of Form 3800N and any supporting schedules.

Line 10 **NE Employer Tax Credit for Employing Convicted Felons.** Enter the certified credit amount and the certificate number from the Nebraska Employer Tax Credit Application for Employing Convicted Felons, Form ETC-A.

Line 11 **School Readiness Tax Credit for providers.** Enter the amount of the credit from the tax credit certification issued by DOR. A copy of the tax credit certificate must be attached to this return when filed. For more information about this credit, go to School Readiness Tax Credit Act.

Line 12 **Opportunity Scholarships Act Credit for contributors.** Enter the lesser of the amount of cash contributions made to scholarship-granting organizations, 50% of the income tax liability (line 6, Form 1120-SN), or \$100,000. An S corporation may only claim a credit on the portion of the contribution that was not deducted as a charitable contribution on its federal return. The taxpayer may carry forward the excess credit for up to five taxable years after the taxable year in which the credit was first allowed. Taxpayers must use the carryover credit in the earliest taxable year possible.

Line 13 **[Child Care Tax Credit for contributors.](#)** Enter the approved child care tax credit amount and certificate number from Form CCTC-A. An S corporation may only claim a credit on the portion of the contribution that was not deducted as a charitable contribution on its federal return. The taxpayer may carry forward the excess credit for up to five taxable years after the taxable year in which the credit first was allowed. Taxpayers must use the carryover credit in the earliest taxable year possible.

Line 14 **Creating High Impact Economic Futures (CHIEF) credit.** This nonrefundable credit is allowable for contributions to community betterment organization programs or projects certified for tax credit status by the Nebraska Department of Economic Development. The credit must be claimed on the tax return for the year in which the contribution was made. Any credits may be carried forward for up to five years from the year in which the credit was first allowed. Attach Form 1879NTC, after entering your Tax Identification Number on the Form 1879NTC.

Line 17 **PTET for Tax Years 2018 Through 2022.** If the S corporation elected to be subject to Nebraska income tax for any tax year from 2018 through 2022, enter the PTET the S corporation will distribute to its shareholders for the 2024 tax year. The PTET credit will not be allowed to the shareholders until the S corporation pays the amount reported on line 17.

Line 18	Income Reported to Nebraska Subject to Withholding. Enter the amount from the column (F), Nebraska Schedule II total.
Line 19	Nebraska Income Tax Withholding for Nonresident Individual Shareholders. Enter the amount from the column (G), Nebraska Schedule II total.
Line 21	Form 3800N Refundable 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 recapture is larger than the credits, enter as a negative number.
Line 22	Tax Deposited with Form 7004N and 2024 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 22.
Line 23	<p>Beginning Farmer Credit. Enter the amount of Beginning Farmer credit from the Statement of Nebraska Tax Credit, Form 1099BFC that is not distributed to the shareholders. The Beginning Farmer credit is available to owners of agricultural assets, when the agricultural assets are rented to qualifying beginning farmers or livestock producers. Any claimant eligible for the credit will receive a copy of the Statement of Nebraska Tax Credit, Form 1099BFC, from the Nebraska Department of Agriculture. S corporations do not need to attach a copy of the Form 1099BFC. DOR will receive the Form 1099BFC information directly from the Nebraska Department of Agriculture.</p> <p>For more details regarding this credit, contact:</p> <p style="padding-left: 40px;">Nebraska Department of Agriculture PO Box 94947 Lincoln, NE 68509-4947 402-471-4876 nextgen.nebraska.gov</p>
Line 24	Nebraska Income Tax Withheld. If the S corporation elected to be subject to tax for the 2024 tax year, enter the amount of Nebraska withholding from Form 1099-MISC or Form 1099-NEC. Construction contractors are required to withhold 5% of any payment or payments exceeding \$600 made to construction subcontractors that are not registered in the Nebraska Department of Labor’s Contractor Registration Database.
Line 25	<p>Credit for Community College Property Taxes. To claim the credit, taxpayers must complete and submit a Nebraska Property Tax Credit, Form PTC. Enter the amount from line 1 of Form PTC and attach Form PTC.</p> <p>S Corporations that claimed the amount from line 1 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.</p>
Line 26	PTET Credit Received From an Electing Partnership. If you are not distributing the PTET credits received from a partnership, enter the total amount of PTET credit received from electing partnerships on line 26 and complete lines 26a, 26b, 26c, 26d, and 26e; and attach the Schedules K-1N. If PTET credits were received from more than one partnership, attach a schedule in the same format as lines 26a, 26b, and 26c, 26d, and 26e. Financial institutions that elected to be treated as S corporations may claim the credit on either Form 1120-SN or Form 1120NF, but not on both. If the PTET credits received from partnerships will be distributed to your shareholders do not include that amount here, instead include that amount in the shareholders Schedule K-1N and add the distributed credit to the Schedule PTET.
Line 28	Tax Due. If line 20 minus line 27 is greater than zero, enter the result on line 28.
Line 29	Penalty for Underpayment of Estimated Income Tax. Use the Underpayment of Estimated Tax for Corporations, S corporations, and Partnerships, Form 2220N, to determine if the corporation owes this penalty. A Form 2220N must be completed if the Nebraska tax less allowable credits is greater than \$400. If the corporation is required to complete Form 2220N, enter the amount of penalty from line 20, Form 2220N.
Line 30	Amount Due. There is an amount due when line 27 is less than the total of lines 20 and 29.

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 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 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 DOR may be presented for payment electronically.

Line 31	Overpayment. If line 27 minus lines 20 and 29 is less than zero, enter the result on line 31.
Line 32	Amount Credited to 2025 Estimated Income Tax. Enter the amount of overpayment shown on line 31 that you want credited as a tax year 2025 estimated payment for the S corporation.
Line 33	Overpayment to be Refunded. Enter the amount of overpayment shown on line 31 that you want refunded. The overpayment to be refunded is calculated by subtracting line 32 from line 31. DOR recommends having any refund on line 33 directly deposited into the S corporation’s bank account. See line 34 instructions below.
Line 34	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 34a and 34c, and complete line 34b, Type of Account. The box on line 34d 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 DOR needs to contact you. Email. By entering an email address, the taxpayer acknowledges that DOR may contact the taxpayer by email. The taxpayer accepts any risk to confidentiality associated with this method
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of communication. DOR will send all confidential information by secure email or the State of Nebraska's file share system. If you do not wish to be contacted by email, write "Opt Out" on the line labeled "email address."

If a corporate officer authorizes another person to sign the return, there must be a [Power of Attorney, Form 33](#), on file with 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 PTET for the 2024 tax year or 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 1120-S, 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

Nebraska and Local Income, Sales, and Use Taxes Deducted on Federal Form 1120-S Under Section 164 of the IRC. The amount entered includes any Nebraska PTET deducted on the S corporation's 2024 Federal Form 1120-S.

Line 12

Total Adjustments Increasing Ordinary Business Income. Enter the total of lines 1 through 11 here and on line 2 of [Form 1120-SN](#).

Adjustments Decreasing Ordinary Business Income

Line 13

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 13, 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 13.

Lines 14-21

The amounts on each of these lines come directly from Federal Form 1120-S, Schedule K.

Line 22

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 13 through 21 above. List the type of adjustment on line 22a, Nebraska Schedule A, and the associated amount on line 22b. Attach a schedule if needed.

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 2024 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 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 1120-S.
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:

Line 14 Nebraska column	107,699	= .2154014464231428
Line 14 Total column	499,992	

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. Do not complete this schedule if you checked box 5 on Form 1120-SN.

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 [2024 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. If a single-member limited liability company (LLC) owns stock in the corporation and is treated as a disregarded entity for income tax purposes, enter the LLC owner's name and address information.

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. If a single-member limited liability company (LLC) owns stock in the corporation and is treated as a disregarded entity for income tax purposes, enter the LLC owner's Social Security number or Federal ID number.

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 1120-S.

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 14, Form 1120-SN.

Column (G). Multiply the amount in column (F) by .0584 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 19, 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.

See the Nebraska Schedule K-1N for the Instructions Shareholder's Share of Income, Deductions, Modifications, and Credits

Nebraska Schedule PTET Shareholder's Share of Nebraska Pass-Through Entity Tax

Complete this schedule only if the S corporation elected to be subject to Nebraska income tax for any of the 2018 through 2022 tax years during its 2024 tax year; or made a timely PTET election for the 2024 tax year; or is distributing a PTET credit received.

Purpose. The Nebraska Schedule PTET is used to report the Nebraska PTET by an S corporation that elected to be subject to Nebraska income tax or to distribute a PTET credit received. Schedule PTET is also used to report the amount of Nebraska PTET credit allowable to each shareholder that held an ownership interest in the electing S corporation during the 2024 tax year.

Line 1. Enter the 2024 Nebraska PTET reported on line 6, Form 1120-SN.

Line 2. Enter the 2018 through 2022 Nebraska PTET reported on line 17, Form 1120-SN.

Line 3. Enter the amount of PTET credit reported on line 26e, Form 1120-SN received in the 2024 tax year that you are redistributing to your shareholders.

Line 4. Enter the total of lines 1, 2, and 3. This is the total PTET amount distributed to the shareholders. The total of the amounts entered in Column (J) must be the same as the amount entered on line 4.

Column (A). Enter the shareholder's name. If the shareholder is a grantor trust, enter the name of the grantor. If a single-member LLC owns stock in the corporation and is treated as a disregarded entity for income tax purposes, enter the LLC owner's name.

Column (B). Enter the Social Security number for each individual shareholder or grantor of a grantor trust. Enter the Federal ID number (FEIN) for each shareholder that is not an individual. If a single-member LLC owns stock in the corporation and is treated as a disregarded entity, enter the LLC owner's Social Security number or FEIN.

Column (C). Enter the percent of ownership for each individual or trust that held an ownership interest in the S corporation during the 2024 tax year.

Columns (D) through (I). Enter each shareholder's share of the 2018 through 2022, and 2024 PTET credit. The shareholder's share is equal to the Nebraska PTET deducted for each tax year multiplied by the shareholder's 2024 percent of ownership.

Columns (J). For each shareholder enter the result of Columns (D) through (I). The total of Column (J) is the line 4 total, Schedule PTET amount.

Nebraska S Corporation Income Tax Return

2024

for the calendar year January 1, 2024 through December 31, 2024 or other taxable year
beginning , 2024 and ending ,

Name Doing Business As (dba) _____ Legal Name _____ Street or Other Mailing Address _____ City State ZIP Code _____			PLEASE DO NOT WRITE IN THIS SPACE 		
Principal Business Activity in Nebraska	Federal ID Number	Nebraska ID Number	Does the S corporation have nonresident individual shareholders? <input type="checkbox"/> YES (Complete Schedule II, unless box 5 is checked) <input type="checkbox"/> NO		

Check if:

(1) <input type="checkbox"/> Initial Return	(3) <input type="checkbox"/> Address Change	(5) <input type="checkbox"/> The S corporation is electing or previously elected to be subject to income tax under Neb. Rev. Stat. § 77-2734.01(8). (See instructions and complete Schedule PTET)	(7) <input type="checkbox"/> Form 3800N, 775N, 312N, or 1107N Attached
(2) <input type="checkbox"/> Final Return (Example, dissolved. See instr.)	(4) <input type="checkbox"/> Name Change	(6) <input type="checkbox"/> Form 7004 Attached	(8) <input type="checkbox"/> Distributed Form 3800N Credit

1 Ordinary business income (line 22, Federal Form 1120S)	1		00
2 Nebraska adjustments increasing ordinary business income (line 12, Schedule A)	2		00
3 Nebraska adjustments decreasing ordinary business income (line 23, 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, do not complete lines 6 through 12, 14, or 15.			
6 Electing pass-through entity tax (PTET) for tax year 2024. (if box 5 is checked, enter line 5 multiplied by .0584) ..	6		00
7 Premium tax credit (see instructions - attach schedule)	7		00
8 Employer's credit for expenses incurred for TANF (ADC) recipients (see instr.) ..	8		00
9 Form 3800N nonrefundable credit and recapture (attach Form 3800N)	9		00
10 NE employer tax credit for employing convicted felons. Enter certificate number from Form ETC-A _____	10		00
11 School Readiness Tax Credit for providers	11		00
12 Opportunity Scholarships Act Credit for contributors	12		00
13 Child Care Tax Credit for contributors Enter certificate number from Form CCTC-A	13		00
14 Creating High Impact Economic Futures (CHIEF) credit	14		00
15 Total nonrefundable credits (total of lines 7 through 14)	15		00
16 Nebraska PTET for tax year 2024 after nonrefundable credits. Subtract line 15 from line 6 (if line 15 is more than line 6, enter -0-)	16		00
17 PTET for tax years 2018 through 2022 (see instructions)	17		00
18 Income reported to Nebraska subject to withholding. If box 5 is not checked, enter the Column (F), Schedule II total	18		00
19 Nebraska income tax withheld for nonresident individual shareholders. If box 5 is not checked enter the Column (G), Schedule II total	19		00
20 Nebraska tax after nonrefundable credits (line 16 plus 17 and 19)	20		00

Table with 3 columns: Line number, Description, and Amount. Rows include Form 3800N refundable credit, Tax deposited with Form 7004N, Beginning Farmer credit, Nebraska income tax withheld, Credit for community college property taxes, PTET credit received from an electing partnership, Total refundable credits and payments, TAX DUE, Penalty for underpayment of estimated income tax, Amount Due, Overpayment, and Overpayment to be REFUNDED.

34a Routing Number [grid], 34b Type of Account [grid] 1 = Checking 2 = Savings, 34c Account Number [grid], 34d [] 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.

revenue.nebraska.gov, 800-742-7474 (NE and IA), 402-471-5729

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.

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 Nebraska and local income, sales, and use taxes deducted on Federal Form 1120-S under section 164 of the IRC	11		00
12 Total adjustments increasing ordinary business income (total of lines 1 through 11). Enter here and on line 2, Form 1120-S.....	12		00
Adjustments Decreasing Ordinary Business Income		Totals	
• Enter amounts for lines 14 through 22 from Schedule K, Federal Form 1120S.			
13 Qualified U.S. government interest deduction (see instructions)	13		00
14 Net rental real estate loss.....	14		00
15 Other net rental loss.....	15		00
16 Net short-term capital loss	16		00
17 Net long-term capital loss.....	17		00
18 Net loss under IRC Section 1231	18		00
19 Other loss.....	19		00
20 Charitable contributions	20		00
21 Section 179 deduction	21		00
22 Other deductions (list below or attach schedule)			
a List type: _____ b Amount: \$ _____			
Total other deductions. Enter total of lines 21b	22		00
23 Total adjustments decreasing ordinary business income (total of lines 13 through 22). Enter here and on line 3, Form 1120-S.....	23		00

**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.

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	<input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> %	
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	<input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> %		

Nebraska Schedule III—Subsidiary or Affiliated Corporations

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.

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

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				Check One:			
Beginning _____, 20____ and Ending _____, 20____				<input type="checkbox"/> Resident Individual <input type="checkbox"/> Nonresident Individual <input type="checkbox"/> Estate or Trust <input type="checkbox"/> Exempt Organization			
S Corporation's Nebraska Apportionment Factor				Shareholder's Ownership Percentage		If applicable, check the appropriate box:	
				%	%	<input type="checkbox"/> Final <input type="checkbox"/> 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	
14 Nebraska and local income, sales, and use taxes deducted on Federal Form 1120-S under section 164 of the IRC	14	

Part B - Shareholder's Share of Modifications

15 Qualified U.S. government interest deduction	15	
16 State and local government interest and dividend income	16	
17 Income (loss) from non-Nebraska sources	17	

Part C - Shareholder's Share of Credits

18 Community Development Assistance Act credit	18													
19 Creating High Impact Economic Futures (CHIEF) credit	19													
20 Form 3800N credits (see Form 1120-SN Schedule K-1N instructions)														
<table border="1" style="width:100%; border-collapse: collapse;"> <tr><td style="width: 50%;">Enter Code for the 3800N credit</td><td style="width: 50%;">Amount of 3800N credit</td></tr> <tr><td> </td><td style="text-align: center;">\$</td></tr> <tr><td> </td><td style="text-align: center;">\$</td></tr> <tr><td> </td><td style="text-align: center;">\$</td></tr> <tr><td> </td><td style="text-align: center;">\$</td></tr> <tr><td>Total of 3800N credits (Enter here and on line 20)</td><td style="text-align: center;">\$</td></tr> </table>	Enter Code for the 3800N credit	Amount of 3800N credit		\$		\$		\$		\$	Total of 3800N credits (Enter here and on line 20)	\$	20	
Enter Code for the 3800N credit	Amount of 3800N credit													
	\$													
	\$													
	\$													
	\$													
Total of 3800N credits (Enter here and on line 20)	\$													
21 Contractor withholding (see instructions)	21													
22 Nebraska income tax withheld (see instructions)	22													
23 Total PTET credit (see instructions)														
a 2018 \$ _____ b 2019 \$ _____ c 2020 \$ _____														
d 2021 \$ _____ e 2022 \$ _____ f 2024 \$ _____	23													
24 Opportunity Scholarships Act credit for contributors	24													
25 School Readiness Tax Credit for Providers	25													

Instructions

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 20 of the Schedule K-1N. To distribute credits earned under the Urban Redevelopment Act, contact DOR to obtain the necessary worksheet and other documentation requirements.

Complete the S Corporation and Shareholder Information

Shareholder's Name and Mailing Address. If the shareholder is a grantor trust, enter the name and mailing address of the grantor.

If a single-member limited liability company (LLC) owns stock in the corporation and is treated as a disregarded entity for income tax purposes, enter the LLC owner's name and mailing address.

Nebraska ID Number. Enter the Nebraska ID number assigned to the S corporation by 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. If a single-member limited liability company (LLC) owns stock in the corporation and is treated as a disregarded entity for income tax purposes, enter the LLC owner's Social Security number or Federal ID 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.

Line 14. Enter the shareholder's share of the Nebraska and local income, sales, and use taxes deducted on the 2024 Federal Form 1120-S under section 164 of the Internal Revenue Code (IRC). This includes the Nebraska PTET deducted by the S corporation.

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 15 and 16 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 15 and 16 will be the result of the federal amounts multiplied by the S corporation's Nebraska apportionment factor.

Line 15. 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 15, 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 15.

Line 16. 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 17. Income (Loss) from Non-Nebraska Sources. 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 18. 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 19. Creating High Impact Economic Futures (CHIEF) credit. Enter the shareholder's share of the distributed CHIEF credit reported on the Creating High Impact Economic Futures form received from the Nebraska Department of Economic Development.

Information on this credit can be obtained by contacting:

Nebraska Department of Economic Development
245 Fallbrook Blvd, Suite 002
Lincoln, NE 68521
opportunity.nebraska.gov

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

Line 20. Form 3800N Credit. From the following codes (Codes A through L), enter the code and amount of 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 20 of the Schedule K-1N. An amount entered for the Nebraska Historic Tax Credit does not entitle the shareholder to claim the credit. Rather, the shareholder must be issued a NHTC certificate by DOR before any credit will be allowed. For additional information, see our [website](#).

- Code A Employment and Investment Growth Act
- Code B Nebraska Advantage Act
- Code C Nebraska Advantage Rural Development Act
- Code D Nebraska Advantage Research and Development Act
- Code E New Markets Tax Credit
- Code F Nebraska Historic Tax Credit
- Code G ImagiNE Nebraska Act
- Code H Urban Redevelopment Act
- Code I Renewable Chemical Production Tax Credit Act
- Code J Nebraska Higher Blend Tax Credit Act
- Code K Affordable Housing Tax Credit
- Code L Biodiesel Tax Credit

Line 21. Contractor Income Tax Withholding. A S corporation that was subjected to the mandatory 5% contractor income tax withholding and did not make the PTET election must distribute the amount withheld to its shareholders. The amount entered on line 21 is the total amount of Nebraska withholding reported on the Form 1099-MISC or Form 1099-NEC 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 22. Nebraska Income Tax Withheld. 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.

Line 23. Total PTET Credit. Enter the PTET credit for each tax year on lines 23a through 23f from Schedule PTET, Form 1120-SN. Enter the total 2018 through 2022 plus 2024 PTET credits on line 23.

Line 24. Opportunity Scholarships Act credit for contributors. Enter the shareholder's share of the distributed amount of the credit.

Line 25. School Readiness Tax Credit for Providers. Enter the shareholder's share of the distributed amount of the tax credit. The entity distributing the tax credit on the Schedule K-1N must have completed page 2 of the School Readiness Tax Credit Act - Application for Childcare and Education Provider prior to distributing the tax credit.

**Application for Automatic Extension of Time
to File Nebraska Corporation, Fiduciary, or Partnership Return**
Taxable year beginning _____, and ending _____,

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	Form 3800N nonrefundable credits	3		
4	Other nonrefundable credits (see instructions)	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 refundable credits (see instructions)	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

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 4. Other nonrefundable credits. Enter the total of the employer's credit for expenses incurred for TANF (ADC) recipients, School Readiness Tax Credit for providers, CDAA credit, Nebraska employer tax credit for employing convicted felons, Opportunity Scholarship Credit for contributors, Child Care Tax Credit for contributors, and Creating High Impact Economic Futures (CHIEF) credit.

Line 9. Other payments or refundable credits. Enter the total of the Beginning Farmer credit, Nebraska income tax withheld, Property Tax Incentive Act credits, and PTET credit. Effective January 1, 2024, the Property Tax Incentive Act credit only includes the credit for community college taxes paid as property tax relief for school district taxes is now applied directly on the property tax statement. The PTET credit includes your share of the Nebraska pass-through entity tax paid by a partnership in which you hold an ownership interest.

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."