

LEGISLATIVE BILL 559

Approved by the Governor June 13, 1995

Introduced by Warner, 25, Abboud, 12, at the request of the Governor

AN ACT relating to income tax; to amend section 77-2734.14, Reissue Revised Statutes of Nebraska; to change calculations related to a sales factor; and to repeal the original section.
Be it enacted by the people of the State of Nebraska,

Section 1. Section 77-2734.14, Reissue Revised Statutes of Nebraska, is amended to read:

77-2734.14. (1) The sales factor is a fraction, the numerator of which is the total sales of the taxpayer in this state during the tax period, and the denominator of which is the total sales everywhere during the tax period.

(2) Sales of tangible personal property ~~are~~ in this state ~~if~~ include:

(a) ~~The property is~~ Property delivered or shipped to a purchaser, other than the United States Government, within this state regardless of the f.o.b. point or other conditions of the sale; ~~or~~

(b) ~~The property is~~ Property shipped from an office, store, warehouse, factory, or other place of storage in this state ~~and if~~ (i) the purchaser is the United States Government or (ii) for all taxable years beginning or deemed to begin before January 1, 1995, under the Internal Revenue Code of 1986, as amended, the taxpayer is not taxable in the state of the purchaser;

(c) For all taxable years beginning or deemed to begin on or after January 1, 1995, and before January 1, 1996, under the Internal Revenue Code of 1986, as amended, two-thirds of the property shipped from an office, store, warehouse, factory, or other place of storage in this state if the taxpayer is not taxable in the state of the purchaser; or

(d) For all taxable years beginning or deemed to begin on or after January 1, 1996, but before January 1, 1997, under the Internal Revenue Code of 1986, as amended, one-third of the property shipped from an office, store, warehouse, factory, or other place of storage in this state if the taxpayer is not taxable in the state of the purchaser.

(3) Sales, other than sales of tangible personal property, are in this state if:

(a) The income-producing activity is performed in this state; or

(b) The income-producing activity is performed both in and outside this state and a greater proportion of the income-producing activity is performed in this state than in any other state, based on costs of performance.

Sec. 2. Original section 77-2734.14, Reissue Revised Statutes of Nebraska, is repealed.