



2010

Nebraska

Financial Institution

Tax Return

Included in this Booklet:

Form 1120NF and
Shareholder's Schedule

ELECTRONIC PAYMENT OPTIONS ARE AVAILABLE.
See instructions under "Payment of Tax"

Questions?

www.revenue.ne.gov

(800) 742-7474 (toll free in NE or IA) or (402) 471-5729

2010 Nebraska Financial Institution Tax Return

INSTRUCTIONS

Who Must File?

Every financial institution, including a bank holding company or financial holding company, must file a Nebraska Financial Institution Tax Return when the institution:

- ◆ Maintains a permanent place of business in Nebraska; and
- ◆ Actively solicits deposits from residents of this state.

A financial institution does not file a Nebraska Corporation Income Tax Return, Form 1120N.

A federal credit union is not required to file a Nebraska Financial Institution Tax Return.

Period Covered by the Return

This return must be filed for the 2010 calendar year or fiscal year beginning in 2010. Contact the Nebraska Department of Revenue (Department) for instructions if the financial institution's fiscal year ends other than on a calendar quarter.

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

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

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 of the financial institution. File the return:

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

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

Calculation and Payment of Tax

Rate of Tax and Limitation Amount. The rate of tax and limitation rate are the rates in effect on the first day of the financial institution's taxable year. For tax year 2010:

- ◆ The rate of tax is \$.47 per \$1,000 of average deposits; and
- ◆ The limitation rate is 3.81% of the net financial income.

The financial institution must pay the lesser of the tax on average deposits or the limitation amount. The tax is required to be paid on or before the original due date of the return. Financial institutions have the option to file an estimated payment during the final month of the tax year. The estimated payment is made on a [Nebraska Financial Institution Voluntary Estimated Tax Payment, Form 1120NF-ES](#).

Penalties and interest may be imposed for failure to file a complete return, failure to file a timely return, or underpayment of tax. Interest at the statutory rate is due on the amount of unpaid tax whenever the total amount of tax due is not paid by the due date.

Payment of tax can be made by electronic funds transfer (EFT), check, money order, or credit card.

- ◆ Financial institutions which made tax payments exceeding \$25,000 in the prior year are required to make all payments using EFT. Beginning January 1, 2011, the threshold for EFT payments will be lowered to \$20,000. The threshold is scheduled to be lowered each January and July until 2015 when the threshold will be set at \$5,000. Two types of ACH payments are available: ACH Credit and ACH Debit. Details on EFT payments and payment by credit card can be found in the “Make a Payment” section at www.revenue.ne.gov.
- ◆ Make check or money order payable to the Nebraska Department of Revenue. Checks written to the Department may be presented for payment electronically.
- ◆ Secure credit card payments can be initiated through Official Payments Corporation at www.officialpayments.com, or via telephone at (800) 2PAY-TAX. Eligible credit cards include American Express, Discover, MasterCard, and VISA. A convenience fee (2.49% of the tax payment, \$1 minimum) will be charged to the card you use. This fee is paid to the credit card vendor, not the State, and will appear on your credit card statement separately from the tax payment.

Multistate Financial Institutions

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

Definitions

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

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

Deposits. Deposits are:

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

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

Financial Institution. Financial institution includes any of the following entities that are chartered or qualified to do business in Nebraska:

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

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

A financial institution also includes any of the above entities and a bank holding company or a financial holding company when not chartered to do business in Nebraska, but which maintains a permanent place of business in this state and actively solicits deposits from residents of this state for an affiliate.

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

How to Complete Form 1120NF

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

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

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

Enter all amounts as whole dollars. 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.

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

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

| | |
|----------------------|---|
| LINES 1 – 5 | Enter the amount of ending deposits at the preceding year-end and the ending deposits at the end of each calendar quarter of the financial institution’s taxable year beginning in 2010. Refer to the chart on page 6 of these instructions as a guide to determine the ending deposits for each period. |
| LINE 7 | Divide the total deposits on line 6 by five, and enter the result on line 7. Fiscal-year or short-period returns should compute average deposits as described in average deposits on page 3 of these instructions. |
| LINE 9 | <p>Enter the amount of net income before income taxes and extraordinary items of the financial institution for the taxable year beginning on or after January 1, 2010. Refer to the chart on page 6 of these instructions to assist in determining the appropriate line number amount and possible adjustments to make for each reporting period necessary to arrive at the total representing the entire taxable year. Enter this total as net income before income taxes and extraordinary items on line 9.</p> <p>Net Losses. If the financial institution has a net loss before income taxes and extraordinary items, enter zero (-0-) on line 9. Net losses cannot be carried to any other year or any other return. Net losses cannot be used to obtain a refund for a prior or subsequent taxable year.</p> |
| LINE 12 | <p>The Community Development Assistance Act credit allowed cannot exceed the amount on line 11. This credit is allowable for contributions to approved projects of community betterment organizations recognized by the Nebraska Department of Economic Development. See the instructions on the 2010 Nebraska Community Development Assistance Act Credit Computation, Form CDN, for more information on this credit. Form CDN and a copy of Form 1099NTC must be attached to the Form 1120NF. The credit must be claimed on the tax return for the year in which the contribution was made. Any tax credit balance may be carried over and applied against your tax liability for the next five years immediately succeeding the tax year in which the credit was first properly claimed and allowed.</p> <p>More detailed information on this credit can be obtained by contacting:</p> <p style="padding-left: 40px;">Nebraska Department of Economic Development Community and Rural Development Division PO Box 94666, Lincoln, Nebraska 68509-4666 (402) 471-3775 or (800) 426-6505 www.neded.org</p> |
| LINE 13 | Subtract line 12 from line 11. If the result is less than zero, enter zero (-0-). |
| LINE 14 | Enter the amount of any voluntary estimated tax payment previously filed using Form 1120NF-ES . |
| LINE 15 | If the amount on line 13 is greater than line 14, enter the difference as a balance due on line 15. See “Payment of Tax” information on page 2 of these instructions for payment methods. |
| LINE 16 | If the amount on line 14 is greater than line 13, enter the difference as an overpayment on line 16. |
| LINE 18 | The Department recommends having any refund on line 18 directly deposited to your bank account. See line 19 instructions below. |
| LINES 19A-19D | <p>To have your refund directly deposited into your checking or savings account, enter the routing number and account number associated with the account.</p> <ul style="list-style-type: none"> ◆ 19a. The routing number is listed first and must be nine digits. ◆ 19b. Indicate the type of account – checking or savings. ◆ 19c. The account number is listed to the right of the routing number and can be up to 17 characters. ◆ 19d. Box 19d is used to comply with new banking rules regarding International ACH Transactions (IATs). These refunds cannot be processed as direct deposits and instead, will be mailed. |

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

Any person who is paid for preparing a financial institution's return must also sign the return as a preparer. The preparer must enter his or her Social Security Number (SSN) or Preparer Tax Identification Number (PTIN) and Federal Employer Identification Number.

Amended Returns.

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

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

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

Contact Information. If you need additional assistance, contact:

Nebraska Department of Revenue
PO Box 94818
Lincoln, NE 68509-4818
(800) 742-7474 (toll free in Nebraska and Iowa)
(402) 471-5729
www.revenue.ne.gov

*** CALL REPORT REFERENCES**

•For use in completing lines 1-5 and line 9 of Form 1120NF

| Type of Financial Institution | REPORTS AND LINE NUMBERS | |
|---|---|--|
| | LINES 1-5: Ending Deposits | LINE 9: Net Income Before Income Taxes and Extraordinary Items |
| Banks with Domestic and Foreign Offices | Form FFIEC 031 Consolidated Report of Condition Schedule RC-Balance Sheet Liabilities (Page RC-2) Line 13 Deposits Enter the total of lines 13.a. and 13.b. | Form FFIEC 031 Consolidated Report of Income Schedule RI-Income Statement Line 8 (Page RI-2) Income (loss) before income taxes and extraordinary items and other adjustments Enter line 8. FOR THE ENTIRE TAXABLE YEAR |
| Banks with Domestic Offices Only | Form FFIEC 041 Consolidated Report of Condition Schedule RC-Balance Sheet Liabilities (Page RC-2) Line 13 Deposits Enter line 13.a. | Form FFIEC 041 Consolidated Report of Income Schedule RI-Income Statement Line 8 (Page RI-2) Income (loss) before income taxes and extraordinary items and other adjustments Enter line 8. FOR THE ENTIRE TAXABLE YEAR |
| Savings and Loan Associations | OTS Form 1313 Office of Thrift Supervision Thrift Financial Report Statement of Condition Schedule SC Liabilities Line SC710 Deposits Enter line SC710. | OTS Form 1313 Office of Thrift Supervision Thrift Financial Report Statement of Operations Schedule SO Line SO60 Income (loss) before income taxes Enter line SO60. FOR THE ENTIRE TAXABLE YEAR |
| Credit Unions | National Credit Union Administration Form NCUA 5300 Statement of Financial Condition Liabilities, Shares/Deposits (Page 3) Line 17 Total Shares and Deposits Enter line 17, column C. | National Credit Union Administration Form NCUA 5300 Statement of Financial Condition Income (Operating): FOR THE ENTIRE TAXABLE YEAR Line 32 Net income Less: Line 14 Gain (loss) on investments Line 15 Gain (loss) on disposition of fixed assets Line 16 Gain from Bargain Purchase (Merger) Line 17 Other Non-operating Income (Expense) Enter line 32 minus lines 14 through 17. |

*This chart references the call reports available as of June 30, 2010. If these call reports are modified and the line numbers do not remain constant, please use this chart as a guide to report the financial institution's deposits, estimated deposits, estimated net income before income taxes and extraordinary items, and actual net income before income taxes and extraordinary items in a consistent manner.



Nebraska Financial Institution Tax Return
for the taxable year January 1, 2010 through December 31, 2010 or other taxable year
beginning _____, 2010 and ending _____, 20_____

FORM 1120NF
2010

| | | |
|---------------------------------------|-------------------------------|--|
| Name of Financial Institution | | PLEASE DO NOT WRITE IN THIS SPACE |
| Street or Other Mailing Address | | |
| City or Town | State | |
| Nebraska Identification Number 24— | Federal Identification Number | Business Classification Code |

Type of Financial Institution:

- (1) Bank (2) Savings and Loan (3) Credit Union (4) Other _____

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

| | | | |
|--|----|--|----|
| 1 Preceding year-end deposits | 1 | | 00 |
| 2 First quarter ending deposits | 2 | | 00 |
| 3 Second quarter ending deposits | 3 | | 00 |
| 4 Third quarter ending deposits | 4 | | 00 |
| 5 Fourth quarter ending deposits | 5 | | 00 |
| 6 Total deposits (total of lines 1 through 5) | 6 | | 00 |
| 7 Average deposits (see instructions) | 7 | | 00 |
| 8 Financial institution tax (line 7 multiplied by .00047) | 8 | | 00 |
| 9 Net income before income taxes and extraordinary items (enter -0- if the financial institution has a net loss) | 9 | | 00 |
| 10 Limitation amount (line 9 multiplied by .0381) | 10 | | 00 |
| 11 Enter line 8 or line 10, whichever is less | 11 | | 00 |
| 12 Community Development Assistance Act credit (attach Form CDN and a copy of Form 1099NTC) | 12 | | 00 |
| 13 Subtract line 12 from line 11 (if less than zero, enter -0-) | 13 | | 00 |
| 14 Voluntary estimated tax payment (if any) | 14 | | 00 |
| 15 Balance due (line 13 minus line 14) | 15 | | 00 |
| 16 Overpayment (line 14 minus line 13) | 16 | | 00 |
| 17 Amount on line 16 you want CREDITED to 2011 voluntary estimated tax | 17 | | 00 |
| 18 Amount to be REFUNDED (line 16 minus line 17). Complete Lines 19a, 19b, and 19c to receive your refund electronically | 18 | | 00 |

Expecting a Refund?

• Have it sent directly to your bank account! (see instructions on page 5.)

| | |
|---|---|
| 19a Routing Number <input style="width: 100%;" type="text"/> <small>(Enter 9 digits, first two digits must be 01 through 12, or 21 through 32; use an actual check or savings account number, not a deposit slip)</small> | 19b Type of Account 1 = Checking 2 = Savings |
|---|---|



19c Account Number
(Can be up to 17 characters. Omit hyphens, spaces, and special symbols. Enter from left to right and leave any unused boxes blank.)

19d Check this box if this refund will go to a bank account outside the United States.

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

sign here ▶

| | | |
|----------------------------|----------------------|----------------------|
| Authorized Signature _____ | Date _____ () | E-Mail Address _____ |
| Title _____ | Daytime Phone _____ | |

paid preparer's use only ▶

| | | |
|---|------------|---|
| Preparer's Signature _____ | Date _____ | Preparer's Social Security Number or PTIN _____ () |
| Print Firm's Name (or yours if self-employed), Address and Zip Code _____ | EIN _____ | Daytime Phone _____ |

**THIS RETURN IS DUE ON OR BEFORE THE FIFTEENTH DAY OF THE THIRD MONTH FOLLOWING THE TAXABLE YEAR-END.
NO EXTENSION OF TIME TO FILE OR PAY WILL BE GRANTED.**

Mail this return and payment to: **NEBRASKA DEPARTMENT OF REVENUE, P.O. BOX 94818, LINCOLN, NE 68509-4818**

www.revenue.ne.gov, (800) 742-7474 (toll free in NE and IA), (402) 471-5729

INSTRUCTIONS
SHAREHOLDER'S SCHEDULE —
Shareholder's Share of Nebraska Financial Institution Tax Paid

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

COLUMNS A THROUGH E. Enter the name and mailing address of the shareholder.

COLUMN F. Enter the Social Security number, or other appropriate tax identification number, of the shareholder.

COLUMN G. Enter the shareholder's ownership percentage (calculate to at least five decimal places, then round to four decimals). For example, if the ownership percentage is .12346, round to .1235 and enter 12.35%.

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

COLUMN H. Enter the total amount of tax paid by the financial institution from line 13, Form 1120NF.

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