

Committee on Revenue
Summary and Disposition of Bills

One Hundred Fifth Legislature
Second Session
May, 2018

Senator Jim Smith, Chair

COMMITTEE ON REVENUE

105th Nebraska Unicameral Legislature

Second Session, 2018

Members of Committee

Senator Jim Smith, Chairman	District 14, Papillion
Senator Curt Friesen, Vice Chairman	District 34, Henderson
Senator Lydia Brasch	District 16, Bancroft
Senator Mike Groene	District 42, North Platte
Senator Burke Harr	District 8, Omaha
Senator Tyson Larson	District 40, O'Neill
Senator Brett Lindstrom	District 18, Omaha
Senator Paul Schumacher	District 22, Columbus

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Bills Referenced to the Revenue Committee - By Bill Number

105th Legislature – First Session of the Legislature of Nebraska – January 2017

LB #	Introducer	One Liner	Hearing Date	Exec Session Date	Committee Amendments	Disposition at Sine Die	Signed by Governor	Comments
LB 12	Krist	Change homestead exemption requirements relating to income statements and certifications of status	1/19/17	None		IPP at Sine Die		
LB 15	Craighead	Adopt the First-Time Home Buyer Savings Account Act	1/18/17	None		IPP at Sine Die		
LB 20	Kolterman	Change provisions relating to homestead exemption certifications	1/19/17	1/26/17; Advanced to General File, 8-0	None	Passed on Final Reading, 41-0-8	Approved, 5/10/17	
LB 44	Watermeier	Adopt the Remote Seller Sales Tax Collection Act	1/27/17	3/13/17; Advanced to General File, 5-0-3	None	Select File; IPP at Sine Die		-Sen. Watermeier Priority Bill, 2017 -Sen. Watermeier Priority Bill, 2018
LB 48	Schumacher	Provide an income tax adjustment relating to certain gains on the sale of real estate	1/18/17	None		IPP at Sine Die		
LB 49	Schumacher	Provide for the treatment of certain amendments to the Internal Revenue Code	2/1/17	3/14/17	Amended into LB 217 with AM 634	Enacted with LB 217		-See LB 217 for AM 634 explanation
LB 51	Schumacher	Change provisions relating to sales for real property for nonpayment of taxes	1/19/17	3/13/17; Advanced to General File, 6-2	AM 267	General File		-Committee Amendment – AM 267 - pending
LB 52	Schumacher	Adopt the Modern Tax Act	1/18/17	None		IPP at Sine Die		

LB #	Introducer	One Liner	Hearing Date	Exec Session Date	Committee Amendments	Disposition at Sine Die	Signed by Governor	Comments
LB 63	Scheer	Change a sales and use tax exemption relating to political events	1/20/17	1/26/17 Advanced to General File, 8-0	None	Passed on Final Reading, 44-0-5	Approved, 5/10/17	
LB 65	Hansen	Provide income tax credits for caregivers	1/26/17	None		IPP at Sine Die		
LB 69	Pansing Brooks	Increase the earned income tax credit	2/1/17	None		IPP at Sine Die		
LB 77	Crawford	Change provisions relating to access to sales and use tax information by municipalities	1/20/17	None		IPP at Sine Die		
LB 98	Friesen	Extend certain levy authority for natural resources	2/2/17	3/15/17; Advanced to General File, 7-1	None	Failed to advance to Select File, IPP at Sine Die		-Speaker Priority Bill, 2017 -Sen. Stinner Priority, 2018
LB 118	Hilkemann	Adopt the Education Savings Account Act and provide income tax adjustments	1/26/17	None		IPP at Sine Die		
LB 121	Brewer	Change Provisions relating to the taxation of military benefits	2/10/17	None		IPP at Sine Die		
LB 126	Groene	Change the sunset dates under the Nebraska Job Creation and Mainstreet Revitalization Act and the Nebraska Advantage Act	2/9/17	None		IPP at Sine Die		
LB 129	Morfeld	Increase the Earned Income Tax Credit	2/1/17	None		IPP at Sine Die		
LB 161	Friesen	Change a carryover period under the Nebraska Advantage Act	1/25/17	2/1/17; Advanced to General File, 6-1-1	AM 141	Passed on Final Reading, 44-2-3	Approved, 4/27/17	-Smith Priority Bill, 2017 -Committee Amendment – AM 141 - adopted

LB #	Introducer	One Liner	Hearing Date	Exec Session Date	Committee Amendments	Disposition at Sine Die	Signed by Governor	Comments
LB 169	Wayne	Exempt social security benefits and retirement income from income taxation	2/10/17	None		IPP at Sine Die		
LB 174	Morfeld	Adopt the Apprenticeship Training Program Tax Credit Act	2/1/17	None		IPP at Sine Die		
LB 190	Kintner	Provide limit on tax on cigars, cheroots, and stogies	None	2/7/17, 8-0		Indefinitely Postponed		
LB 215	Harr	Adopt the Nebraska E-15 Tax Credit Act	2/3/17	None		IPP at Sine Die		
LB 217	Harr	Change revenue, taxation, economic development, and tax incentive provisions	2/2/17	3/14/17; Advanced to General File, 8-0	AM 634	Passed on Final Reading, 47-0-2	Approved, 4/27/17	-Revenue Committee Priority Bill, 2017 -Committee Amendment – AM 634 – adopted
LB 228	Harr	Change provisions relating to rent-restricted housing projects	3/3/17	3/14/17	Amended into LB 217 with AM 634	Enacted with LB 217		- See LB 217 for amendment explanation
LB 232	Kolterman	Provide a property tax exemption for property lease to the state or a governmental subdivision	2/23/17	None		IPP at Sine Die		
LB 233	Smith	Change revenue and taxation provisions	1/25/17	2/1/17; Advanced to General File, 8-0	AM 127	Enacted with LB 217		-Stinner Priority Bill, 2017 -Committee Amendment – AM 127 – pending -LB 233 amended into LB 217 with AM 634
LB 234	Smith	Update references to the Internal Revenue Code	1/25/17	1/26/17; Advanced to General File, 8-0	None	Passed on Final Reading with E-Clause, 47-0-2	Approved, 5/10/17	
LB 236	Erdman	Change provisions relating to the inclusion of multiple lots in one parcel	2/23/17	None		IPP at Sine Die		

LB #	Introducer	One Liner	Hearing Date	Exec Session Date	Committee Amendments	Disposition at Sine Die	Signed by Governor	Comments
LB 238	Erdman	Change provisions of the Nebraska Budget Act relating to certifying	2/23/17	3/14/17	Amended into LB 217 with AM 634	Enacted with LB 217		-See LB 217 for amendment explanation
LB 249	Harr	Expand business inventory property tax exemption	2/23/17	None		IPP at Sine Die		
LB 251	Harr	Redefine agricultural or horticultural purposes for revenue and taxation purposes	2/16/17	None	Amended into LB 217 with AM 993	Enacted with LB 217		
LB 253	Crawford	Authorize intergovernmental service agreements under the County Industrial Sewer Construction Act and authorize a use for a sewer tax levy	2/24/17	3/22/17; Advanced to General File, 5-3	AM 693	Passed on Final Reading, 46-0-3	Approved, 5/9/17	-Speaker Priority Bill, 2017 -Committee Amendment – AM 693 – adopted
LB 266	Friesen	Change the valuation of agricultural land and horticultural land	2/16/17	None		IPP at Sine Die		
LB 272	Vargas	Change procedures for tax credits under the Nebraska Job Creation and Mainstreet Revitalization Act	3/3/17	None		IPP at Sine Die		
LB 288	Harr	Change provisions relating to service of notice when applying for a tax deed and the laws governing tax sale certificates	2/24/17	3/14/17	Amended into LB 217 with AM 634	Enacted with LB 217		-See LB 217 for amendment explanation
LB 291	Larson	Adopt the Special Economic Impact Zone Act and change the Nebraska Investment Finance Authority Act and the Nebraska Investment Finance Authority Act and the Nebraska Revenue Act of 1967 as prescribed	3/1/17	3/13/17; Advanced to General File, 5-1-2	AM 530	Select File, IPP at Sine Die 2018		-Larson Priority Bill, 2017 -Committee Amendment – AM 560 - adopted
LB 295	Smith	Adopt the Opportunity Scholarships Act and provide tax credits	1/26/17	5/18/17; Advanced to General File, 5-3	AM 1418	General File, IPP at Sine Die 2018		-Committee Amendment – AM 1418 – pending -Linehan Priority Bill, 2018

LB #	Introducer	One Liner	Hearing Date	Exec Session Date	Committee Amendments	Disposition at Sine Die	Signed by Governor	Comments
LB 312	Briese	Change and eliminate revenue and taxation provisions	2/22/17	None		IPP at Sine Die		
LB 313	Briese	Change the sales and tax rate and the earned income tax credit and provide property tax credits	2/22/17	None		IPP at Sine Die		
LB 322	Craighead	Change the Tax Equalization and Review Commission Act	3/1/17	None		IPP at Sine Die		
LB 325	Harr	Exempt certain purchases of energy star qualified products from sales and use taxes	2/3/17	None		IPP at Sine Die		
LB 326	Kolowski	Provide additional budget and tax levy authority for certain school districts	3/2/17	None		IPP at Sine Die		
LB 337	Smith	Change income tax rates and provide for deferrals of the rate changes	2/8/17	3/23/17	Amended into LB 461 with AM 954	General File, IPP at Sine Die 2018		-Lindstrom Priority Bill, 2017
LB 338	Brasch	Adopt the Agricultural Valuation Fairness Act	2/8/17	3/23/17	Amended into LB 461 with AM 954	General File, IPP at Sine Die 2018		-Brasch Priority Bill, 2017
LB 361	Kolowski	Exempt sale of clothing and footwear from sales and use taxes as prescribed	3/17/17	None		IPP at Sine Die		
LB 362	Riepe	Adopt the Health Savings Account Act and provide an income tax deduction	3/22/17	None		IPP at Sine Die		
LB 373	Schumacher	Change and eliminate revenue and taxation provisions	3/22/17	None		IPP at Sine Die		-Legislature's Planning Priority Bill, 2017
LB 374	Schumacher	Provide an income tax credit for corporate income taxes paid and change sunset dates under the Nebraska Advantage Act	3/15/17	None		IPP at Sine Die		

LB #	Introducer	One Liner	Hearing Date	Exec Session Date	Committee Amendments	Disposition at Sine Die	Signed by Governor	Comments
LB 380	Harr	Change income tax rates, itemized deductions, and standard deductions	2/15/17	None		IPP at Sine Die		
LB 385	Lindstrom	Change provisions relating to the burden of proof and who may appeal under the Tax Equalization and Review Commission Act	3/1/17	None		IPP at Sine Die		
LB 387	Lindstrom	Change and eliminate provisions relating to various tax credit programs and economic development activities	2/9/17	3/14/17	Amended into LB 217 with AM 634	Enacted with LB 217		
LB 400	Hilkemann	Change provisions relating to motor vehicle fees and taxes	3/2/17	4/4/17; Advanced to General File, 8-0	AM 887	General File, IPP at Sine Die 2018		-Committee Amendment - AM 887 - pending
LB 438	Howard	Increase cigarette and tobacco taxes as prescribed and provide for the distribution of funds	3/17/17	None		IPP at Sine Die		
LB 443	Bolz	Adopt the Student Loan Repayment Tax Credit Act	3/8/17	None		IPP at Sine Die		
LB 452	Lindstrom	Impose sales tax on services and change income tax rates and personal exemption amounts	2/15/17	3/23/17	Amended into LB 461 with AM 954	General File, IPP at Sine Die 2018		
LB 453	Lindstrom	Change provisions relating to income tax adjustments for social security benefits	3/8/17	None		IPP at Sine Die		
LB 461	Smith	Correct references to a federal act in a revenue statute	2/15/17	4/3/17; Advanced to General File, 6-2	AM 954	General File, IPP at Sine Die 2018		-Committee Priority Bill, 2017 -Committee Amendment – AM 954 - pending

LB #	Introducer	One Liner	Hearing Date	Exec Session Date	Committee Amendments	Disposition at Sine Die	Signed by Governor	Comments
LB 462	Smith	Correct provisions relating to the streamlined sales and use tax agreement	1/27/17	None		IPP at Sine Die		
LB 467	Krist	Change provisions relating to certain tax incentive programs	3/15/17	None		IPP at Sine Die		
LB 468	Krist	Change revenue and taxation provisions	2/15/17	None		IPP at Sine Die		
LB 475	Schumacher	Change the application deadline under the Nebraska Job Creation and Mainstreet Revitalization Act	3/3/17	None		IPP at Sine Die		
LB 498	Brewer	Change provisions relating to transfer of homestead exemptions	2/24/17	None		IPP at Sine Die		
LB 528	Harr	Change provisions relating to New Markets Job Growth Investment Act	3/3/17	None		IPP at Sine Die		
LB 531	Harr	Change sales tax collection fees for motor vehicles	3/2/17	None		IPP at Sine Die		
LB 535	Hughes	Change requirements for instruments and statements filed with the register of deeds	2/22/17	3/13/17; Advanced to General File, 6-2	AM 203	Passed on Final Reading, 49-0-0	Approved, 4/27/17	-Hughes Priority Bill, 2017 -Committee Amendment – AM 203 - approved
LB 543	Watermeier	Change provisions relating to applications and reporting requirements under the Nebraska Advantage Act	3/15/17	None		IPP at Sine Die		-Legislative Performance Audit Committee Priority Bill, 2017
LB 546	Watermeier	Change the Nebraska Advantage Act	2/9/17	None		IPP at Sine Die		
LB 555	Smith	Change and eliminate provisions of the Tax Equalization and Review Commission Act	3/1/17	None		IPP at Sine Die		

LB #	Introducer	One Liner	Hearing Date	Exec Session Date	Committee Amendments	Disposition at Sine Die	Signed by Governor	Comments
LB 557	Harr	Adopt the Great Opportunities Nebraska Act	3/8/17	None		IPP at Sine Die		
LB 561	Schumacher	Create the Taxpayer Investment Program	3/8/17	None		IPP at Sine Die		
LB 563	McCollister	Impose sales tax on certain services and eliminate certain sales tax exemptions	2/22/17	None		IPP at Sine Die		
LB 564	McCollister	Adopt the Nebraska Main Street Fairness Act	1/27/17	None		IPP at Sine Die		
LB 565	McCollister	Require the posting of tax incentive information under the Taxpayer Transparency Act	3/15/17	4/4/17; Advanced to General File, 6-2	AM 650	General File, IPP at Sine Die 2018		-Committee Amendment – AM 650 - pending
LB 570	Friesen	Provide a property tax exemption for all tangible personal property	3/9/17	None		IPP at Sine Die		
LB 572	Friesen	Provide termination duties for the Property Tax Credit Act and the Tax Equity and Educational Opportunities Support Act and change application deadlines under the Nebraska Advantage Act	3/9/17	None		IPP at Sine Die		
LB 576	Brewer	Limit increases in property tax bills	3/9/17	None		IPP at Sine Die		
LB 592	Crawford	Change the tax incentives available under the Nebraska Advantage Act	3/16/17	None		IPP at Sine Die		
LB 599	Groene	Exempt certain improvements on land from taxes as prescribed	3/9/17	None		IPP at Sine Die		

LB #	Introducer	One Liner	Hearing Date	Exec Session Date	Committee Amendments	Disposition at Sine Die	Signed by Governor	Comments
LB 601	Erdman	Change distribution of sales and use tax revenue and provide duties for Department of Revenue	2/3/17	None		IPP at Sine Die		
LB 602	Erdman	Change and eliminated provisions relating to the valuation of agricultural land	2/24/17	None		IPP at Sine Die		
LB 607	Kintner	Provide a homestead exemption for certain first responders	None	2/21/17; 8-0		Indefinitely Postponed		
LB 613	Wayne	Change provisions relating to property tax exemptions under the Nebraska Housing Agency Act	3/16/17	None		IPP at Sine Die		
LB 616	Wayne	Adopt the Startup Nebraska Program Act and provide an exemption from income, sales, and use taxes	3/8/17	None		IPP at Sine Die		
LB 633	Kolowski	Authorize school districts to levy a tax and exceed budget authority for school security measures and student technology	3/2/17	None		IPP at Sine Die		
LB 640	Groene	Change provisions of the Property Tax Credit Act and provide school district property tax relief	2/16/17	4/3/17; Advanced to General File, 6-2	AM 752	General File, IPP at Sine Die 2018		-Friesen Priority Bill, 2017 -Committee Amendment AM 752 – pending -Groene Priority Bill, 2018
LR 17 CA	Wayne	Constitutional amendment to eliminate requirements that property taxes be levied by valuation uniformly and proportionately	3/16/17	None		IPP at Sine Die		

Bills Referenced to the Revenue Committee - By Bill Number

105th Legislature – Second Session of the Legislature of Nebraska – January 2018

LB #	Introducer	One Liner	Hearing Date	Exec Session Date	Committee Amendments	Disposition at Sine Die	Signed by Governor	Comments
LB 684	Blood	Change the Beginning Farmer Tax Credit Act	1/26/18	None		IPP at Sine Die		
LB 728	Wayne	Change individual income tax brackets and rates	1/26/18	None		IPP at Sine Die		
LB 730	Wayne	Adopt the Ammunition Excise Tax Act	1/24/18	None		IPP at Sine Die		
LB 738	Lindstrom	Change revenue and taxation provisions relating to an adjustment to income for social security benefits	1/24/18	3/20/18; adv. to GF as amended, 7-1	AM 1789; approved, 7-0-1	Passed on Final Reading, 44-2-3	Approved, 4/17/18	-Lindstrom Priority Bill, 2018 - AM 1789 - Adopted
LB 739	Lindstrom	Change the Sports Arena Facility Financing Assistance Act	1/24/18	None		IPP at Sine Die		
LB 745	Watermeier	Require notice relating to certain refunds of local sales and use taxes	2/1/18	2/13/18; adv. to GF as amended, 8-0	AM 1910; approved, 8-0	Passed on Final Reading, 48-0-1	Approved, 4/17/18	-Speaker Priority Bill, 2018 - AM 1910 - Adopted
LB 759	Hughes	Eliminate a sales and use tax exemption relating to zoos and aquariums	2/23/18	None		IPP at Sine Die		
LB 760	Hughes	Change the Volunteer Emergency Responders Incentive Act	1/17/18	2/13/18	None	Passed on Final Reading with E-Clause, 46-0-3	Approved, 4/11/18	-Speaker Priority Bill, 2018
LB 772	Walz	Change provisions relating to agricultural land that receives special valuation	1/19/18	None		IPP at Sine Die		
LB 789	Ebke	Eliminate the marijuana and controlled substances tax	1/24/18	None		IPP at Sine Die		
LB 798	McDonnell	Provide a sales and use tax exemption for feminine hygiene products	2/21/18	None		IPP at Sine Die		

LB #	Introducer	One Liner	Hearing Date	Exec Session Date	Committee Amendments	Disposition at Sine Die	Signed by Governor	Comments
LB 804	Brasch	Include elementary and secondary schools in the Nebraska educational savings plan trust and change tax benefits	1/26/18	None		IPP at Sine Die		
LB 824	Morfeld	Change provisions relating to the taxation of benefits received under the federal Social Security Act	2/2/18	None		IPP at Sine Die		
LB 829	Erdman	Adopt the Property Tax Relief Act	1/25/18	None		IPP at Sine Die		
LB 881	Schumacher	Change inheritance tax provisions relating to life insurance proceeds	1/18/18	1/23/18		General File, IPP at Sine Die 2018		
LB 882	Schumacher	Change provisions relating to certain inheritance tax proceedings	1/18/18	1/23/18		General File, IPP at Sine Die 2018		
LB 884	Harr	Change and eliminate provisions relating to county sales and use taxes	1/18/18	None		IPP at Sine Die		
LB 885	Harr	Change provisions relating to property tax protests	1/19/18	2/6/18; adv. to GF as amended, 8-0	AM 1626; approved, 8-0	Passed on Final Reading, 45-0-4	Approved, 4/11/18	- AM 1626 - Adopted
LB 899	Erdman	Provide for an adjustment to the assessed value of destroyed real property	1/25/18	None		IPP at Sine Die		
LB 905	Kuehn	Change the burden of proof for certain protests of real property valuations	1/19/18	None		IPP at Sine Die		
LB 907	Baker	Change provisions relating to a sales and use tax exemption for agricultural machinery and equipment	2/1/18	None		IPP at Sine Die		
LB 910	Bolz	Adopt the Property Tax Circuit Breaker Act and change the funding of the Property Tax Credit Ac	2/23/18	None		IPP at Sine Die		

LB #	Introducer	One Liner	Hearing Date	Exec Session Date	Committee Amendments	Disposition at Sine Die	Signed by Governor	Comments
LB 911	Bolz	Adopt the School District Local Option Income Surtax Act	2/14/18	None		IPP at Sine Die		
LB 914	Riepe	Provide an income tax credit for certain long-term care insurance policy premiums	2/21/18	None		IPP at Sine Die		
LB 918	Bolz	Change provisions relating to certain tax incentive programs and job training grants	2/1/18	None		IPP at Sine Die		
LB 919	Bolz	Adopt the Student Loan Repayment Tax Credit Act and change certain taxation and grant provisions	2/8/18	None		IPP at Sine Die		
LB 920	Bolz	Change provisions relating to a child and dependent care tax credit	2/2/18	None		IPP at Sine Die		
LB 926	Crawford	Exempt members of the armed forces on active duty and their spouses from motor vehicle taxes	2/15/18	None		IPP at Sine Die		
LB 937	Stinner	Change filing fees for appeals to the Tax Equalization and Review Commission	2/23/18	None		IPP at Sine Die		
LB 939	McDonnell	Provide a homestead exemption for certain dwelling complexes located on military installations	2/22/18	None		IPP at Sine Die		
LB 941	Wayne	Change the calculation of the tax on the average wholesale price of gasoline	2/23/18	None		IPP at Sine Die		
LB 947	Smith	Adopt the Nebraska Property Tax Cuts and Opportunities Act, change income tax rates, and eliminate certain exemptions and credits	1/31/18	3/20/18; adv. to GF as amended, 5-3	AM 2470; approved, 5-3-0	General File, IPP at Sine Die		-Committee AM 2470 – pending -Smith Priority Bill, 2018
LB 954	Hansen	Provide refundable income tax credits to individuals who rent their primary residence	2/21/18	None		IPP at Sine Die		
LB 961	Smith	Change corporate income tax rates	2/7/18	None		IPP at Sine Die		

LB #	Introducer	One Liner	Hearing Date	Exec Session Date	Committee Amendments	Disposition at Sine Die	Signed by Governor	Comments
LB 962	Smith	Change individual income tax rates	2/7/18	None		IPP at Sine Die		
LB 963	Smith	Change how often real property is inspected and reviewed for property tax purposes	2/7/18	None		IPP at Sine Die		
LB 965	Schumacher	Change provisions relating to lists of real property subject to sale for delinquent taxes	2/22/18	None		IPP at Sine Die		
LB 966	Friesen	Provide a sales and use tax exemption relating to dark fiber	2/15/18	2/20/18; adv. to GF, 8-0	None	General File, IPP at Sine Die		
LB 976	Briese	Provide a reporting duty for the Beginning Farmer Board under the Beginning Farmer Tax Credit Act	2/8/18	None		IPP at Sine Die		
LB 996	Crawford	Change defined terms and other provisions of the Nebraska Advantage Act	2/23/18	None		IPP at Sine Die		
LB 1006	McCollister	Change provisions relating to rehearings under the Tax Equalization and Review Commission Act	2/23/18	None		IPP at Sine Die		
LB 1007	Kolowski	Authorize school districts to levy a tax and establish a fund for facilities-related expenditures	2/14/18	None		IPP at Sine Die		
LB 1016	Briese	Adopt the Money Transmission Fee Act and provide income tax credits	2/22/18	None		IPP at Sine Die		
LB 1021	Schumacher	Eliminate certain sales and use tax exemptions	2/23/18	None		IPP at Sine Die		
LB 1022	Schumacher	Adopt the Irrigation Tax Act and change the valuation of agricultural land for property tax purposes	2/21/18	None		IPP at Sine Die		
LB 1023	Schumacher	Change sunset dates on certain tax incentive programs	2/23/18	None		IPP at Sine Die		

LB #	Introducer	One Liner	Hearing Date	Exec Session Date	Committee Amendments	Disposition at Sine Die	Signed by Governor	Comments
LB 1026	Wayne	Authorize issuance of highway bonds, create a fund, and change existing highway funding provisions	2/23/18	None		IPP at Sine Die		
LB 1030	Friesen	Change the sales tax sourcing rules for certain motor vehicles and trailers	2/15/18	3/13/18; adv. to GF, 8-0	None	Passed on Final Reading, 48-0-1	Approved, 4/17/18	
LB 1045	Schumacher	Adopt the Nebraska Excellence Fund Tax Credit Act	2/21/18	None		IPP at Sine Die		
LB 1048	Harr	Change provisions relating to the personal exemption credit	2/7/18	None		IPP at Sine Die		
LB 1050	Harr	Provide an adjustment to income for certain charitable contributions	2/7/18	None		IPP at Sine Die		
LB 1071	Lindstrom	Adopt the Infrastructure Improvement and Replacement Assistance Act and provide for a turn back of state sales tax revenue	2/2/18	None		IPP at Sine Die		
LB 1074	Vargas	Change provisions relating to individual income tax brackets and rates and the earned income tax credit	2/2/18	None		IPP at Sine Die		
LB 1075	Friesen	Impose a fee on transfers of real estate	2/22/18	None		IPP at Sine Die		
LB 1076	Friesen	Increase the documentary stamp tax and provide for the use of the revenue	2/22/18	None		IPP at Sine Die		
LB 1077	Friesen	Eliminate levy limits for school districts	2/14/18	None		IPP at Sine Die		
LB 1084	Briese	Adopt the Property Tax Request Limitation Act, provide sunset dates for certain tax exemptions and incentives, and change other revenue and taxation provisions	2/8/18	None		IPP at Sine Die		-Briese Priority Bill, 2018
LB 1087	Wayne	Change tax provisions for cigars, cheroots, or stogies	2/15/18	None		IPP at Sine Die		

LB #	Introducer	One Liner	Hearing Date	Exec Session Date	Committee Amendments	Disposition at Sine Die	Signed by Governor	Comments
LB 1088	Wayne	Adopt the Nebraska Education Formula and the Remote Seller Sales Tax Collection Act, terminate the Tax Equity and Educational Opportunities Support Act and the Property Tax Credit Act, and eliminate certain tax exemptions	2/27/18	None		IPP at Sine Die		
LB 1089	Smith	Change provisions relating to confidential tax information, refundable income tax credits, and homestead exemptions	2/7/18	2/22/18; adv. to GF as amended, 7-0-1-0*	AM 2049; approved, 7-0-1-0*	Passed on Final Reading with E-Clause, 48-0-1	Approved, 4/17/18	-Revenue Priority Bill, 2018
LB 1090	Smith	Change provisions relating to income tax brackets, personal exemptions, standard deductions, and itemized deductions	2/7/18	2/20/18; adv. to GF, 8-0	None	Passed on Final Reading, 44-0-5	Approved, 4/17/18	-Revenue Priority Bill, 2018
LB 1091	Smith	Update references to the Internal Revenue Code	2/7/18	2/13/18; adv. to GF, 8-0	None	Passed on Final Reading, 48-0-1	Approved, 4/11/18	-Speaker Priority Bill, 2018
LB 1095	Hilgers	Change the information included in certain tax notices and receipts	2/22/18	None		IPP at Sine Die		
LB 1097	Hilgers	Change provisions relating to treasurer's tax deeds	2/22/18	None		IPP at Sine Die		
LB 1100	Erdman	Change the valuation of agricultural land and horticultural land	2/23/18	None		IPP at Sine Die		
LB 1104	Friesen	Change provisions relating to the special valuation of agricultural or horticultural land	2/23/18	None		IPP at Sine Die		
LB 1106	Linehan	Change requirements for overriding property tax limits	2/14/18	None		IPP at Sine Die		
LB 1108	Harr	Authorize certain tax credits, change the sales tax rate, and provide for school foundation aid and certain grant programs	2/1/18	None		IPP at Sine Die		-Harr Priority Bill, 2018

LB #	Introducer	One Liner	Hearing Date	Exec Session Date	Committee Amendments	Disposition at Sine Die	Signed by Governor	Comments
LB 1117	Crawford	Change certain cigarette and tobacco products tax rates	2/15/18	None		IPP at Sine Die		
LR 290 CA	Kuehn	Constitutional amendment authorizing the Legislature to value real property for property tax purposes at its market value on date of acquisition	2/14/18	None		IPP at Sine Die		

*Aye - Nay - Absent - Present not voting

Administrative

LB 1089 (Smith) Change provisions relating to confidential tax information, refundable income tax credits, and homestead exemptions

Introduced Version:

LB 1089 is the Department of Revenue's annual housekeeping bill. The provisions of the bill include:

- The audit selection criteria and standards, the discovery techniques, and design of technological systems to detect fraud and inconsistencies shall be confidential.
- Property that is destroyed or damaged by a major calamity between the property's assessment date may be reassessed until July 20 of the tax year.
 - Major calamity is defined as an event causing significant property damage, including but not limited to, fire, earthquake, flood, tornado, or any event the Governor declares an emergency.
 - A major calamity does not include an event causing significant property damage that was intentionally caused by the owner.
 - Significant property damage means damages exceeding \$10,000 or 10% of the property's assessed value in the prior tax year.
- A refundable income tax credit is only an overpayment to the extent the refundable income tax credit exceeds the taxpayer's tax liability.
- The homestead exemption program is streamlined and simplified:
 - The classification for an un-remarried spouse of a serviceperson who died while on active duty is merged into the classification granted for disabled veterans or their spouses.
 - The language regarding transfers of homestead exemptions when the recipient moves has been clarified.
 - The difference between original applications for a homestead exemption and the certification that nothing has changed in later years has been eliminated.
 - The notice of rejection of a homestead exemption for any reason is required to be sent within 10 days after the rejection.
 - The deadline for filing an Application for Transfer of Nebraska Homestead Exemption has been changed from August 15 to within 30 days of receiving a Notice of Rejection of Homestead Exemption.
 - Includes the county assessor with the county treasurer as the county officials responsible for certifying the lost tax revenue due to granted homestead exemptions.

LB 1089 has the Emergency Clause.

Disposition at Sine Die:

LB 1089 was advanced to General File with AM 2049. Passed on Final Reading with Emergency Clause 48-0-1, and was approved by Governor on April 17, 2018.

Constitutional Amendment

LR 17 CA (Wayne) Constitutional amendment to eliminate requirements that property taxes be levied by valuation uniformly and proportionately

Introduced Version:

LR 17 CA proposes to change the Nebraska Constitution, Article VIII, section 1 to repeal the provision that defines agricultural and horticultural land as a separate and distinct class of property.

The resolution also seeks to repeal the uniformity and proportionately language referring to valuations and property tax levies.

Disposition at Sine Die:

LR 17 CA was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LR 290 CA (Kuehn) Constitutional amendment authorizing the Legislature to value real property for property tax purposes at its market value on date of acquisition

Introduced Version:

LR 290CA creates a new criteria for taxing real property.

The new criteria would provide that all real property shall be valued, for property tax purposes, at its market value on the date such property was purchased or acquired by the property owner.

The value of the property would not change until the property is subsequently sold or transferred to a new property owner.

Such method of valuation may be enacted despite the fact that it results in values that are not uniform and proportionate.

Disposition at Sine Die:

LR 17 CA was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

Gubernatorial Appointments

Keetle, Steven – Tax Equalization & Review Commission

Mr. Keetle's appointment was heard at the Revenue Committee public hearing on Wednesday January 17, 2018. The Committee approved the appointment unanimously on January 17, 2018. The Legislature adopted the confirmation report with 33 ayes, 0 nays, 3 present and not voting, and 13 excused and not voting, of Mr. Keetle's appointment on January 22, 2018.

Kuhn, James – Tax Equalization & Review Commission

Mr. Kuhn's appointment was heard at the Revenue Committee public hearing on Wednesday January 17, 2018. The Committee approved the appointment unanimously on January 17, 2018. The Legislature adopted the confirmation report with 35 ayes, 0 nays, 1 present and not voting, and 13 excused and not voting, of Mr. Kuhn's appointment on January 22, 2018

Income Tax

LB 48 (Schumacher) Provide an income tax adjustment relating to certain gains on the sale of real estate

Introduced Version:

The bill addresses the issue of taxing gains on the sale of real estate. In general, when real estate is sold, the taxable gain is the difference between the sellers basis in the property (what they originally paid for the property) and the proceeds received from the buyer. However, under federal law, real estate acquired from a decedent is given special treatment when it is sold. The recipient of the property is allowed to “step up” their basis from what the decedent paid for the property to the fair market value of the property at the date of the decedent’s death.

The bill would disallow this special treatment for Nebraska income tax purposes. It would require the recipient who sells such inherited property to use the original basis of the decedent rather than fair market value at date of death and include that gain in adjusted gross income for Nebraska tax purposes.

The bill is operative for taxable years beginning or deemed to begin on January 1, 2018.

Disposition at Sine Die:

LB 48 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 121 (Brewer) Change provisions relating to the taxation of military benefits

Introduced Version:

The bill makes changes to the military retirement income exclusion which became effective for taxable years beginning or deemed to begin on or after January 1, 2015. For those military retirees who did not make a timely election (within two years of their separation from service), the bill allows the one-time election to be made on or before December 31, 2017, or whichever occurs first.

The bill also implements a new phased-in deduction for military retirement benefits, to the extent they were included in federal adjusted gross income. The deduction is available to “each individual included in the tax return who receives military retirement benefits.” The phase-in amounts are:

2018 - \$10,000	2019 - \$20,000	2020 - \$30,000
2021 - \$40,000	2022 and forward - \$50,000	

Taxpayers may not claim a deduction under both the previous exclusion and the new deduction, but taxpayers who are qualified for the previous exclusion may revoke their election by December 31, 2018.

Disposition at Sine Die:

LB 121 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 169 (Wayne) Exempt social security benefits and retirement income from income taxation

Introduced Version:

The bill would exempt the following forms of retirement income from taxation:

1. Social Security
2. Section 401(a) (qualified pension, profit sharing and stock bonus plans) and 403(a) (qualified annuities) of the Internal Revenue Code;
3. Class V school employees retirement;
4. County employees;
5. Judges;
6. State Patrol;
7. School employees;
8. State employees;
9. U.S. Civil Service;
10. Federal employees; and
11. Military retirement benefits.

The exemptions apply for taxable years beginning or deemed to begin on or after January 1, 2018.

Disposition at Sine Die:

LB 169 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 233 (Smith) Change revenue and taxation provisions

Introduced Version:

This bill was introduced at the request of the Department of Revenue. It is the department's technical clean-up bill and addresses a multitude of tax provisions. Section 1 - Under current law, nonprofits in large cities and counties who wish to run a raffle or "lottery" (not keno or state type of lottery) are supposed to obtain specific authorization by ordinance or resolution.

- No one complies
- Department has no concerns with removing the requirement

Sections 3 and 4 make several changes to Affordable Housing Tax Credit which passed last session:

- Current law says Department has to determine how to divvy up credits for flow-through entities. Bill would require flow-throughs to do that themselves
- These credits are transferable. Change language from "assign" to "transfer, sell or assign"
- Credit holders are only required to notify the Department they have credits when they file their first tax return. Bill would require them to notify Department when credits have been transferred to them

- Current language says recaptured credits become taxable income and must be reported on next return. The department would prefer that the recaptured credits become due and payable when recaptured
- Currently the law does not specify when holders of credits may start to claim them. Bill would specify tax years beginning on or after January 1, 2019

Sections 2, 5 and 6 would amend cigarette tax provisions as follows:

- Master Settlement Agreement. Forms are now filed electronically so there is a need to change language from “forms prescribed by the Tax Commissioner” to “in a manner prescribed by Tax Commissioner”
- The other two sections address similar issues for Nebraska’s cigarette tax program.

Sections 7, 8 and 9:

- Currently, employers must file W-2’s by February 1. Bill would change to January 31, which matches the federal rule
- Currently the Department can only change “mathematical errors.” Bill would expand to “clerical errors” – again matching federal authority

Section 10 clarifies provisions of a bill passed last session providing a credit for hiring people off TANF:

- These were suggested by DHHS – “Caretaker relative” and “family unit” are commonly used terms under TANF
- Add a requirement that the employee is hired and had been receiving TANF in the year for which the credit is sought. Otherwise, employers could conceivably claim credit for employees who had been on welfare at any time in the past.

Section 11 allows the Tax Commissioner to provide Homestead exemption forms to the counties in any manner, not just printed.

Section 12 allows for the future electronic filing of “other tobacco products” returns in a manner prescribed by the Tax Commissioner

- There will be charge from OCIO for this programming but will not be paid from General Fund; rather from Tobacco Products Cash Fund

Section 13:

- Some taxpayers who qualify for Homestead may not owe any property taxes and therefore would not receive the Property Tax Credit
- Bill would require county assessors to provide such amounts and other related information in electronic format to the Property Tax Administrator

Section 14:

- Under Nebraska Advantage, qualified property counts “when it is acquired” which is not a commonly used term
- Bill would change to “when placed in service” which is the commonly used term under IRC and NE statutes

Section 15:

- Bill would change reporting date for school adjusted value from Aug. 25th to Aug. 20th
 - o This is same date that taxable values are certified to local governments
- Bill would also change date for amending school adjusted value from Sept. 30th to Aug. 31st.

Section 16 provides an effective date for electronic filing of other tobacco products returns of October 1, 2017

Section 19 repeals the Low-Income Energy Conservation Act which has apparently not been used.

Committee Amendment: AM 127 – pending

The amendment strikes sections relative to E-filing for other tobacco products and technical corrections to the Affordable Housing Tax Credit.

Disposition at Sine Die:

LB 233 was advanced to General File with AM 127 on February 2, 2017. However, it was later amended into LB 217 with AM 634. LB 217 as amended was passed on Final Reading on April 24, 2017 and approved by the Governor on May 2, 2017.

LB 234 (Smith) Update references to the Internal Revenue Code

Introduced Version:

The bill is the annual update that conforms us to the basic provisions of the Internal Revenue Code. It ties us to the federal code as it exists on the effective date of the bill, with certain specified exceptions:

1. Article VIII, Section 1B, of the Nebraska Constitution, which states that “When an income tax is adopted by the Legislature, the Legislature may adopt an income tax law based upon the laws of the United States.”;
2. The statute sections listed in section 1 of the bill that govern Nebraska’s individual and corporate income taxes; and
3. The statute sections listed in section 1 of the bill that govern Nebraska’s business tax incentive programs.

A complete list of the exceptions is attached to this summary.

The bill contains the E Clause.

Disposition at Sine Die:

LB 234 was advanced to General File. LB 234 was passed on Final Reading with the Emergency Clause, 47-0-2, and was approved by the Governor on May 10, 2017.

LB 337 (Smith, at the request of the Governor) Change income tax rates and provide for deferrals of the rate changes

Introduced Version:

The bill would phase-in a reduction in the top bracket marginal rate for individual income taxes. Each rate reduction would be approximately one-tenth of one percent, commencing with tax years beginning or deemed to begin on or after January 1, 2020. The top marginal rate would be reduced from the current 6.84 percent to 5.99 percent over at least eight years.

Each reduction is predicated on a finding by the Nebraska Forecasting Advisory Board (NEFAB) that the expected rate of growth in net General Funds receipts from the current fiscal year compared to the upcoming fiscal year is 3.5 percent or greater. The Tax

Commissioner is required to adjust the tax tables and withholding tables to reflect the rate reduction.

If the NEFAB finds that the rate of growth will be less than the specified amount, the Tax Rate Review Committee (TRRC) **shall** defer the rate reduction.

The next time the NEFAB finds that the expected rate of growth meets or exceed 4.2 percent, then the TRRC shall void the first deferral and the rate reduction shall be reflected in the tax tables and withholding tables prepared by the Tax Commissioner. No more than one deferral may be voided for any one taxable year.

In either case of a deferral or the voiding of a deferral, the Tax Commissioner and the Legislative Fiscal Analyst are required to adjust the NEFAB forecast to reflect the deferral or the voiding of a deferral and certify the adjusted forecast to the Governor and the Legislature no later than five days following the meeting of the TRRC. The TRRC is authorized to void any deferrals remaining after 2027.

Disposition at Sine Die:

LB 337 was amended into LB 461 with AM 954. LB 461 was advanced from the committee but failed to advance to Select File. LB 337 was indefinitely postponed with the end of the legislative session on April 18, 2018

LB 362 (Riepe) Adopt the Health Savings Account Act and provide an income tax deduction

Introduced Version:

The bill creates the Health Savings Account Act. It provides an income tax credit for certain eligible individuals. The credit is equal to the aggregate amount paid in cash during the taxable year by or on behalf of the individual to a health savings account of the individual. The credit is limited based on various factors.

A health savings account is exempt from income taxes. Any amount paid or distributed out of an account which is used exclusively to pay qualified medical expenses of any account beneficiary shall not be included in gross income. Any amount paid or distributed which is not used exclusively as such shall be included in gross income.

The account may be transferred to a spouse or former spouse under a divorce decree or to a surviving spouse.

The act becomes operative on January 1, 2018.

Disposition at Sine Die:

LB 362 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 380 (Harr) Change income tax rates, itemized deductions, and standard deductions

Introduced Version:

The bill makes changes to the individual income tax including trusts and estates.

First, the bill reduces the top marginal rate for bracket 4 from 6.84% to 5.99% for taxable years beginning or deemed to begin on or after January 1, 2019.

Second, the bill creates a phase-out calculation for both the standard and itemized deductions.

Step one is to determine what percentage of the taxpayer’s Adjusted Gross Income falls within each of five new brackets based on federal filing status:

Bracket Number	Individual	Head of House	Married Separate	Married Joint
1	0-75,000	0-75,000	0-75,000	0-100,000
2	75,001-100,000	75,001-100,000	75,001-100,000	150,001-200,000
3	100,001-150,000	100,001-150,000	100,001-150,000	200,001-300,000
4	150,001-200,000	150,001-200,000	150,001-200,000	300,001-400,000
5	200,001 or over	200,001 or over	200,001 or over	400,001 or over

Step two is to multiply the amount of the standard or itemized deduction by the percentage of the ratio of total AGI to income in each bracket and then multiply that result by a phase-out percentage for each bracket of:

Bracket 1 – 100%

Bracket 2 – 75%

Bracket 3 – 50%

Bracket 4 – 25%

Bracket 5 – 0%

Step three is to add the results of each bracket calculation to determine the amount of the standard or itemized deduction that may be claimed.

Disposition at Sine Die:

LB 380 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 452 (Lindstrom) Impose sales tax on services and change income tax rates and personal exemption amounts

Introduced Version:

The bill makes changes to the sales and use tax, the individual income tax and the corporate income tax.

Section 1. Makes minor changes as needed to the Tax Expenditure Report (Items that are not currently taxed but would become subject to tax no longer need to be accounted for in the Report).

Section 2. Imposes sales tax on the following services which are not currently subject to sales tax:

- Motor vehicle maintenance and repair services;
- Personal care services including hair care, hair removal, massage, nail care, skin care, tanning, tattoos, other body modifications and other beauty and personal care services;
- Storage and moving services;
- Taxi, limo, other transportation services and
- Dry cleaning and other laundry services;

Section 3. Implements revenue triggers beginning with tax year 2020 to reduce the top marginal tax rate as follows;

Each reduction is predicated on a finding by the Nebraska Forecasting Advisory Board (NEFAB) that the expected rate of growth in net General Funds receipts from the current fiscal year to the upcoming fiscal year is 3.5 percent or greater. The Tax Commissioner is required to adjust the tax tables and withholding tables to reflect the rate reduction.

If the NEFAB finds that the rate of growth will be less than the specified amount, the Tax Rate Review Committee (TRRC) **shall** defer the rate reduction.

The next time the NEFAB finds that the expected rate of growth meets or exceed 4.2 percent, then the TRRC shall void the first deferral and the rate reduction shall be reflected in the tax tables and withholding tables prepared by the Tax Commissioner. No more than one deferral may be voided for any one taxable year.

In either case of a rate reduction or a deferral, the Tax Commissioner and the Legislative Fiscal Analyst are required to adjust the NEFAB forecast to reflect the deferral or the voiding of a deferral and certify the adjusted forecast to the Governor and the Legislature no later than five days following the meeting of the TRRC. The TRRC is authorized to void any remaining deferrals after 2027.

Section 4:

- Reduces the number of individual income tax brackets from 4 to 3 by combining brackets 1 and 2 beginning in tax year 2018;
- Combines the income thresholds of the first two brackets;
- Averages the first bracket rate (2.46%) and the second bracket rate (3.51%) for new first bracket rate of 3.1%;
- Reduces the top marginal rate of 6.84% to 5.99% beginning in tax year 2018 over a minimum period of 8 years.

Section 5. Phases out the Personal Exemption Credit as follows:

<u>Married Filing Joint</u>		<u>All Other Filers</u>	
\$150,000 but less than \$175,000	90%	\$75,000 but less than \$85,000	90%
\$175,000 but less than \$190,000	80%	\$85,000 but less than \$95,000	80%
\$190,000 but less than \$200,000	70%	\$95,000 but less than \$105,000	70%
\$200,000 but less than \$230,000	50%	\$105,000 but less than \$115,000	50%
\$230,000 but less than \$250,000	25%	\$115,000 but less than \$125,000	25%

- 60% deduction tax year 2022 and forward

AGI is more than \$85,000 but less than \$90,000

- 8% deduction tax year 2018
- 16% deduction tax year 2019
- 24% deduction tax year 2020
- 32% deduction tax year 2021
- 40% deduction tax year 2022 and forward

AGI is more than \$90,000 but less than \$95,000

- 4% deduction tax year 2018
- 8% deduction tax year 2019
- 12% deduction tax year 2020
- 16% deduction tax year 2021
- 20% deduction tax year 2022 and forward

There is no deduction allowed if AGI is \$95,000 or more

For taxpayers whose status is single, head of household or married filing separately:

AGI is less than \$60,000

- 20% deduction tax year 2018
- 40% deduction tax year 2019
- 60% deduction tax year 2020
- 80% deduction tax year 2021
- 100% deduction tax year 2022 and forward

AGI is more than \$60,000 but less than \$65,000

- 16% deduction tax year 2018
- 32% deduction tax year 2019
- 48% deduction tax year 2020
- 64% deduction tax year 2021
- 80% deduction tax year 2022 and forward

AGI is more than \$65,000 but less than \$70,000

- 12% deduction tax year 2018
- 24% deduction tax year 2019
- 36% deduction tax year 2020
- 48% deduction tax year 2021
- 60% deduction tax year 2022 and forward

AGI is more than \$70,000 but less than \$75,000

- 8% deduction tax year 2018
- 16% deduction tax year 2019
- 24% deduction tax year 2020
- 32% deduction tax year 2021
- 40% deduction tax year 2022 and forward

AGI is more than \$75,000 but less than \$80,000

- 4% deduction tax year 2018

- 8% deduction tax year 2019
- 12% deduction tax year 2020
- 16% deduction tax year 2021
- 20% deduction tax year 2022 and forward

If AGI is \$80,000 or more there is not deduction allowed.

These amounts are to be indexed each year for inflation.

Disposition at Sine Die:

LB 453 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 461 (Smith) Correct references to a federal act in a revenue statute

Introduced Version:

The bill makes a technical correction to the title of the federal Jobs and Growth Tax Relief Reconciliation Act of 2003.

Committee Amendment: AM 954 – pending

AM 954 was approved by the committee to include provisions/portions of the following bills:

- LB 337 (Smith) Change income tax rates and provide for deferrals of the rate changes
- LB 338 (Brasch) Adopt the Agricultural Valuation Fairness Act
- LB 452 (Lindstrom) Impose sales tax on services and change income tax rates and personal exemption amounts

The amendment becomes the bill.

The effective date for moving from a comparable sales approach to determining assessed valuation to an income-approach calculation will be January 1, 2018.

For purposes of assessing agricultural land and horticultural land ("Ag land") using the income approach, Ag land shall be divided into classes and subclasses of real property under section 77-103.01, including, but not limited to, irrigated cropland, dryland cropland, grassland used for grazing, grassland used for haying, wasteland, nurseries, feedlots, and orchards, so that the categories reflect uses appropriate for the valuation of such land according to law.

Classes shall be inventoried by subclasses of real property based on soil classification standards developed by the Natural Resources Conservation Service of the United States Department of Agriculture as converted into land capability groups by the Property Tax Administrator.

Ag land shall be valued based on the agricultural-use value, reflected in a capitalized income approach developed pursuant to the Agricultural Valuation Fairness Act, using professionally accepted mass appraisal techniques. The assessed values of Ag land shall be determined on the basis of the land's value in use for agricultural or horticultural purposes by capitalizing the net income by a rate that reflects the agricultural-use value in the ordinary course of trade.

A 5-member Agricultural Land Valuation Committee is created. The Tax Commissioner or his/her designee from his/her staff will serve as chairperson of the committee. The Tax Commissioner will appoint the remaining four members. The remaining four members of the committee will be a representative of the agricultural and horticultural industry, a

county assessor, an appraiser from the private sector, and a representative from faculty of one of the state's research universities specializing in agricultural economics. The committee shall meet in November 2017 and each November thereafter. The committee shall meet at least six times per year.

The committee will develop income and expense estimates for all Ag land and capitalization rates necessary to produce uniform and proportionate assessed valuations based on information available to the committee from the United States Department of Agriculture, the University of Nebraska Institute of Agriculture and Natural Resources, the Nebraska Investment Finance Authority, the Department of Revenue, and any other sources determined necessary by the committee.

The committee shall determine value for each land capability group in each county by dividing the income determined for each parcel by a capitalization rate established by the committee. The committee shall establish the capitalization rates to be applied to each class or subclass of Ag land within each county. The committee shall ensure that the capitalization rates established result in an aggregate agricultural-use value for the class of Ag land that is between 55 and 65 percent of the actual value that the Ag land has for agricultural or horticultural purposes.

The aggregate agricultural-use value so established shall not increase more than 3.5 percent from the prior year. The committee shall issue a report of the values established for each land capability group to each county assessor in Nebraska no later than January 1 of each year.

The county assessor shall implement the values determined by the Agricultural Land Valuation Committee under this act. The resulting assessed values for the class of Ag land shall be reported on the abstract of real property pursuant to section 77-1514.

An 8-year average of data, throwing out the highest and lowest numbers, will be used to determine the average yield and average commodity prices. This data will come from the United States Department of Agriculture. Carrying capacity by land capability group will be calculated using an 8-year average of rental value per animal-unit month. The highest and lowest numbers will be thrown out of this calculation. Information from the Natural Resources Conservation Service of the United States Department of Agriculture or other state or federal agencies will be used to calculate carrying capacity.

The following changes would be effective for tax year 2019, except as otherwise noted:

1. The four existing brackets under the Individual Income Tax would be reduced to three by combing the first and second brackets into a new Bracket One. The new bracket would combine the bands of income subject to tax at the lowest rate and change that rate to 3.25 percent.
2. The personal exemption credit would begin to phase-out if AGI is \$300,000 for taxpayers filing married filing joint and if AGI if \$150,000 for all other filers. No credit is available when AGI reaches \$400,000 and \$200,000, respectively.
3. A new, nonrefundable credit is created for resident taxpayers equal to \$40 if AGI is \$28,000 or less for married filing joint filers and \$20 if AGI is \$14,000 or less for all other filers.
4. The Earned Income Tax Credit would increase from 10 percent of the federal credit to 11 percent in tax year 2019 and 12 percent in tax year 2020.
5. The New Markets Job Growth Investment Act and the Nebraska Job Creation and Mainstreet Revitalization Act Committee Statement: LB461 Revenue

Committee Page 2 (known as the Historic Tax Credit) would be suspended beginning on July 1, 2017 through December 31, 2022.

6. The top bracket of the Corporate Income Tax would be reduced from 7.81 percent to 7.59 percent.

The following changes would be effective beginning with tax year 2020, except as otherwise noted:

1. The new third bracket or top bracket rate under the Individual Income Tax would begin to be reduced from 6.84 percent to 5.99 percent using eight steps. Each "step reduction" would only occur if the Tax Rate Review Committee finds that the expected rate of growth in net General Fund receipts exceeds 3.5 percent.

a. If the expected rate of growth does not exceed said amount, the Committee is required to defer the rate reduction that would have occurred for the subsequent tax year.

2. The top bracket rate under the Corporate Income tax would be reduced from 7.81 percent to 7.59 percent for tax years beginning or deemed to begin on or after January 1, 2019. The top bracket rate would continue to be reduced for tax years beginning or deemed to begin on or after January 1, 2020 in increments of .20 percent each year thereafter, but not below 5.99 percent. Each reduction for tax years 2020 and beyond would only occur if the Tax Rate Review Committee finds that the expected rate of growth in net General Fund receipts exceeds 4.0 percent.

a. If the expected rate of growth does not exceed said amount, the Committee is required to defer the rate reduction that would have occurred for the subsequent tax year.

The amendment contains the Emergency Clause.

Disposition at Sine Die:

LB 461 was advanced to General File as amended. However, LB 461 failed to advance to Select File. LB 461 was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 728 (Wayne) Change individual income tax brackets and rates

Introduced Version:

The bill creates a new, fifth bracket for individual income tax. The new bracket rate would be 7.84 percent and would apply to income of \$5 million or more for married filing joint taxpayers. The threshold for all other filers would be \$2.5 million. The new bracket would be effective for tax years beginning or deemed to begin on or after January 1, 2019.

Disposition at Sine Die:

LB 728 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 738 (Lindstrom) Change revenue and taxation provisions relating to an adjustment to income for social security benefits

Introduced Version:

The bill would require adjusting the existing deduction for Social Security income for inflation in the same manner as the state adjusts its income tax brackets pursuant to Section 77-2715.03(3).

Committee Amendments: AM 1789 - adopted

The amendment extends the effective date from tax year 2019 to tax year 2020.

Disposition at Sine Die:

LB 738 was advanced to General File with AM 1789. LB 738 was passed on Final Reading, 44-2-3, and was approved by the Governor on April 17, 2018.

LB 824 (Morfeld) Change provisions relating to the taxation of benefits received under the federal Social Security Act

Introduced Version:

The bill creates a total exemption from income tax for Social Security benefits for tax years beginning or deemed to begin on or after January 1, 2019. The benefits would be excluded from Nebraska taxable income to the extent they were included in federal adjusted gross income.

Disposition at Sine Die:

LB 824 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 911 (Bolz) Adopt the School District Local Option Income Surtax Act

Introduced Version:

LB 911 creates the School District Local Option Income Surtax Act (Act). A school board may impose a local option income surtax (surtax) for property tax reduction or building construction, remodeling and site acquisition. Revenue generated for property tax reduction will be deposited in the school district's General Fund. Revenue generated for building construction, remodeling and site acquisition will be deposited in the school district's Special Building Fund.

A majority vote of the registered voters is required before imposing a surtax. The surtax may not exceed 20% of an individual's state income tax liability less refundable credits. The surtax may not exceed five years. A majority of vote of the registered voters is required to rescind a surtax prior to its expiration.

School districts shall notify the Tax Commissioner of the rate of the surtax by August 1 of each year.

The Tax Commissioner shall determine the amount of surtax owed to each school district. The distribution of the surtax will be on or before July 1 of each year.

The surtax will no increase a school district's general fund budget authority.

The Department of Revenue may adopt rules and regulations to carry out the provisions of this Act.

Disposition at Sine Die:

LB 911 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 947 (Smith) Adopt the Nebraska Property Tax Cuts and Opportunities Act, change income tax rates, and eliminate certain exemptions and credits

Introduced Version:

LB947 would adopt the Nebraska Property Tax Cuts and Opportunities Act. The property tax cut provisions are implemented via a refundable income tax credit for resident individuals and the remainder of the bill implements a reduction in the top marginal individual income tax and corporate tax rates. In addition, new appropriations are provided for the Job Training Cash Fund.

Residential Property. Those individuals who are owners of a homestead as defined in Section 77-3502, may receive a credit of 10 percent of the property taxes paid on the homestead during the taxable year. The amount of the credit is subject to a limitation amount of \$230 for tax year 2018. For tax year 2019 and forward, the limitation amount may be increased but not exceed \$730. If the property taxes are paid by an S corporation, partnership or limited liability company, the credit will be allocated to the shareholders, partners or members in the same proportion that income is distributed.

Agricultural and Horticultural Property. Resident individuals are also allowed a refundable credit of 10 percent of property taxes paid on agricultural and horticultural property (“Ag property”) for tax year 2018. The credit is not subject to the limitation amount. For tax year 2019 and forward, the percentage may be increased but not to exceed 30 percent. The same rules will apply with respect to S corporations, partnerships and limited liability companies.

Increase in Credit Amount. For tax years 2019 and forward, the homestead credit may be increased by two percentage points over the prior year’s credit, not to exceed 30 percent. The limitation amount may be increased by \$50 over the prior year’s amount, not to exceed \$730. For Ag property the credits may be increased by two percentage points over the prior year’s credit, not to exceed 30 percent.

These increases would only occur if the actual general fund net receipts for the fiscal year are at least 101 percent of the certified estimated receipts for the fiscal year. Any excess above 101 percent would be transferred to the cash reserve fund. If the actual general fund net receipts are less than 101 percent of the certified estimated receipts, any excess amount will be transferred to the cash reserve fund.

Reduction in Marginal Income Tax Rates. The top individual income tax marginal rate would be reduced from the current 6.84 percent to 6.75 percent in tax year 2019 and 6.69 percent in tax year 2020. The top corporate marginal tax rate would be reduced from the current 7.81 percent to 6.75 percent in tax year 2019 and 6.69 percent in tax year 2020.

Job Training. A new appropriation will be made to the Job Training Cash Fund from the general fund in the amount of \$5 million on or before July 1, 2018 and \$5 million on or before July 1, 2019.

Funding Mechanisms. The unobligated balance in the Property Tax Credit Cash Fund would be transferred back to the general fund and no further appropriation would be made

to that fund for tax year 2018 and each year thereafter. The Personal Property Tax Relief Act exemption will terminate after tax year 2018.

Committee Amendment: AM 2542 - pending

The amendment becomes the bill.

Sec. 3 The amendment creates a refundable income tax credit for homeowners that is equal to a percentage of property taxes paid. A cap is set on the maximum amount of the credit for tax years beginning on or after January 1, 2018. The credit is available for both resident and nonresident taxpayers.

Tax Year	Credit Percentage	Credit Limitation Amount
2018	1%	\$25
2019	2%	\$50
2020	3%	\$75
2021	4%	\$100
2022	5%	\$125
2023	6%	\$150
2024	8%	\$200
2025	10%	\$250
2026	12%	\$300
2027	14%	\$350
2028	16%	\$400
2029	18%	\$450
2030 and after	20%	\$500

The amendment allows for distribution of the tax credit for shareholders, partners, members, or beneficiaries of Subchapter S corporations, partnerships, LLC's, trusts or estates.

The owner of a homestead who purchases another homestead prior to August 15 may file an affidavit with the Tax Commissioner to allow the credit to be claimed on the new homestead during the taxable year.

Sec. 4 The amendment creates a refundable income tax credit for agricultural and horticultural property owners equal to a percentage of property taxes paid. There is no cap on the maximum amount of the credit for tax years beginning on or after January 1, 2018. The credit is available for both resident and nonresident taxpayers.

Tax Year	Credit Percentage
2018	2%
2019	4%
2020	6%
2021	8%
2022	10%
2023	12%

2024	14%
2025	16%
2026	18%
2027 and after	20%

The amendment allows for distribution of the tax credit for shareholders, partners, members, or beneficiaries of Subchapter S corporations, partnerships, LLC's, trusts or estates.

Sec. 5 Adds the refundable credit to the statutory list of credits.

Sec. 6 The amendment reduces the highest marginal corporate income tax rate over a five-year period from 7.81% to 6.84% bringing it to the same level as the highest marginal rate on individual income taxes. It applies to tax years beginning on or after January 1, 2019.

Sec. 7 The amendment maintains the Property Tax Credit Fund at the current amount of \$224 million.

Sec. 8 The amendment transfers \$5 million from the Cash Reserve Fund to the Job Training Cash Fund.

Transfers \$212,299 from the Cash Reserve Fund to the General Fund for operational expenses associated with the bill.

Transfers \$34,450,000 from the Cash Reserve Fund to the General Fund for the first year of revenue expenses for the bill.

Sec. 10 Contains the Emergency Clause.

Disposition at Sine Die:

LB 947 was advanced to General File with AM 2542. However, LB 947 failed to advance to Select File, and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 961 (Smith) Change corporate income tax rates

Introduced Version:

LB 961 would change the corporate income tax rate beginning for tax year 2019. The bill, as introduced, is a placeholder bill.

Disposition at Sine Die:

LB 961 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 962 (Smith) Change individual income tax rates

Introduced Version:

LB 962 would change the individual income tax rates beginning in tax year 2019. The bill, as introduced, is a placeholder bill.

Disposition at Sine Die:

LB 961 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 1048 (Harr) Change provisions relating to the personal exemption credit

Introduced Version:

Current Nebraska law incorporates the federal provisions regarding personal exemption credits. With the federal repeal of this provision, Nebraska income taxpayers would lose the state personal exemption credit.

The bill creates a personal exemption credit in Nebraska law that is calculated based on new language and essentially retains the credit from previous years. However, the bill would limit the credit to taxpayers whose AGI is no more than \$200,000 for married filing joint or \$100,000 for all other filers. The amount of the credit is indexed for inflation.

Disposition at Sine Die:

LB 1048 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 1050 (Harr) Provide an adjustment to income for certain charitable contributions

Introduced Version:

The recent federal tax changes have doubled the amount of the standard deduction. Therefore, it is likely that a significant amount of taxpayers will choose the standard deduction if it now exceeds their itemized deductions. However, they will be required to use the standard deduction for Nebraska purposes as well. This may result in taxpayers not receiving the full benefit of certain itemized deductions at the state level.

The bill would allow a new deduction specifically for charitable contributions, not to exceed \$2,000 for married filing joint and \$1,000 for all other filers.

Disposition at Sine Die:

LB 1050 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 1074 (Vargas) Change provisions relating to individual income tax brackets and rates and the earned income tax credit

Introduced Version:

The bill adds a fifth bracket to the individual income tax for incomes of \$200,000 married filing joint, \$150,000 head of household and \$100,000 for all other filers. The rate for the new bracket would be 7.84 percent. In addition, the rate would increase by one percent for that portion of taxable income that exceeds \$1 million, regardless of filing status. The rate would increase by two percent for income that exceeds \$2 million.

The income amounts would be indexed for inflation. The new rates would be effective for tax years beginning or deemed to begin on or after January 1, 2018.

In addition, the bill would increase the Earned Income Tax Credit from the current 10 percent of the federal credit to 12 percent for tax years beginning or deemed to begin on or after January 1, 2018.

Disposition at Sine Die:

LB 1074 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 1090 (Smith) Change provisions relating to income tax brackets, personal exemptions, standard deductions, and itemized deductions

Introduced Version:

Nebraska tax law incorporates certain provisions and definitions of the Internal Revenue Code. The bill is intended to address the effects of the recently enacted federal tax changes.

Section 1 – Current Nebraska law indexes the individual income tax brackets for inflation each year. The statute incorporates the IRC provisions for determining the percentage increase, which was based on the Consumer Price Index (“CPI”). The federal tax bill has changed this percentage calculation from CPI to what is known as “chained CPI” which is a slower rate of growth.

Maintaining the current utilization of the federal CPI calculation will result in Nebraska income tax increases, as our brackets, personal exemption credit and standard deduction will not adjust at the same rate under chained CPI as compared to traditional CPI. This section of the bill would remove the use of the new federal indexing rules and incorporate the standard rate change of CPI for our tax brackets. Other sections of the bill implement the same change for personal exemptions and standard deduction.

Section 2 – The most significant impact on Nebraska income tax is the repeal of the federal personal exemption credit. Current Nebraska law incorporates the federal provisions regarding personal exemption credits. With the federal repeal of this provision, Nebraska income taxpayers would lose the state personal exemption credit.

The bill creates a personal exemption credit in Nebraska law that is calculated based on new language and essentially retains the credit from previous years. The amount of the credit is indexed for inflation.

Another significant change in the federal law is the doubling of the standard deduction. Nebraska law currently ties the state level standard deduction to a percentage of the federal standard deduction. With the substantial increase in the federal deduction, maintaining the current provisions of Nebraska law will significantly reduce income tax revenues.

The bill therefore allows taxpayers to claim the lesser of the federal standard deduction or a specified amount. Taxpayers who are allowed additional standard deductions due to age or blindness on the federal return are allowed an additional amount on the Nebraska return at a specified amount. All specified amounts are indexed for inflation each year.

Finally, it is important to note that under Nebraska statutes, only those taxpayers who utilized itemized deductions on the federal return may use itemized deductions on their Nebraska return. Due to the federal changes regarding various deductions, the bill clarifies the definition of itemized deductions as only those allowed in IRC section 63(d).

Disposition at Sine Die:

LB 1090 was advanced to General File. The bill passed on Final Reading, 44-0-5, and was approved by the Governor on April 17, 2018.

LB 1091 (Smith) Update references to the Internal Revenue Code

Introduced Version:

The bill is the annual update that conforms us to the basic provisions of the Internal Revenue Code. It ties us to the federal code as it exists on the effective date of the bill, with certain specified exceptions:

1. Article VIII, Section 1B, of the Nebraska Constitution, which states that “When an income tax is adopted by the Legislature, the Legislature may adopt an income tax law based upon the laws of the United States.”;
2. The statute sections listed in section 1 of the bill that govern Nebraska’s individual and corporate income taxes; and
3. The statute sections listed in section 1 of the bill that govern Nebraska’s business tax incentive programs.

A complete list of the exceptions is attached to this summary.

The bill contains the E Clause.

Disposition at Sine Die:

LB 1091 was advanced to General File. LB 1091 was passed on Final Reading with the Emergency Clause, 48-0-1, and was approved by the Governor on April 11, 2018.

Property Tax

LB 51 (Schumacher) Change provisions relating to sales of real property for nonpayment of taxes

Introduced Version:

A county may sell real property for the nonpayment of property taxes at a public tax sale to private purchasers without competitive bidding. After this sale, which creates a sales tax certificate, the taxpayers have a number of years to pay off the taxes owed together with interest.

Interest is currently calculated at 14%. After the expiration of the number of years given to taxpayers to pay off the taxes owed with interest, the private purchaser of a sales tax certificate is entitled to foreclose the tax lien in the same manner as if it is a mortgage.

The bill would require the use of the bidding process to allow the market to determine the appropriate lower rate of interest. The difference between the market interest and 14% would be kept at the county level. The bill would repeal the current round robin format for bidding on a tax sale certificate.

Committee Amendment: AM 267 - pending

The amendment strikes language allowing for a bid down for the amount of taxes due to purchase a tax sale certificate. It also clarifies the bid down process for interest.

Disposition at Sine Die:

LB 51 was advanced to General File as amended. LB 51 was indefinitely postponed with the end of the legislative session on April 18, 2018

LB 232 (Kolterman) Provide a property tax exemption for property leased to the state or a governmental subdivision

Introduced Version:

This bill would provide a property tax exemption to a person or entity holding legal title to property leased to the state or a governmental subdivision. This would reduce the base available to political subdivisions for generating revenue. It may also create a need to raise tax rates to offset the loss in property taxes due to the exemption.

The bill has a date of January 1, 2018.

Disposition at Sine Die:

LB 232 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 236 (Erdman) Change provisions relating to the inclusion of multiple lots in one parcel

Introduced Version:

This bill would give the owner the option of making two or more vacant or unimproved lots included as one parcel. The owner must make an annual application for including the multiple lots into one parcel. The lots must be in the same subdivision and same tax district.

The bill would prohibit including the lots as one parcel if property taxes or special assessments on such lots are certified but not yet due, due, or delinquent or if property taxes or special assessments on such lots have been sold at a tax sale.

The county assessor may deny this request if the property owner and county treasurer fail to provide the certification that no property taxes or special assessments on the lots are certified but not yet due, due, or delinquent and that no property taxes or special assessments on the lots have been sold at a tax sale.

Disposition at Sine Die:

LB 236 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 238 (Erdman) Change provisions of the Nebraska Budget Act relating to certifying taxable values

Introduced Version:

This bill would give the county assessor the ability to certify the current taxable value of a political subdivision to its governing board by mail, electronically, or by notification of where to find the taxable value on the county assessor's website.

This provisions of this bill **do not** change the August 20 date to certify the taxable value.

Disposition at Sine Die:

LB 238 was amended into LB 217 with AM 634. LB 217 as amended was passed on Final Reading on April 24, 2017 and approved by the Governor on May 2, 2017.

LB 249 (Harr) Expand business inventory property tax exemption

Introduced Version:

LB 249 expands the definition of business and agricultural inventory that is exempt from property tax to include leased or rented personal property and the personal property is of a type which would be considered household goods or personal effects if owned by an individual or the personal property is equipment useable for construction, agriculture, or manufacturing.

Disposition at Sine Die:

LB 249 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 251 (Harr) Redefine agricultural or horticultural purposes for revenue and taxation purposes

Introduced Version:

This bill would add another definition for agricultural and horticultural land purposes. The new definition provides land primarily used for agricultural or horticultural purposes shall

be determined without regard to whether some or all the parcel is platted and subdivided into separate lots or developed with improvements consisting of streets, sidewalks, curbs, gutters, sewer lines, water lines, or utility lines.

Disposition at Sine Die:

LB 251 was not advanced from the committee. However, the bill was amended into LB 217 with AM 993 on Select File. LB 217 as amended was passed on Final Reading on April 24, 2017 and approved by the Governor on May 2, 2017.

LB 266 (Friesen) Change the valuation of agricultural land and horticultural land

Introduced Version:

This bill would allow agricultural and horticultural land to be valued at a percentage of its actual valuation for the purposes of school district taxation. The applicable percentages to be used for the purpose of school district taxation are:

Tax Year	Percentage
2018	50
2019	40
2020 and after	30

The Tax Equalization and Review Commission (TERC) would be able to equalize agricultural and horticultural land for the school district taxation purpose by a percentage range of actual value. The applicable percentage ranges are:

Tax Year	Percentage Range
2018	44 to 50
2018	34 to 40
2020 and after	24 to 30

A percentage of the actual value would be used for the adjusted valuation of agricultural and horticultural land used to calculate and certify TEEOSA aid. These percentages are:

Tax Year	Percentage
2018	47
2019	37
2020 and after	27

The bill has an operative date of January 1, 2018.

Disposition at Sine Die:

LB 266 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 288 (Harr) Change provisions relating to service of notice when applying for a tax deed and the laws governing tax sale certificates

Introduced Version:

This bill would allow a service of notice for a treasurer's tax deed may include certified mail or a designated delivery service. The bill clarifies the notice shall be sent to the address where the property tax statement is mailed or to the address on file with the register of deeds of an encumbrancer.

If using certified mail or a designated delivery service, a return receipt or a copy of the signed delivery receipt shall be filed with the return of service.

Tax sale certificates sold and issued between January 1, 2010, and December 31, 2017, shall be governed by the laws and statutes that were in effect on December 31, 2009.

There is an emergency clause with this bill.

Disposition at Sine Die:

LB 288 was amended into LB 217 with AM 634. LB 217 as amended was passed on Final Reading on April 24, 2017 and approved by the Governor on May 2, 2017.

LB 312 (Briese) Change and eliminate revenue and taxation provisions

Introduced Version:

Section 1. Makes minor changes as needed to the Tax Expenditure Report (Items that are not currently taxed but would become subject to tax no longer need to be accounted for in the Report).

Section 2. Changes the definition of gross receipts for sales and use tax purposes by adding the following services:

- Pet-related services;
- Veterinary services, specialty services performed on livestock and animal grooming performed by a licensed veterinarian or a licensed technician in conjunction with medical treatment;
- Cleaning of tangible personal property;
- Storage and moving services;
- Investment advice;
- Personal care services including hair care, massage, nail services, spa services and tattoo services;
- Maintenance, painting, repair, and interior decorating services for single-family housing;
- Limousine, taxi, and other transportation services;
- Travel agents and tour operators;
- Lawn care, gardening, and landscaping;
- Parking lots;
- Swimming pool cleaning and maintenance;
- Dating and escort services;
- Instruction in music, dance, golf and other recreational activities;
- Custom meat slaughtering;
- Legal services, except in the furtherance of a for-profit business enterprise;

- Accounting services, except in the furtherance of a for-profit business enterprise;
- Real estate services relating to the sale of single-family housing;
- Architectural services for single-family housing;
- Telefloral delivery services; and
- Contractor labor for any major addition, remodeling, restoration, repair or renovation of owner-occupied residential housing.

Sections 3 and 4. Eliminates the trade-in credit for sales of motor vehicles, motorboats, all-terrain vehicles and utility-type vehicles.

Section 5. Repeals the sales tax exemption for the following items:

- Prepared food and food ingredients served by public or private schools, school districts, student organizations or parent-teacher associations;
- Fees and admissions charged for political events;
- Fees and admissions charge by a public or private school district, student organization or parent-teacher association;
- Fees and admissions charged for participants in any activity provided by a nonprofit organization exempt from income tax under IRC 501(c) conducting statewide sport events with multiple sports for both adults and youth; and
- Fees and admissions charged for participants in any activity provided by a nonprofit organization exempt from income tax under IRC 501(c) which is affiliated with a national organization, primarily dedicated to youth development and healthy living and offers sports instruction and sports leagues or sports events in multiple sports.

Section 6. Changes the definition of “food and food ingredients” which are exempt from sales tax to exclude, and therefore make taxable, the sale of soft drinks, candy or bottled water.

Section 7. Increase the refundable Earned Income Tax Credit from 10% to 17% percent for taxable years beginning or deemed to begin on or after January 1, 2018.

Sections 8 and 9. Create the Excess Revenue Property Tax Credit Fund. The net increase in state tax revenue generated by the bill is to be credited to the Fund. The amount in the Fund is to be distributed in the form of property tax relief in the same manner as the existing Property Tax Credit Fund.

Section 12. Outright repeals the sales tax exemptions for the following:

- Newspapers;
- Coin-op laundry;
- Lottery tickets;
- Prepaid calling or wireless calling services;
- Contractor labor;
- Purchases of fine art by museums;
- Purchases by historic automobile museums;
- Membership or admission to and purchases by zoos and aquariums.

Disposition at Sine Die:

LB 312 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 322 (Craighead) Change the Tax Equalization and Review Commission Act

Introduced Version:

This bill would require that one of the three commissioners on the Tax Equalization and Review Commission (TERC) shall have the certification, qualifications and training to be a certified general real property appraiser. LB322 would also require that one of the three commissioners on the TERC to have been employed for at least 10 years as a real estate broker and to be currently licensed as a real estate broker.

The current filing fee is \$25 for any appeal. LB322 would increase the filing fee to \$50 for the following appeals:

- Decisions of any county board of equalization (CBE) granting or denying tax-exempt status for real or personal property or an exemption from motor vehicle taxes and fees;
- Decisions of the Tax Commissioner determining adjusted valuation pursuant to section 79-1016;
- Decisions of any CBE on claims that a levy is or is not for an unlawful or unnecessary purpose or in excess of the requirements of the county;
- Decisions of any CBE granting or rejecting an application for a homestead exemption;
- Decisions of the Department of Motor Vehicles determining the taxable value of motor vehicles pursuant to section 60-3,188;
- Decisions of the Tax Commissioner pursuant to section 77-3520 regarding homestead exemptions.

The filing fee for the following appeals shall be the greater of \$50 or 1/30th of 1% of the assessed value of the subject property:

- Decisions of any CBE equalizing the value of individual tracts, lots, or parcels of real property so that all real property is assessed uniformly and proportionately
- Decisions of the Tax Commissioner determining the taxable property of centrally assessed property (a railroad company, car company, public service entity, or air carrier) within the state;
- Decisions of any CBE on the valuation of personal property or any penalties imposed on the taxation of tangible personal property;
- Any other decision of any CBE;
- Any other decision of the Tax Commissioner regarding property valuation, exemption, or taxation;
- Determinations of the Rent-Restricted Housing Projects Valuation Committee regarding the capitalization rate to be used to value rent-restricted housing projects or the requirement that an income-approach calculation be used by county assessors to value rent-restricted housing projects;
- Any other decision, determination, action, or order from which an appeal to the commission is authorized.

The bill adds specific timelines for noticing hearings and for the appellant to acknowledge the notice. All parties in an appeal shall be afforded an opportunity for a hearing after no less than 60 days' notice. The appellant has 30 days after receipt of the notice to return the

acknowledgement form. Failure to file the acknowledgement will constitute a withdrawal of the case. All appeals and petitions must be heard by the TERC within 18 months after filing the appeal. Single commissioner hearings shall occur in the district court judicial district where the property to the appeal is located. A copy of the decision and order shall be delivered or mailed within 30 days after the hearing.

LB 322 clarifies the oath, affirmation, or statement required for each appeal is given by an owner of the property under appeal or, if the appeal or petition is filed by the state or a political subdivision, by an officer of the state or political subdivision. The oath, affirmation or statement will show the representations contained in the appeal or petition are true as far as the person executing or filing it knows or should know.

The TERC will be required to also use the standards of uniformity when deciding to increase or decrease the value of a class or subclass of real property. Standards of uniformity are defined as the standards relating to coefficient of dispersion as set forth in the Standard on Ratio Studies published by the International Association of Assessing Officers, as such publication existed on January 1, 2017. Currently TERC only needs to increase or decrease valuation within an acceptable range.

In cases in which the variation falls outside the acceptable ranges or the standards of uniformity, the TERC shall consider ordering (a) a moratorium on increases or decreases to values and (b) a reappraisal of the subject class or subclass of real property.

Based on a recommendation in the Property Tax Administrator's annual reports and opinions, that the level of value of a class or subclass of real property fails to satisfy the requirements of acceptable range or the standards of uniformity, TERC shall issue a notice to the counties which it deems either undervalued or overvalued and shall set a date for hearing at least 15 days following the mailing of the notice unless notice is waived.

The order of the TERC shall be sent by facsimile transmittal and certified mail to the county assessor, county clerk and the chairperson of the county board on or before May 15. A county shall be granted a rehearing if additional evidence regarding the appeal is discovered.

Disposition at Sine Die:

LB 322 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 338 (Brasch, at the request of the Governor) Adopt the Agricultural Valuation Fairness Act

Introduced Version:

This bill would create the Agricultural Valuation Fairness Act. It would change the method for assessing agricultural and horticultural land from a comparable sales approach to an income approach.

The Property Tax Administrator shall establish a range of net incomes for all land capability groups in the state, by county and by land use, based on the previous ten years' information. The income ranges shall be based on the average yield information for the ten prior years published by the United States Department of Agriculture for those commodities appropriate for each land capability group. The Property Tax Administrator shall issue a report of his or her findings and recommendations to each county assessor in Nebraska no later than January 1 of each year.

The Property Tax Administrator shall establish the capitalization rates to be applied to each class or subclass of agricultural land and horticultural land within each county. The capitalization rates established will result in an aggregate agricultural use value for the class of agricultural land and horticultural land that is between 60 percent and 75 percent of the actual value that the agricultural land and horticultural land has for agricultural or horticultural purposes. The aggregate agricultural use value so established shall not increase more than 3.5% from the prior year.

County assessors shall use the range of incomes for land capability groups and the capitalization rates determined by the Property Tax Administrator in determining the agricultural use value of agricultural land and horticultural land.

A county assessor may petition the Tax Commissioner for an alternative income range to be applied to that land capability group if the county assessor believes that the income range for a land capability group as determined by the Property Tax Administrator results in values that are not uniform and proportionate within the class of agricultural land and horticultural land.

The Tax Commissioner may adopt and promulgate rules and regulations as necessary to carry out the Agricultural Valuation Fairness Act.

The bill has an operative date of January 1, 2019.

Disposition at Sine Die:

LB 338 was amended into LB 461 with AM 954. LB 461 was advanced from the committee but failed to advance from General File. LB 338 was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 385 (Lindstrom) Change provisions relating to the burden of proof and who may appeal under the Tax Equalization and Review Commission Act

Introduced Version:

This bill expands who may file an appeal with the Tax Equalization and Review Commission (TERC) on behalf of a taxpayer. The new language will allow:

- A person or entity with a contract executed by the taxpayer
- A legal representative, that includes the power to execute an appeal on behalf of the taxpayer
- A person with a power of attorney
- A person with a durable power of attorney
- A person who is a trustee of an estate

LB 385 will also require the county board of equalization to have the burden of proof in any appeal where the assessed value of a property has increased by more than 5% over the assessed value for the prior tax year.

Disposition at Sine Die:

LB 385 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 555 (Smith) Change and eliminate provisions of the Tax Equalization and Review Commission Act

Introduced Version:

This bill would provide mileage reimbursement for commissioners of the Tax Equalization and Review Commission (TERC).

Commissioners who live within 50 miles of the state office building would be reimbursed for the round trip from the home of the commissioner to the state office building.

Commissioners who live more than 50 miles from the state office building would be reimbursed for one round trip per week from his or her home to the state office building and a per diem at the federal per diem rate for each day the commissioner works at the state office building.

The current fee to file an appeal is \$25. LB555 would increase the filing fee to \$50 for an appeal with taxable value of \$1M or less; or \$100 if the taxable value in the appeal is more than \$1M.

Disposition at Sine Die:

LB 555 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 570 (Friesen) Provide a property tax exemption for all tangible personal property

Introduced Version:

This bill would exempt all tangible personal property beginning January 1, 2019.

Disposition at Sine Die:

LB 570 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 572 (Friesen) Provide termination dates for the Property Tax Credit Act and the Tax Equity and Educational Opportunities Support Act and change application deadlines under the Nebraska Advantage Act

Introduced Version:

This bill would terminate the Property Tax Credit Act and the Tax Equity and Educational Opportunities Support Act on January 1, 2020.

LB 572 would also allow no new applications to be filed for any tier in the Nebraska Advantage Act after December 31, 2019.

Disposition at Sine Die:

LB 572 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 576 (Brewer) Limit increases in property tax bills

Introduced Version:

This bill would freeze property tax for the 2017 and 2018 tax years at the property tax level for the 2016 tax year.

Disposition at Sine Die:

LB 576 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 599 (Groene) Exempt certain improvements on land from taxes as prescribed

Introduced Version:

This bill would expand the definition of business and agricultural inventory. Infrastructure improvements on land, redevelopment or new construction for business or housing purposes would be exempt from personal property tax until occupied, sold or leased.

Disposition at Sine Die:

LB 599 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 602 (Erdman) Change and eliminate provisions relating to the valuation of agricultural land

Introduced Version:

This bill would determine the actual valuation of agricultural and horticultural land by using the capitalized net earning capacity the land produces without regard to any value the land might have for other purposes or uses. The capitalized net earning capacity process will be done uniformly and proportionately within the class.

The bill provides specific and detailed language on the data sources, the number of years for the data, and the capitalization rate.

Data Sources

The Property Tax Administrator shall use data from the following sources:

- Nebraska Crop and Livestock Reporting Service
- United States Department of Agriculture Natural Resources Conversation Service
- Department of Agricultural Economics of the University of Nebraska
- National Agricultural Statistics Service of the USDA
- Other state or federal agencies selected by the Property Tax Administrator

Number of Years of Data

The Property Tax Administrator will use the most recent 8-year Olympic average.¹ The bill starts with a 3-year average on 2019 and builds to the 8-year Olympic average in 2024.

Tax Year	Number of Years to Average
2019	3 years
2020	4 years
2021	5 years
2022	6 years
2023	7 years
2024	8 years

Capitalization Rate

The bill sets the capitalization rate at 6%.

The acceptable range for the Tax Equalization and Review Commission (TERC) to use for appeals of the valuation of agricultural and horticultural land will be 92% to 100%. The current range is 69% to 75%.

The adjusted valuation data element used for the calculation and certification of TEEOSA aid will be 96% for agricultural and horticultural land. Currently, adjusted valuation of agricultural and horticultural land is 72%. Based on the current TEEOSA provisions, the changes proposed in this bill will increase the adjusted valuation data and the yield from local effort rate components of TEEOSA aid. Generally, increasing these two data components means less equalization aid (state monies) will be needed to fund TEEOSA.

The bill has an operative date of January 1, 2019.

Disposition at Sine Die:

LB 602 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 613 (Wayne) Change provisions relating to property tax exemptions under the Nebraska Housing Agency Act

Introduced Version:

This bill provides the real and personal property of a local housing agency and any controlled affiliate shall be exempt from property taxes. Jointly owned property of a local housing agency or its controlled affiliates with other nongovernmental persons or entities is exempt from property taxes if:

- The property is used solely to provide housing for persons of eligible income and qualifying tenants; and

¹ An Olympic average is used rather than a simple average in calculating benchmarks in Farm Bill commodity programs. An Olympic average eliminates the high and low observations and then averages all remaining observations of data.

- The housing authority or controlled affiliate provides notice of such exemption to the county assessor on or before December 31 of the year preceding the year the exemption is first sought.

Disposition at Sine Die:

LB 613 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 616 (Wayne) Adopt the Startup Nebraska Program Act and provide an exemption from income, sales, and use taxes

Introduced Version:

The bill creates the Startup Nebraska Program Act. It creates tax free zones known as HUBZones pursuant to the federal HUBZone Act of 1997. HUBZones are defined as “historically underutilized business zones designated by the administrator of the U.S. Small Business Administration...and located in a qualified census tract in a city of the metropolitan class.”

Participants are exempt from income, sales and use taxes for three years “beginning with the first year for which the business would otherwise be liable to pay such income, sales and use taxes.” The bill presumably only exempts participants from state sales and use taxes, not local option sales and use taxes.

To participate, a new business must demonstrate that it will “create net new jobs and maintain net new jobs after its first year of operation.”

Net new jobs means:

- A job created in a HUBZone that:
 - Is new to the state;
 - Has not been transferred from employment with another business located in the state or from employment with a related person in this state, except as provided;
 - Is not filled by an individual employed within the state within the immediately preceding 60 months by a related person;
 - Is either a full-time wage-paying job or equivalent to a full-time wage-paying job requiring at least 35 hours per week; and
 - Is filled for more than six months.

Further, the average number of employees of the business and its related persons in the state during such year (first year of operation) must equal or exceed the sum of:

1. The average number of employees of the business and it related persons in the state during the year immediately preceding the year in which the business submits it application; and
2. Net new jobs of the business in the HUBZone during the year.

New business means a business that:

- Is not operating or located within the state at the time it submits it application to participate in the program;
- Is not moving existing jobs into a HUBZone from elsewhere in the state;
- Is not substantially similar in operation and in ownership to a business entity taxable or previously taxable within the preceding three taxable years; and

- Has not caused individuals to transfer from existing employment with a related person located in the state to similar employment with the business, unless such business has received approval for such transfers from the commissioner after demonstrating that the related person has not eliminated those existing positions.

Related person means:

“...any corporations, partnerships, limited liability companies, or joint ventures which are or would otherwise be members of the same unitary group, if incorporated, or any persons who are considered to be related persons under section 267(b) and (c) of the Internal Revenue Code of 1986, as amended, or section 707(b) of the code.”

Section 77-4924.

The bill also provides for:

- The requirements of the application to filed with the Tax Commissioner;
- Conditions for approving or rejecting an application;
- A list of business types that are not eligible to participate in the program;
- Reporting and disclosure requirements for the Tax Commissioner; and
- Annual reporting by participants.

The bill does not specify when the program begins but does provide that no new applications may be accepted after December 31, 2020.

Disposition at Sine Die:

LB 616 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 640 (Groene) Change provisions of the Property Tax Credit Act and provide school district property tax relief

Introduced Version:

LB 640 would reduce the statutory maximum levy for schools districts to \$1.00 per \$100 of taxable valuation beginning in tax year 2018. It would take effect for the 2018/19 school fiscal year. The current statutory maximum levy for school districts is \$1.05 per \$100 of taxable valuation.

Reducing the statutory maximum levy for school districts will also reduce the local effort rate used in the calculation and certification of TEEOSA aid for school fiscal year 2018/19. The current local effort rate is \$1.00. The provisions of this bill will reduce the local effort rate to 95 cents. Generally, reducing the local effort rate requires the State to add monies to TEEOSA aid.

This bill creates School District Property Tax Relief Aid (PTRA) beginning in tax year 2018. To qualify for PTRA, the general fund property tax receipts of a school district must exceed 60% of the total general fund revenue. The amount of PTRA will be 75% of the school district property tax gap. The school district property tax gap is the general fund property tax receipts minus 60% of total GF revenue. Monies for the PTRA will be distributed from the Property Tax Credit Cash Fund.

School districts are required to use the PTRAs when determining the next year's property tax request.

The Department of Education will certify the necessary data to the Department of Revenue to calculate and distribute the PTRAs. The Department of Revenue may adopt and promulgate rules and regulations

The Department of Education is also required to certify the state-wide increase to TEEOSA created by reducing the statutory maximum levy to \$1.00 (and the local effort rate to 95 cents) to the Department of Revenue. The Department of Revenue will transfer the necessary funds to the Property Tax Credit Cash Fund for the PTRAs and the increases to TEEOSA.

The county will distribute the remaining monies in the Property Tax Credit Cash Fund to the local political taxing subdivisions.

School districts that receive PTRAs shall have their budgeted expenditures reduced by 25% of the property tax gap. A board of education may override this reduction by a 2/3 majority vote after holding a public hearing on the issue.

Committee Amendment: AM 752 – pending

The Amendment becomes the bill.

The statutory maximum levy for school districts will be reduced from \$1.05 per \$100 of taxable value to \$0.987 per \$100 of taxable value beginning with fiscal year 2018-19.

If a temporary reduction of TEEOSA aid occurs, a school district may access up to an additional \$0.03 per \$100 of taxable value above the statutory maximum levy. A public hearing and a 2/3 majority vote of the board of education is required before a school district may access the additional \$0.03. Only 75% of the reduction in TEEOSA aid may be generated with the additional \$0.03. The Department of Education will certify the amount of the temporary reduction in aid to each school district. The additional levy (up to \$0.03 per \$100 of taxable value) is only in effect for that specific school fiscal year.

A temporary reduction in aid is the amount which aid is reduced for a school district due to any statutory provision that reduces the statewide total amount of TEEOSA aid. A temporary reduction in aid is valid for a specified period of time after which the statutory provision reverts to the provision as it existed prior to the temporary reduction in aid.

Beginning with tax year 2018 and each tax year thereafter, the Department of Education will certify to the State Treasurer the statewide increase in TEEOSA that results from reducing the statutory maximum levy from \$1.05 per \$100 of taxable value to \$0.987 per \$100 of taxable value. The State Treasurer will transfer an amount equal to this increase in TEEOSA aid from the Property Tax Credit Cash Fund to the Tax Equity and Educational Opportunities Fund.

For tax year 2018 and each tax year thereafter, the amount of property tax relief shall be the amount available in the Property Tax Credit Cash Fund after transferring funds for TEEOSA aid and PTRAs.

A school district will qualify for the School District Property Tax Relief Aid (PTRAs) if its general fund property tax receipts exceed 55% of its total general fund revenue. School

districts that qualify for the PTRA are required to budget the monies as a revenue source before property taxes.

For school fiscal year 2018-19 and each school fiscal year thereafter, the Department of Education will calculate a preliminary equalization aid amount to determine if a school district will qualify for an option enrollment relief correction.

The final calculation of equalization aid will be the difference between total formula needs of a school district and the sum of its total formula resources plus the option enrollment relief correction.

A school district qualifies for the option enrollment relief correction if it does not qualify for PTRA and its net option funding is greater than 90% of the preliminary state aid calculated for the school fiscal year.

Preliminary state aid is the sum of the preliminary equalization aid, net option funding, best practices aid, allocated income tax funds and community achievement plan aid.

The option enrollment relief correction for each qualifying school district is equal \$0.63 per \$100 dollars of adjusted valuation.

A school district receiving PTRA will have its budget authority reduced by 25% of to the property tax gap unless an override of all or part of such reduction is accessed by a 2/3 majority vote of the board of education.

Disposition at Sine Die:

LB 640 was advanced to General File as amended. However, LB 640 failed to advance to Select File. LB 640 was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 772 (Walz) Change provisions relating to agricultural land that receives special valuation

Introduced Version:

LB 772 would change current statute to allow the special valuation of agricultural or horticultural land which is located within the corporate boundaries of cities or villages in counties with less than 100,000 inhabitants. Such land located inside a sanitary and improvement districts (SIDs) is still excluded.

In counties with 100,000 or more inhabitants, agricultural or horticultural land located with the boundaries of an SID, city or village would still be excluded from special valuation with the exception of land subject to a conservation or preservation easement.

The bill has an operative date of January 1, 2019

Disposition at Sine Die:

LB 772 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 829 (Erdman) Adopt the Property Tax Relief Act

Introduced Version:

LB 829 creates the Property Tax Relief Act (Act). Beginning on or after January 1, 2019, each taxpayer shall be allowed a refundable credit against their income tax equal to 50 percent of school district taxes levied on the taxpayer's property during the taxable year.

School district taxes is defined in the Act to be any property taxes levied except for bonded indebtedness and property taxes levied as a result of a levy override election.

The Department of Revenue may adopt and promulgate rules and regulations to carry out the Act.

Disposition at Sine Die:

LB 829 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 885 (Harr) Change provisions relating to property tax protests

Introduced Version:

When a non-owner protests the valuation of a parcel of land, existing law does not provide for the owner to receive notice.

LB 885 would require the county clerk to send a copy of the protest form (Form 422), attachments, and the county board of equalization's decision to the property owner.

The bill would take effect on January 1, 2019.

Committee Amendment: AM 1626 – approved

The amendment adds language to accommodate persons authorized to protest a property tax assessment on behalf of the owner and to require such person to provide the authorization as part of the protest.

Disposition at Sine Die:

LB 885 was advanced to General File as amended with AM 1626. LB 885 was passed on Final Reading, 45-0-4, and was approved by the Governor on April 11, 2018.

LB 899 (Erdman) Provide for an adjustment to the assessed value of destroyed real property

Introduced Version:

LB 899 would provide for a reassessment of real property that is destroyed by fire or other natural disaster after January 1 and before October 1 of any year. The property owner would pay property taxes only on the portion of the year when the real property was not destroyed.

The county board of equalization would adjust the assessed value of the destroyed real property by the sum of the following:

- The assessed value of the real property before it became destroyed multiplied by a percentage representing the portion of the year in which the property was intact;

- The assessed value of the destroyed real property as of the date of its destruction multiplied by a percentage representing the portion of the year during which the property was destroyed and no replacement property has been completed; and
- The assessed value of any replacement property as of the date of the completion of construction of the replacement property multiplied by a percentage representing the portion of the year during which the construction of the replacement property was complete.

Protests on the county board of equalization's action must be filed within 30 days of notice reassessment of real property. County board of equalization has 30 days to issue its final decision. Action of county board of equalization may be appealed to TERC with 30 days after the county board of equalization's final decision.

The bill has an operative date of January 1, 2019.

Disposition at Sine Die:

LB 899 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 910 (Bolz) Adopt the Property Tax Circuit Breaker Act and change the funding of the Property Tax Credit Act

Introduced Version:

LB 910 would create the Property Tax Circuit Breaker Act (Act). The Act would provide property tax relief to certain taxpayers through a refundable income tax credit. The bill would use the monies in the Property Tax Credit Fund to pay for the refundable income tax credit. The Department of Revenue may adopt rules and regulations to carry out the provisions of this Act.

Qualifying Agricultural Taxpayer Refundable Tax Credit

- Credit will equal amount of property taxes paid during the most recently completed tax year minus 7% of the taxpayer's federal adjusted gross income (FAGI).
- Credit amount shall not be less than zero.
- Department may certify tax credits up to \$105 million each taxable year.
- Tax credits will be prorated if approved applications exceeds \$105 million.
- Only one tax credit may be claimed per parcel of land.

Qualifying Residential Taxpayer Refundable Tax Credit

- Residential taxpayer (owner) must live at property for a least 6 months of the most recently completed tax year.
- Tax credit will equal the total amount of property taxes paid in excess of the amounts in the following table.
 - Except the amount of property taxes paid on a taxpayer's principal residence shall not exceed the amount of taxes paid on a residence with a taxable value equal to 200% of the average assessed value of single-family residential property in the taxpayer's county of residence in the most recently completed taxable year.

	Married Filing Jointly Income Bracket	All Other Bracket
1% of FAGI	\$0 – 6,290	\$0 – 3,150
2% of FAGI	\$6,291 - 37,760	\$3,151 – 18,880
4% of FAGI	\$37,761 – 60,840	\$18,881 – 30,420
6% of FAGI	\$60,841 – 121,680	\$30,421 – 60,840
8% of FAGI	\$121,681 & over	\$60,841 & over

- Tax credit will equal the 20% of the rent paid in excess of the amounts in the following table.

	Married Filing Jointly Income Bracket	All Other Bracket
1% of FAGI	\$0 – 6,290	\$0 – 3,150
2% of FAGI	\$6,291 - 37,760	\$3,151 – 18,880
4% of FAGI	\$37,761 – 60,840	\$18,881 – 30,420
6% of FAGI	\$60,841 – 121,680	\$30,421 – 60,840
8% of FAGI	\$121,681 & over	\$60,841 & over

- The tax credit allowed to any qualifying residential taxpayer (owner and renter) shall not exceed the amounts in the following table.

	Married Filing Jointly Income Bracket	All Other Bracket
\$1,200 if FAGI falls into income bracket	\$0 – 6,290	\$0 – 3,150
\$900 if FAGI falls into income bracket	\$6,291 - 37,760	\$3,151 – 18,880
\$600 if FAGI falls into income bracket	\$37,761 – 60,840	\$18,881 – 30,420
\$300 if FAGI falls into income bracket	\$60,841 & over	\$30,421 & over

- Minimum and maximum dollars amounts for each income tax bracket and maximum amount of credits provided shall be adjusted for inflation.
- Department may certify tax credits up to \$119 million in any year.
- Tax credits will be prorated if approved applications exceeds \$119 million.
- Only one tax credit may be claimed per residence.

Disposition at Sine Die:

LB 910 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 937 (Stinner) Change filing fees for appeals to the Tax Equalization and Review Commission

Introduced Version:

LB 937 would increase the filing fee for an appeal to the Tax Equalization and Review Commission (TERC). The current filing fee for an appeal is \$25. This bill would change the fee to:

- \$40 if the taxable value of the parcel being appealed is \$250,000.
- \$50 if the taxable value of the parcel being appealed is at least \$250,000 but less than \$500,000
- \$60 if the taxable value of the parcel being appealed is at least \$500,000 but less than \$1 million.

- \$100 if the taxable value of the parcel being appealed is at least \$1 million.
- \$40 for any other appeal.

Disposition at Sine Die:

LB 937 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 939 (McDonnell) Provide a homestead exemption for certain dwelling complexes located on military installations

Introduced Version:

LB 939 would provide a homestead exemption for the owner of a dwelling complex that is located on U.S. military installations.

LB 939 adds another definition to homestead: a dwelling complex and any related amenities located on a United States Department of Defense military installation in this state. The new definition has 3 qualifying criteria: (1) the owner of record of the land upon which such installation is situated is the United States Government; (2) such complex and amenities are developed pursuant to a federal military housing privatization initiative; and (3) such complex and amenities are provided primarily for use by military personnel of the United States and their families.

The resident of a dwelling complex is added to the definition of owner.

The record title owner of the dwelling complex will receive a 100% homestead exemption. If there are unoccupied units or units not occupied by military personnel, the amount of the homestead exemption will be reduced by the percentage of total number of unoccupied units by the total units in the dwelling complex.

The record title owner shall be required to make an in-lieu-of tax payment to school districts in the amount equal to the homestead exemption.

Disposition at Sine Die:

LB 939 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 963 (Smith) Change how often real property is inspected and reviewed for property tax purposes

Introduced Version:

LB 963 would change the timeframe for the county to review all parcels of real property. The bill, as introduced, is a placeholder bill.

Disposition at Sine Die:

LB 963 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 996 (Crawford) Change defined terms and other provisions of the Nebraska Advantage Act

Introduced Version:

The bill makes several changes to the Nebraska Advantage Act (the Act) as follows:

- Removes the term “equivalent employee” and its definition and replaces it with the term “established employee” and defines this as:
 - An individual who is employed in Nebraska and is subject to the Nebraska income tax on compensation received from the taxpayer;

The term “equivalent employee” is currently defined by a formula using hours paid. The new term is utilized throughout the bill, including in the calculation of “new employees” required to qualify under the various Tiers of the Act’

- Increases the amount of wages paid to qualify under the Act from 60 percent of the Nebraska average weekly wage to 110 percent of the county average weekly wage of the county in which the taxpayer project is located;
- For purposes of the withholding tax credits earned under the Act, the bill limits the amount of the credit that may be earned as follows:
 - For the first three years of the entitlement period, not more than 100 percent of the withholding attributable to new employees;
 - For years four and five, 50 percent of such withholding;
 - Prohibits the use of any such credit in years six and seven of the entitlement period; and
 - Prohibits the carryforward of any unused withholding credits in the carryforward period.

Any withholding credit that exceeds these limits shall be returned to the Department of Revenue, as is currently required, but they are deemed “unused credits” and may be utilized as otherwise permitted under the Act.

These changes would apply only to applications filed under the Act on or after the effective date of the bill.

Disposition at Sine Die:

LB 996 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 1006 (McCollister) Change provisions relating to rehearings under the Tax Equalization and Review Commission Act

Introduced Version:

LB 1006 would allow an application for rehearing of an order changing the level of valuation of class or subclass of property if relevant evidence is discovered after the date of the order.

Disposition at Sine Die:

LB 1006 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 1007 (Kolowski) Authorize school districts to levy a tax and establish a fund for facilities-related expenditures

Introduced Version:

LB 1007 allow school districts to levy a maximum of \$.03 per \$100 of valuation for purposes of maintenance, upkeep, rehabilitation, and construction within the existing school district facilities. A super majority vote (67%) of the school board is required to access the levy.

The revenue generated by this levy is to be deposited in a School District Facilities Fund. Only expenditures related to maintenance, upkeep, rehabilitation, and construction may be made from this fund.

Disposition at Sine Die:

LB 1007 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 1022 (Schumacher) Adopt the Irrigation Tax Act and change the valuation of agricultural land for property tax purposes

Introduced Version:

The bill would create the Irrigation Tax Act. The tax would apply to the use of water to irrigate agricultural and horticultural land at the rate of \$.01 for every ten gallons of water pumped from a covered water well and shall be paid by the owner of the land being irrigated. The tax would be due on or before November 1 of each year.

The taxes collected under the Act would be credited to the School Aid Fund per section 11 of the Act. Failure to file, filing late, failure to remit the tax due or remitting the tax after the filing date would subject the taxpayer to a penalty of 10 percent of the amount of tax not paid or \$25, whichever is greater, plus interest.

For property tax purposes, agricultural and horticultural land which is dry land would continue to be assessed at 75 percent of actual value for dry land and any value added by irrigation would be disregard in determining taxable value. This same rule would apply for purposes of special valuation.

For the purpose of determining comparable sales, differences in well capacity or in water availability due to federal, state or local regulatory action would not be considered. The acceptable range of assessment for agricultural and horticultural land would be determined on the basis of the value of such land as dry land.

The School Aid Fund is created, to be administered by the Department of Education. Such funds shall be used to provide aid to school districts that do not receive aid under TEEOSA on a formula student basis.

The Act would become effective on January 1, 2019.

Disposition at Sine Die:

LB 1022 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 1077 (Friesen) Eliminate levy limits for school districts

Introduced Version:

LB 1077 repeals the statutory maximum levy of \$1.05 per \$100 of taxable valuation and all levy exclusions for public school districts. The bill harmonizes all statutes that reference the levy limitation for school districts found in 77-3442.

The bill also changes the criteria for a landowner to petition to freehold his/her land from a Class II or Class III school district. The change is in the second criteria for a freeholding petition. Current statute requires the Class II or Class III school district to have voted to exceed the levy limit. LB1077 repeals the levy override requirement and makes the criteria a levy in excess of \$1.05 per \$100 of taxable valuation for the school year when the petition is filed.

The adjustments to the Tax Equity and Educational Opportunities Support Act (TEEOSA) include general fund operating expenditures (GFOE) will not include levy override amounts beginning with the certification of 2019-20 TEEOSA. The bill makes the local effort rate (LER) \$1.00 per \$100 of adjusted taxable valuation.

Disposition at Sine Die:

LB 1077 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 1084 (Briese) Adopt the Property Tax Request Limitation Act, provide sunset dates for certain tax exemptions and incentives, and change other revenue and taxation provisions

Introduced Version:

Sections 1 through 8 of the bill create the Property Tax Request Limitation Act.

The Act would apply only to school districts and would not apply to the tax request for approved bonds. The intent of the Act is to limit the amount of a school district's real and personal property tax request by a base growth percentage. Base growth percentage is defined as the greater of two and a half percent or the Consumer Price Index ("CPI") for All Urban Consumers for the 12-month period ending on June 30 of the year in which the property tax request is made.

Based on current statute, the property tax request is part of the school district budget. The deadline for filing a budget is on or before September 20. The resolution requesting property tax dollars must be made to the county clerk on or before October 15.

A school board will be required to calculate the property tax request authority each year. The property tax request authority is the prior year's property tax request increased by the greatest percentage of the following:

- The base growth percentage; or
- The annual percentage in the student enrollment of the district; or
- The annual percentage increase in the total number of limited English proficiency students; or
- The annual percentage increase in the total number of poverty students.

This amount will then be decreased by an amount equal to the increase in total non-property tax revenue of the current year to the prior year. Then the amount will be increased by an amount equal to the increase in total non-property tax revenue from the prior year to the current year.

A school board may increase its property tax authority in two ways:

- The school board may hold a special election to increase its property tax authority; or
- The school board may approve the increase with an affirmative vote of 75 percent of the school board.

A limit on the increased percentage a school board may approve is based on a school's average daily membership (ADM).

ADM	Percentage
471.00	7
471.01 to 3,044.00	6
3,044.01to 10,000.00	5
10,000.01 and above	4

A school district may choose not to use all of its property tax authority in a particular year. The amount of unused property tax authority will be carried forward into future fiscal years.

The Department of Education (NDE) may adopt and promulgate rules and regulations to carry out the provisions of this Act. The NDE will prepare the necessary documents to calculate and collect a school district's property tax authority.

The bill provides a penalty provision for any school district that does not submit the required forms on or before September 20 of each year. If a school district fails to file the required forms, its Tax Equity and Educational Opportunities Support Act (TEEOSA) monies will be withheld until the school district is in filing compliance. A school district has 6 months to meet the filing requirements. Once the required forms are filed, the school district will received its withheld TEEOSA funds. Any school district not filing the required forms within 6 months will not receive the withheld TEEOSA funds and those funds will revert back to the State's General Fund.

Sections 9, 11, 12, 14 and 15 repeal the provisions of the Personal Property Relief Act.

Section 10 amends the provisions of the Tax Expenditure Report to remove references to exempt items that become subject to tax under other provisions of the bill.

Section 13 terminates the New Markets Tax Credit by prohibiting applications after December 31, 2018.

Section 16 increases the cigarette tax from \$.64 per pack to \$1.64. Beginning on July 1, 2019 one \$1.00 of the tax is directed to the Property Tax Credit Cash Fund.

Section 18 creates an additional individual income tax (“surtax”) on incomes of \$500,000 in AGI. The rate is two and half percent for AGI of \$500,000 but less than \$1,000,000 and five percent for AGI of \$1,000,000 and above. It would apply to tax year beginning or deemed to begin on or after January 1, 2019.

Section 19 increases the state sales tax rate from 5.5 to 6 percent beginning October 1, 2018.

Section 20 through 25 eliminate current sales tax exemptions and subject new services to the sales tax:

- Repeals the exemption for veterinary services and specialty animal services for livestock
- Adds cleaning of tangible personal property;
- Adds storage and moving services;
- Adds investment advisory services;
- Adds personal care services, including hair care, massages, nail services, spa services and tattoo services;
- Adds maintenance, painting, repair and interior decoration services performed on single-family housing;
- Adds limousine, taxi and other transportation services;
- Adds services of travel agents and tour operators;
- Adds lawn care, gardening and landscaping services;
- Adds parking lot services;
- Adds swimming pool cleaning and maintenance services;
- Adds dating and escort services;
- Adds instruction in music, dance, golf and other recreational activities;
- Adds custom meat slaughtering services;
- Adds real estate services relating to the sale of single-family housing;
- Adds tanning services;
- Adds Teleflora delivery services;
- Adds contractor labor services for any major addition, remodeling, restoration, repair or renovation of owner-occupied residential housing;
- Adds remote sales if the retailer 1) makes sales exceeding \$100,000 in the state in the previous or current calendar year; or 2) makes more than 200 separate transactions in the state in the previous or current calendar year. This provision becomes operative on the later of the July 1, 2018 or the first day of the first calendar quarter after a

controlling court or federal legislation abrogates the physical presence requirement of *Quill*;

- Repeals the trade-in allowance exemption for motor vehicles, motorboats, all-terrain vehicles and utility-type vehicles and related provisions;
- Repeals the exemption for food or food ingredients served by public or private schools, school districts, student organizations or parent-teacher associations in an elementary or secondary school or any institution of higher learning;
- Repeals the exemption for fees and admissions charged for political events;
- Repeals the exemption for fees and admissions charged by any school during the regular school day or at any approved school function;
- Repeals the exemption for fees and admissions charged by a nonprofit 501(c)(3) organization for participating in statewide sport events;
- Repeals the exemption for fees and admissions charged by the YMCA; and
- Creates a new definition of exempt food and food ingredients by excluding soft drinks, candy or bottled water, which would become subject to sales tax.

Sections 26 through 29 make the following adjustments to Nebraska income tax:

- Imposes a new Alternative Minimum Tax (“AMT”) for resident individuals, trusts and estates;
- Repeals the special apportionment provisions for S Corps and LLC’s and related reporting requirements;
- Limits the refundable income tax credits from the Angel Investment Credit, Nebraska Advantage Microenterprise Credit and Nebraska Advantage Research and Development Credit to resident trusts and estates; and
- Limits the nonrefundable income tax credits for the Historic Tax Credit and the New Markets Job Credit to resident trusts and estates.

Section 30 directs the net increase in sales and use and income taxes under the bill to the Property Tax Credit Cash Fund, minus the increase in TEEOSA aid and minus \$200,000 for the education study required under Section 42 of the bill.

Sections 31 prohibits applications under the Historic Tax Credit Act after December 31, 2018.

Sections 32 through 41 change the base limitation for school districts for 2018-19 from one and a half percent to two and a half percent. This change in the base limitation would change the cost growth factor calculation for the 2018-19 certification of State Aid. Currently, 2018-19 State Aid will be certified on or before March 1, 2018. The bill changes the 2018-19 certification date from March 1, 2018 to on or before May 1, 2018.

Additional changes to TEEOSA are:

- The income tax rebate will increase to 20 percent of local system’s income tax liability for 2019-20 and thereafter.
- Net Option Funding for 2018-19 and thereafter will be the net option students multiplied by the statewide average basic funding per formula student.

- The Local Effort Rate for 2018-19 and thereafter will be \$1.00.
- The 2018-19 budget authority will be certified on or before May 1.
 - 2017-18 budget authority shall be redetermined and recertified on or before May 1, 2018.

Section 42 would require the NDE to oversee an in-depth review of the financing of public K-12 schools. The bill provides criteria that shall be included, but not be limited to:

- Methods of financing public K-12 schools that would provide equitable educational opportunities statewide and offer alternatives to a heavy reliance on property tax.
- Examine financing issues as they relate to the quality and performance of public K-12 schools.
- Examine the costs and resources necessary to meet the statewide diversity and growing needs of students.
- Examine methods used by other states to fund public K-12 schools infrastructure needs.
- Examine other issues relating to public K-12 school funding as determined by the NDE.

The NDE is authorized to hire staff or use consultants to conduct this in-depth review. The bill provides intent language for \$200,000 to the NDE to conduct the review. The NDE will obtain assistance from the Department of Revenue to acquire any necessary data.

A preliminary report on the progress of the review shall be submitted by the NDE to the Legislature on or before December 31, 2018. The final report shall be submitted on or before December 1, 2019.

Section 43 provides the effective dates for various provisions of the bill.

Section 47 outright repeals the following sales and use tax exemptions:

- Newspapers;
- Coin-operated laundry;
- Prepaid calling services;
- Purchases by fine art museums;
- Purchases by historic automobile museums; and
- Memberships or admissions to zoos or aquariums.

Section 48 repeals the Special Capital Gains and Extraordinary Dividend Exclusion from individual income tax and related definitions.

Section 49 contain the Emergency Clause.

Disposition at Sine Die:

LB 1084 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 1088 (Wayne) Adopt the Nebraska Education Formula and the Remote Seller Sales Tax Collection Act, terminate the Tax Equity and Educational Opportunities Support Act and the Property Tax Credit Act, and eliminate certain tax exemptions

Introduced Version:

Sections 1 to 6 of LB 1088 creates the Remote Seller Sales Tax Collection Act (Act).

A remote seller is any person who does not have a physical presence in the state and has gross revenue from sales greater than \$100,000 or 200 or more separate transactions. A remote seller may voluntarily choose to remit sales tax as if it had a physical presence in the state.

Remote sellers who do not voluntarily choose to remit sales tax shall:

- Notify Nebraska purchasers that sales tax is due.
 - Failure to provide notice will result in a \$5 penalty for each notice.
- Notify Nebraska purchasers the total amount paid by the purchaser and that sales tax is due.
 - Failure to provide this notification will be a \$10 penalty for each notice.
- File an annual statement for each purchaser with the Department of Revenue.
 - Failure to file will result in a \$10 penalty for each purchaser that should have been included in the annual statement.

The Department may adopt rules and regulations to carry out the provisions of this Act.

The bill will raise the sales tax rate from 5.5% to 6.5% beginning January 1, 2019. LB 1088 outright repeals or eliminates the following sales tax exemptions:

- Minerals, oil, and gas severed from real property.
- Motor fuels such as gasoline, including casing head or natural gasoline, and any other liquids or gases for use in motor vehicles or motorboats; diesel and compressed fuels delivered into the fuel supply tanks of other vehicles; and railroad use
- Newspapers
- Laundromats
- Manufacturing machinery
- Railroad rolling stock, repair parts and services
- Nebraska lottery tickets
- Telephone services using prepaid telephone calling arrangements
- Construction services on owner-occupied residential units
- Agricultural machinery and equipment
- Common or contract carriers, repair parts and services
- Fine art purchases by a museum
- Agricultural repair parts
- Automobile museums
- Membership or admission to or purchase by zoos or aquariums
- Nonreturnable containers
- Animal grooming services

The earned income tax credit would be 17% of the federal credit beginning on or after January 1, 2018. The current tax credit is 10% of the federal credit.

Repeals the capital gains exclusion on January 1, 2020.

LB 1088 terminates the Tax Equity and Educational Opportunities Support Act (TEEOSA) which provides state aid to school districts and repeals the enrollment option program beginning in 2019-20. Sections 7 to 19 create the Nebraska Education Formula (Formula). For school fiscal year 2019-20 and each school fiscal year thereafter, state aid shall be based on data from the immediately preceding school fiscal year in the sum of:

- Fall membership multiplied by \$5,000.
- Sparse or very sparse school districts, fall membership multiplied by \$500.
- Free lunch students multiplied by \$1,006.
 - If free lunch students equal at least 50% of fall membership, an additional \$800 multiplied by fall membership.
- Limited English proficiency students multiplied by \$1,006.
- If a school district received more state aid in 2018-19 through TEEOSA, its 2019-20 aid shall be the sum of:
 - State aid calculated under the Formula.
 - Two-thirds of the amount 2018-19 aid exceeds 2019-20 aid.
- For 2020-21 aid, a school district whose 2018-19 TEEOSA aid exceeds its 2020-19 aid, the state aid for 2019-20 shall be the sum of:
 - The 2020-19 aid calculated under the Formula.
 - One-third the amount of 2018-19 aid.

Failure to file the fall membership report on or before the date required will result in a school district not receiving state aid under the Formula for the ensuing school fiscal year.

To qualify for state aid under the Formula a school district shall limit class sizes to 20 students per classroom in early childhood, kindergarten and grades 1-3. A classroom with 16 to 20 students must also have a para-educator. For grades 4-8, 22 students per classroom. A para-educator is required in a classroom with 18 to 22 students. Grades 9-12 will have 25 students per classroom with a para-educator assisting in a classroom of 20 to 25 students.

Formula aid will be certified on or before March 1, 2019 and on or before March 1 of each year thereafter. The Department of Education (Department) shall report the necessary funding levels to the Governor, Appropriations and Education Committees on the same date.

Certified state aid shall be shown on budgeted non-property tax receipts in the School District Budget. Formula aid will be distributed in 10 equal payments beginning in September and ending in June.

Budget authority for each school district will be certified on or before March 1, 2019 and each March 1 thereafter. Budget authority is the general fund budget of expenditures (all expenditure except special education expenditures) grown by the basic allowable growth rate of 2.5%. The ability to exceed budget authority by a special election is retained in the Formula .

School districts are currently authorized to levy a maximum of \$1.05 per \$100 of assessed valuation. LB 1088 changes the levy maximum for FY 2019-20 to be: \$1.00 per \$100 of assessed valuation minus the levy that would be required to tax for 85% of the state aid calculated pursuant to the Formula. Thereafter, the maximum levy each year is equal to the maximum calculated for 2019-20. The ability to exceed the levy limit by a special election

is retained; however, a 67% majority of registered voters is required for a school district to exceed the levy limit.

Educational Service Unit core services will be based on actual taxable value of each ESU. Amount of appropriation for core services funding will be the prior year's amount increased by the percentage growth in fall membership plus 2.5%.

The Formula will be funded by monies from the Property Tax Credit Fund, any monies remaining in the TEEOSA Fund and monies from the Insurance Tax Fund.

Repeals all references to any learning community.

The bill contains the severability clause.

Disposition at Sine Die:

LB 1088 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 1095 (Hilgers) Change the information included in certain tax notices and receipts

Introduced Version:

LB 1095 would add information to the tax statement received by each property owner. The additional information would include:

- The full name of each political subdivision.
- The office mailing address, telephone number, electronic mail address for each political subdivision's governing board.
- The website or mailing address, telephone number or electronic mail address where the budget of the political subdivision may be obtained or inquiries may be made on the budget.

This bill has an operative date of January 1, 2019.

Disposition at Sine Die:

LB 1095 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 1097 (Hilgers) Change provisions relating to treasurer's tax deeds

Introduced Version:

LB 1097 would allow the purchaser of a tax sale certificate, upon its expiration, to apply to the county treasurer for a tax deed. The information in the application shall include a complete legal description for the real estate and an affidavit of a registered abstractor affirming that a title search was conducted to generate the complete legal description.

The county treasurer shall execute and deliver a deed of conveyance upon receipt of the tax sale certificate and the application.

Disposition at Sine Die:

LB 1097 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 1100 (Erdman) Change the valuation of agricultural land and horticultural land

Introduced Version:

LB 1100 would create the Agricultural Land Valuation Board (Board). The Board will have 8 members. Six of the members will be appointed by the Governor and approved by the Legislature. The 6 members appointed by the Governor shall serve 4-year terms and come from the following categories:

- One person involved in livestock production
- One person involved in agricultural crop production
- One person from a farm advocacy organization
- One person with a county assessor certificate
- One person from the Department of Agricultural Economics of the University of Nebraska-Lincoln
- One person from the Nebraska Ethanol Board

The Tax Commissioner and the Director of Agriculture are the seventh and eighth members of the Board. Board members will be reimbursed for actual and necessary expenses. Appointed board members will be compensated \$500 for each meeting, not to exceed \$6,000 per year beginning in 2019. In 2018, appointed board members may be compensated up to \$24,000.

Duties of the Board:

- Develop an agricultural land valuation manual (Manual) to be used in determining the actual value of agricultural and horticultural land.
 - The initial Manual will be created by December 31, 2018.
 - Updated Manuals will be approved by the Board by November 30 of each year thereafter.
 - If the Board fails to approve an updated Manual, the Director of Agriculture shall have ten days (after November 30) to make final revisions to the Manual.
- Select the data sources to be used in developing the Manual.
- Set the discount rates.
- Prepare a report to the Governor on the application of the Manual.
- Make recommendations to the Revenue Committee on improvements and refinements in the method used to value agricultural and horticultural land.
- Participate in a public hearing with the Tax Commissioner and the Property Tax Administrator on each updated version of the Manual.

LB 1100 changes the method for assessing agricultural and horticultural land. Current assessment is based on the market value. This bill would use the capitalized net earning capacity of the land to determine assessed value. County assessors would use the Manual developed by the Board.

The actual value of agricultural and horticultural land shall be determined by the following:

- Dividing agricultural and horticultural land into the major use categories and dividing such categories into subclasses based on soli productivity classification.
- Computing a gross revenue based on a 3-year average of annual gross incomes.
- Dividing the gross revenue by the discount rate determined by the Board.

The actual value for wasteland, forest land and shelter belts shall be based on 5% of the assessed value of all agricultural and horticultural land in the crop reporting district where the wasteland is located.

Agricultural and horticultural land will be separated into five major categories: sprinkler irrigated cropland, gravity irrigated cropland; dryland cropland, grassland, and wasteland. Gross revenue for sprinkler irrigated cropland, gravity irrigated cropland and dryland cropland shall be computed using the annual gross income per acre based on commodity price multiplied by the subclass production capability. Commodity price data will come from the Department of Agricultural Economics of the University of Nebraska-Lincoln. Production capability shall be determined from a county-wide average and scaling the average for individual parcels based on the appropriate index from the Natural Resources Conservation Service. Sprinkler irrigated and gravity irrigated cropland will use an appropriate irrigation index from the Natural Resources Conservation Service.

Gross revenue for grassland shall be computed by multiplying the carrying capacity in terms of animal unit months by representative gross income values per animal unit month. Carrying capacity by subclass shall be based on range productivity estimates published by the Natural Resources Conservation Service.

The adjusted valuation for TEEOSA purposes will be based on the capitalized net earning capacity approach to valuing agricultural and horticultural land.

The bill has the Emergency Clause.

Disposition at Sine Die:

LB 1100 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 1104 (Friesen) Change provisions relating to the special valuation of agricultural or horticultural land

Introduced Version:

LB 1104 changes the criteria for land to qualify as special valuation. The new criteria is:

- The land must be located outside the corporate boundaries of an SID, city, or village.
- The land must be agricultural or horticultural.
- For land located in a county of 100,000 or more and consists of no more than 5 acres, the owner must prove:
 - He or she derived at least 15% of his or her gross income from agricultural or horticultural activities the immediately preceding year or

- The land produced at least \$100,000 of gross revenue of agricultural or horticultural activities the immediately preceding year.

The bill includes new language for the disqualification of special valuation status for land located in a county of 100,000 or more, that consists of no more than 5 acres. The new language would disqualify the land if the owner cannot prove he or she did not derive at least 15% of his or her gross income from agricultural or horticultural activities or the land did not produce \$100,000 in gross revenue from agricultural or horticultural activities.

The bill has an operative date of January 1, 2019.

Disposition at Sine Die:

LB 1104 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 1106 (Linehan) Change requirements for overriding property tax limits

Introduced Version:

LB 1106 would change the voting requirements for exceeding a levy limit or a final levy allocation at a special election. The bill clarifies the additional tax shall not exceed the amount stated in the ballot question and a governing body shall not impose the additional tax if a ballot question is not approved.

The ballot language to exceed a levy limit or a final levy allocation currently found in 77-3444(2) is moved to a new section. The new section defines the votes need for approval of exceeding a levy limit or final levy allocation at a special election. The ballot question must receive a majority of the votes cast and those votes must equal one-half plus one of the registered voters voting at the immediately preceding statewide primary general election for the ballot question to be approved.

Disposition at Sine Die:

LB 1106 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

Sales Tax

LB 44 (Watermeier) Adopt the Remote Seller Sales Tax Collection Act

Introduced Version:

The bill requires out-of-state retailers to collect Nebraska sales tax on all sales into Nebraska if during the preceding or current calendar year gross revenue from Nebraska sales exceeded \$100,000. Alternatively, if the retailer sells items or services into Nebraska that exceed 200 or more separate transactions they are required to collect and remit sales tax. The bill applies to “remote sellers” even if they have no physical presence in the state.

If a retailer meets the threshold but refuses to collect and remit tax, then the retailer must send notices to all Nebraska customers listing all purchases and notifying them that use tax is due. Failure to comply with these notice requirement results in penalty of \$5 for each failure to notify (\$5 per customer). Notice must be sent by January 31 of each year.

Retailers must also file an annual statement by March 1 with the Department of Revenue for each purchaser. The department may require these statements to be filed electronically.

Disposition at Sine Die:

LB 44 was advanced to General File. LB 44 was placed on Final Reading. The sponsor made a motion to return to Select File. LB 44 was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 63 (Scheer) Change a sales and use tax exemption relating to political events

Introduced Version:

This bill would repeal the sales tax exemption for prepared food, food, and food ingredients sold at a political event by ballot question committees, independent committees, and political party committees as defined in the Nebraska Political Accountability and Disclosure Act. LB63 would repeal the sales tax exemption for fees and admissions charged for such political events. The bill has an operative date of October 1, 2017.

Disposition at Sine Die:

LB 63 was advanced to General File. LB 63 passed on Final Reading, 44-0-5, and approved by the Governor on May 10, 2017.

LB 77 (Crawford) Change provisions relating to access to sales and use tax information by municipalities

Introduced Version:

The bill addresses access to sales and use tax returns and return information. Generally, cities in Nebraska that have adopted local option sales and use taxes are allowed to see the returns and return information for those businesses which are within the boundaries of that city. This is for purposes of determining how much sales and/or use tax has been paid by the business and could be refunded through the Nebraska Advantage Act. This is also an exception to the general rule that such returns and return information are confidential.

Current law requires that one specific city representative be certified to the Tax Commissioner as an authorized representative to request and review such information. The

returns and return information may only be viewed upon the premises of the Department of Revenue and may not be copied and/or removed from such premises.

The bill would allow such return or return information to be transmitted electronically to the authorized city representative if the city has an agreement in effect under the Nebraska Advantage Transformational Tourism and Redevelopment Act. The Act allows cities to sign a “turn back” agreement for local city sales and use tax with developers who have a qualified project under the Act. This would result in such information being removed from the premises of the department.

Disposition at Sine Die:

LB 77 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 190 (Kintner) Provide limit on tax on cigars, cheroots, and stogies

Introduced Version:

No Summary Available

Disposition at Sine Die:

LB 190 was Indefinitely Postponed by the committee on February 7, 2017.

LB 313 (Briese) Change the sales tax rate and the earned income tax credit and provide property tax credits

Introduced Version:

Section 1. Increase the state sales tax rate from 5.5% to 6.5% beginning on January 1, 2018.

Section 2. Increases the refundable Earned Income Tax Credit from 10% of the federal credit to 17% of the federal credit for taxable years beginning or deemed to begin on or after January 1, 2018.

Section 3. Creates the Excess Revenue Property Tax Credit Fund. The net increase in state tax revenue generated by the bill is to be credited to the Fund. The amount in the Fund is to be distributed in the form of property tax relief in the same manner as the existing Property Tax Credit Fund.

Disposition at Sine Die:

LB 313 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 325 (Harr) Exempt certain purchases of energy star qualified products from sales and use taxes

Introduced Version:

The bill creates a sales tax holiday for certain specified energy star products with a sales price of \$1,500 or less and are authorized to carry the energy star label. The tax holiday runs from 12:01 am on the first Friday in October through 12:00 midnight on the first

Sunday after the first Friday in October. The holiday applies only to noncommercial home or personal use.

The items included are:

- Dishwashers
- Clothes washers
- Clothes dryers
- Air Conditioners
- Furnaces
- Water Heaters
- Ceiling Fans
- Fluorescent Light Bulbs
- Dehumidifiers
- Refrigerators
- Doors
- Windows

Disposition at Sine Die:

LB 325 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 361 (Kolowski) Exempt sales of clothing and footwear from sales and use taxes as prescribed

Introduced Version:

This bill would create a sales tax holiday item on the first Friday of August and the following Saturday. The sales tax holiday would be for certain clothing with a sales price of \$100 or less per item and certain footwear with a sales price of \$150 or less per. Each retailer would be required to report the amount of sales during this period on its sales and use tax return.

The bill has an operative on July 1, 2017.

Disposition at Sine Die:

LB 361 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 438 (Howard) Increase cigarette and tobacco taxes as prescribed and provide for the distribution of funds

Introduced Version:

This bill would increase the tax on packages of cigarettes containing 20 or fewer cigarettes to \$2.14 per package. Beginning July 1, 2017, the amount of the cigarette tax that will go to the General Fund will increase to \$1.24.

LB 438 would increase the tax on tobacco products other than snuff to 65% of the purchase price. The bill would also increase the amount of tax proceeds generated pursuant to section 77-2602 that is distributed to the Nebraska Health Care Cash Fund to \$61,250,000.

The bill amends section 71-7611 to state that each year, beginning July 1, 2017, the money from “such tax” shall be placed in the Nebraska Health Care Cash Fund. It is not clear which tax this is because no tax is levied in section 71-7611. LB 438 provides that the money from “such tax” that is placed in the Nebraska Health Care Cash Fund shall be distributed in specific amounts for various public health purposes.

LB 438 creates the Behavioral Health Provider Rate Stabilization Fund. The fund shall consist of money credited to the fund pursuant to section 77-2602. The fund is to be used to support reimbursement of behavioral health services providers and to leverage federal funds for behavioral health services.

The bill has an operative date of July 1, 2017.

Disposition at Sine Die:

LB 438 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 462 (Smith) Correct provisions relating to the streamlined sales and use tax agreement

Introduced Version:

The bill is a technical correction to the section of statute that deals with the Streamlined Sales Tax Agreement and corrects a minor drafting error.

Disposition at Sine Die:

LB 462 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 531 (Harr) Change sales tax collection fees for motor vehicles

Introduced Version:

Section 77-2708(d) provides for what is known as a collection allowance for sellers or other persons who are required to collect sales tax. The intent is to reimburse sellers or collection agents for the cost of collecting and remitting sales tax. Sellers may retain 2 ½ percent of the first \$3,000 of retail sales.

Section 2703(1)(i) requires county treasurers to collect sales tax on motor vehicles and other items on behalf of the Tax Commissioner and permits the counties to retain the collection allowance for the use of the county general fund. The bill would allow county treasurers to retain an additional ½ percent of amounts in excess of the first \$3,000 for the use of the county general fund.

Disposition at Sine Die:

LB 531 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 564 (McCollister) Adopt the Nebraska Main Street Fairness Act

Introduced Version:

The bill requires out-of-state retailers to collect Nebraska sales tax on all sales into Nebraska if during the preceding or current calendar year gross revenue from Nebraska sales exceeded \$25,000. Alternatively, if the retailer sells items or services into Nebraska that exceed 200 or more separate transactions they are required to collect and remit sales tax. The bill applies to “remote sellers” even if they have no physical presence in the state.

If a retailer meets the threshold but refuses to collect and remit tax, then the retailer must send notices to all Nebraska customers listing all purchases and notifying them that use tax is due. Failure to comply with these notice requirement results in penalty of \$5 for each failure to notify (\$5 per customer). Notice must be sent by January 31 of each year.

Retailers must also file an annual statement by March 1 with the Department of Revenue for each purchaser. The department may require these statements to be filed electronically.

Disposition at Sine Die:

LB 564 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 601 (Erdman) Change distribution of sales and use tax revenue and provide duties for Department of Revenue

Introduced Version:

The bill provides that if Nebraska passes a law that expands the state's authority to require remote sellers to collect and remit sales and/or use tax and the state collects additional revenue as a result of such law, then such additional revenue collected in the first 12 months of the law's enactment is credited to the Property Tax Credit Cash Fund.

The bill defines remote sellers and contains the E clause.

Disposition at Sine Die:

LB 601 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 730 (Wayne) Change distribution of sales and use tax revenue and provide duties for Department of Revenue

Introduced Version:

This bill creates the Ammunition Excise Tax Act (Act). The Act imposes an excise tax equal to 10 percent of the retail sales price of ammunition sold by a retail dealer.

Distribution of the proceeds of the excise tax collected shall be 50 percent to the Wildlife Conservation Fund and 50 percent to the Violence Prevention Cash Fund.

No tax shall be collected on ammunition sold to an office, division, or agency of the United States, the State of Nebraska, and any Nebraska political subdivision or for ammunition sold as blank ammunition.

The Tax Commissioner may adopt and promulgate rules and regulations to carry out the Act.

Disposition at Sine Die:

LB 730 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 745 (Watermeier) Require notice relating to certain refunds of local sales and use taxes

Introduced Version:

This bill would require the Tax Commissioner to notify any affected city, village, county, or municipal county of any refund claim of sales tax of at least \$5,000 under the Local Option Revenue Act, the county sales tax, or a municipal county sales tax. The notification shall be within 20 days after the Tax Commissioner has received the refund claim.

The affected city, village, county or municipal county shall have the option of having the refund deducted from its tax proceeds in one lump sum or in 12 equal monthly installments.

The selected option must be made within 20 days after receiving notice from the Tax Commissioner of the refund claim.

Committee Amendment: AM 1910 – adopted

The amendment changes the effective date to July 1, 2020.

Disposition at Sine Die:

LB 745 was advanced to General File as amended. The bill was passed on Final Reading, 48-0-1, and approved by the Governor on April 17, 2018.

LB 759 (Hughes) Eliminate a sales and use tax exemption relating to zoos and aquariums

Introduced Version:

The bill outright repeals section 77-2704.67, which provides:

Sales and use taxes shall not be imposed on the gross receipts from the sale, lease, or rental of and the storage, use, or other consumption in this state of any sale of a membership in or an admission to or any purchase by a nationally accredited zoo or aquarium operated by a public agency or nonprofit corporation primarily for educational, scientific, or tourism purposes.

This exemption was adopted in 2015 (LB419, § 3).

Disposition at Sine Die:

LB 759 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 798 (McDonnell) Provide a sales and use tax exemption for feminine hygiene products

Introduced Version:

The bill would exempt feminine hygiene products from sales and use tax. Feminine hygiene products are defined as a:

Menstrual pad, tampon, menstrual cup, or menstrual sponge.

This definition is consistent with the Streamlined Sales Tax Agreement definition of the term.

Disposition at Sine Die:

LB 798 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 884 (Harr) Change and eliminate provisions relating to county sales and use taxes

Introduced Version:

LB 884 amends the provisions of statute that allow a county to impose a sales and use tax. Under current law, a county may not collect sales tax on any transactions that occur inside any incorporated municipality which has adopted a local sales tax.

This bill would allow a county to collect sales tax on any transaction within the county. Currently, a county sales tax may be used for public safety services. LB884 bill adds two new uses for the county sales tax:

- Economic development; and
- Manufacturing or industrial site development.

The county board would be required to submit the question for a county-wide sales tax at a primary, general or special election.

The bill has an operative date of January 1, 2019.

Disposition at Sine Die:

LB 884 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 907 (Baker) Change provisions relating to a sales and use tax exemption for agricultural machinery and equipment

Introduced Version:

LB 907 adds clarifying language to the definition of agricultural machine and equipment that is exempt from sales and use tax. The clarifying language is taken from REG-1-094, 094.01A which defines agricultural machinery and equipment as “tangible personal property that is used directly in the cultivating or harvesting of a crop, the raising or caring for animal life, or the collecting or processing of an agricultural product on the farm or ranch.”

This bill also adds “protecting the health and welfare of animal life” to the definition found in REG-1-049, 094.01A

The bill has an operative date of October 1, 2018.

Disposition at Sine Die:

LB 907 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 966 (Friesen) Provide a sales and use tax exemption relating to dark fiber

Introduced Version:

The bill would simplify the wording for the sales or use tax exemption for “sales of telecommunications services” between telecommunication companies to simply “telecommunications service” between such entities.

The bill also adds to this exemption the sale, lease or rental of “Dark fiber as defined in section 86-574 between telecommunications companies.”

Section 86-574 provides:

For purposes of sections 86-574 to 86-578, dark fiber means any unused fiber optic cable through which no light is transmitted or any installed fiber optic cable not carrying a signal.

Disposition at Sine Die:

LB 966 was advanced to General File. LB 966 was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 1021 (Schumacher) Eliminate certain sales and use tax exemptions

Introduced Version:

The bill repeals the sales tax exemptions for the following:

- Animal grooming performed by a veterinarian or veterinary technician in conjunction with medical treatment;
- Water used for irrigation of agricultural lands and manufacturing purposes;
- Semen and insemination services;
- Feed, water, veterinary medicines, and agricultural chemicals;
- Food for human consumption; agricultural components; oxygen for aquaculture;
- Mineral oil applied to grain as dust suppressant;
- Agricultural machinery and equipment;
- Repair or replacement parts for agricultural machinery and equipment used in commercial agriculture.

Disposition at Sine Die:

LB 1021 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 1030 (Friesen) Change the sales tax sourcing rules for certain motor vehicles and trailers

Introduced Version:

The bill would change the sourcing rule for sales or use tax paid on the sale of motor vehicles and trailers operated by a public power district to the place where the motor vehicle or trailer has situs, as that word is defined in Section 60-349, which provides:

Situs means the tax district where the motor vehicle or trailer is stored and kept for the greater portion of the calendar year.

Disposition at Sine Die:

LB 1030 was advanced to General File. LB 1030 was passed on Final Reading, 48-0-1, and was approved by the Governor on April 17, 2018.

LB 1071 (Lindstrom) Eliminate certain sales and use tax exemptions

Introduced Version:

LB 1071 creates the Infrastructure Improvement and Replacement Assistance Act (Act). The intent of the Act is to turn back a portion of state sales tax revenue to assist municipalities and sewer and water utilities to replace and redevelop sewer and water infrastructure facilities.

The bill is silent on the percent of state sales tax revenue collected on sewer and potable water fees that would be turned back to a municipality and sewer and water utilities.

Disposition at Sine Die:

LB 1071 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 1087 (Wayne) Change tax provisions for cigars, cheroots, or stogies

Introduced Version:

The bill would separate cigars, cheroots or stogies from the definition of other tobacco products, which are currently defined as follows:

Section 77-4007. Tobacco products shall mean (1) cigars, (2) cheroots, (3) stogies, (4) periques, (5) granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco, (6) snuff, (7) snuff flour, (8) cavendish, (9) plug and twist tobacco, (10) fine cut and other chewing tobacco, (11) shorts, refuse scraps, clippings, cuttings, and sweepings of tobacco, and (12) other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or smoking in a pipe or otherwise or both for chewing and smoking, except that tobacco products shall not mean cigarettes as defined in section 77-2601.

The tax on those three items would be the current rate of 20 percent of the price paid by the first owner, but a maximum tax would be created at the rate of \$.50 per item.

Disposition at Sine Die:

LB 1087 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 1117 (Crawford) Change certain cigarette and tobacco products tax rates

Introduced Version:

The bill increases the excise tax on each pack of cigarettes from \$.64 to \$2.14. It changes the disbursement of funds from the increase in the tax as follows:

- To the General Fund from \$.49 to \$1.99; and
- To the Nebraska Health Care Cash Fund from \$1,200,000 to \$2,500,000.

The bill also increases the tax on snuff from \$.44 to \$1.00 per ounce. The tax on all other tobacco products is increased from 20 percent to 45 percent of the purchase price paid by the first owner. Other tobacco products are defined as follows:

Section 77-4007. Tobacco products shall mean (1) cigars, (2) cheroots, (3) stogies, (4) periques, (5) granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco, (6) snuff, (7) snuff flour, (8) cavendish, (9) plug and twist tobacco, (10) fine cut and other chewing tobacco, (11) shorts, refuse scraps, clippings, cuttings, and sweepings of tobacco, and (12) other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or smoking in a pipe or otherwise or both for chewing and smoking, except that tobacco products shall not mean cigarettes as defined in section 77-2601.

This tax is distributed in the same manner as currently prescribed in Section 77-4025. After administration expenses and refunds the revenue may be transferred by the Legislature to the General Fund.

The bill includes the Emergency Clause.

Disposition at Sine Die:

LB 1117 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

Tax Credits & Incentives

LB 12 (Krist) Change homestead exemption requirements relating to income statements and certifications of status

Introduced Version:

To receive a homestead exemption, a taxpayer must complete and file a form with the county assessor showing the eligibility of the taxpayer to the homestead exemption. An income statement is a required attachment to the homestead exemption form. A claimant receiving a homestead exemption is required to annually certify to the county assessor of any change in the homestead exemption status.

This bill would repeal the requirement for veterans, un-remarried surviving spouse of a veteran, or the surviving spouse of a veteran who remarries after attaining the age of fifty-seven years to file an income statement with their homestead exemption application and to certify any change in their homestead exemption status.

Disposition at Sine Die:

LB 12 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 20 (Kolterman) Change provisions relating to homestead exemption certifications

Introduced Version:

Veterans who were discharged or otherwise separated with a characterization of honorable or general (under honorable conditions) and who are totally disabled by a nonservice-connected accident or illness are currently required to annually file a certification of their medical condition to retain their homestead exemption status.

This bill would repeal the filing of the annual certification of their medical condition. It has an operative date of January 1, 2018.

Disposition at Sine Die:

LB 20 was advanced to General File. The bill was passed on Final Reading, 41-0-8 and approved by the Governor on May 10, 2017.

LB 65 (Hansen) Provide income tax credits for caregivers

Introduced Version:

The bill creates a new \$300 credit against individual income tax for caregivers who are qualified resident individuals which may be nonrefundable or refundable.

The nonrefundable credit is available to such individuals if:

- Federal AGI is more than 200% of federal poverty guidelines but not more than 400%;
- No credit has been claimed under the federal elderly and disabled credit program (IRC §22); and
- They care for another person who:
 - Resided at the same residence for at least 6 months during the tax year;
 - Is physically or mentally incapable of caring for themselves; and
 - Has income that does not exceed 200% of federal poverty guidelines.

The refundable credit is available to such individuals if:

- Federal AGI is not more than 200% of federal poverty guidelines; and
- They care for another person who:
 - Resided at the same residence for at least 6 months during the tax year;
 - Is physically or mentally incapable of caring for themselves; and
 - Has income that does not exceed 200% of federal poverty guidelines.

The bill is operative for taxable years beginning or deemed to being on January 1, 2018.

Disposition at Sine Die:

LB 65 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 69 (Pansing Brooks) Increase the earned income tax credit

Introduced Version:

The bill would increase the amount of the Nebraska Earned Income Tax Credit. Currently, taxpayers whose AGI is less than \$29,000 receive a refundable Nebraska credit equal to 10 percent of the federal credit. The bill would increase the percentage amount of the credit in phases over three years:

Tax Year 2019 – Credit = 13 percent

Tax Year 2020 – Credit = 17 percent

Tax Year 2021 – Credit = 20 percent

Disposition at Sine Die:

LB 69 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 118 (Hilkemann) Adopt the Education Savings Account Act and provide income tax adjustments

Introduced Version:

The bill creates the Education Savings Account Act.

The bill allows any person or entity to make contributions up to \$2,000 per calendar year to an account established by a parent or legal guardian (the “account owner”) of a student attending an eligible school in Nebraska. An eligible school is one that provides kindergarten through twelfth grade education and may be public, private, denominational or parochial. It may comply with Chapter 79 or may elect under section 79-1601 not to meet accreditation or approval requirements.

The designated beneficiary of the account must be a resident of the state who is a student at an eligible school and is named as the beneficiary. The beneficiary may use the funds for qualified expenses including:

- Tuition, fees, room and board
- Books, supplies, equipment and uniforms;
- Extracurricular activities;
- Computers, equipment and software or Internet access;
- Distance education classes; or
- College entrance exams.

Account owners must notify the Department of Revenue when they establish an account and they may change beneficiaries at any time by notifying the department. The bill provides penalties for using funds for nonqualified expenses. The balance in the account must be fully distributed before the beneficiary graduates.

Contributions may be deducted for Nebraska purposes from federal adjusted gross income for individuals or federal taxable income for corporations or fiduciaries, to the extent they were not deducted for federal purposes. Interest earned on the account may also be deducted in the same manner. Any deductions must be added back for Nebraska purposes if the funds are expended for nonqualified expenses.

The bill has an operative date of January 1, 2018.

Disposition at Sine Die:

LB 118 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 126 (Groene) Change sunset dates under the Nebraska Job Creation and Mainstreet Revitalization Act and the Nebraska Advantage Act

Introduced Version:

The bill changes the sunset date under the Job Creation and Mainstreet Revitalization Act from December 31, 2022 to 2020 and the sunset dates under the Nebraska Advantage Act from December 31, 2020 to 2018.

Disposition at Sine Die:

LB 126 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 129 (Morfeld) Increase the earned income tax credit

Introduced Version:

The bill would increase the amount of the Nebraska Earned Income Tax Credit. Currently, taxpayers whose AGI is less than \$29,000 receive a refundable Nebraska credit equal to 10 percent of the federal credit. The bill would increase the percentage amount of the credit to 11 percent for tax 2018 and 12 percent for tax year 2019.

Disposition at Sine Die:

LB 129 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 161 (Friesen) Change a carryover period under the Nebraska Advantage Act

Introduced Version:

The bill makes one significant change to the Nebraska Advantage Act. The various tiers under the Act require varying levels of investment and new job creation and some variations in benefits granted depending on the tier selected. The Act allows taxpayers to carryover credits earned but not yet used for a specified period, also based on the tier for which the project was approved.

Tier 6 requires investment of \$10 million and 75 new FTE's or \$106 million investment and 50 FTE's. Investment and wage credits are higher than other tiers. Tier 6 is the only

tier allowed to claim a credit refund of property taxes paid on real property bought or built during the entitlement period. This refund is not allowed if the property is subject to TIF. The attainment period is 10 years which is the longest of all the tiers but the carryover period is only one year after the attainment period. Other tiers allow carryover of credits for as long as eight years after the attainment period.

The bill would extend the carryover period from one to 20 years. Note that this change applies retroactively to all applications filed before, on or after the effective date of the bill.

Committee Amendment: AM 141 - adopted

The amendment adjusts the proposed carryover period for a Tier 6 project under the Nebraska Advantage Act from 20 to 16 years.

Disposition at Sine Die:

LB 161 was advanced to General File as amended. LB 161 passed on Final Reading, 44-2-3 and approved by the Governor on April 27, 2017.

LB 174 (Morfeld) Adopt the Apprenticeship Training Program Tax Credit Act

Introduced Version:

The bill creates the Apprenticeship Training Program Tax Credit Act. It creates a nonrefundable income tax credit for employers participating in a qualified apprenticeship training program administered pursuant to 29 U.S.C. 50. Such a program must consist of at least 1,200 hours but not more than 8,000 hours of the on-the-job training, must be certified in accordance with regulations adopted by the U.S. Department of Labor and must be administered by trustees.

The credit is equal to \$1 multiplied by the total number of hours expected be worked during the following calendar year by apprentices, but cannot exceed \$2,000 per apprentice in any year or 50 percent of the total wages expected to be paid or whichever is less. The total program amount is capped at \$2.5 million per year. The credit is available against individual, corporate, and fiduciary income tax as well as the insurance premiums tax.

The bill is operative for tax years beginning or deemed to begin on January 1, 2018.

Disposition at Sine Die:

LB 174 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 215 (Harr) Adopt the Nebraska E-15 Tax Credit Act

Introduced Version:

The bill creates a refundable tax credit for retailers who sell E-15 ethanol blended gasoline. The gasoline must be sold through a pump located at the taxpayer's retail site. The credit is equal to 5 cents multiplied by the total number of gallons sold during the prior calendar year.

The program is capped at \$1 million in any calendar year. In lieu of claiming the refund, the taxpayer may elect to carry forward any excess credits. No new applications will be accepted after December 31, 2022. The credit is available for all income tax programs including insurance premiums tax and the bank franchise tax.

The bill is operative for tax years beginning or deemed to begin on January 1, 2018.

Disposition at Sine Die:

LB 215 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 217 (Harr) Change revenue, taxation, economic development, and tax incentive provisions

Introduced Version:

This bill would require the accrual of interest on the amount of property taxes due beginning thirty days after the county assessor receives approval from the county board to remove or reduce the exemption from the tax rolls of the county. The current interest rate is 14 percent.

The bill has a date of January 1, 2018.

Committee Amendment: AM 634 – approved

The amendment incorporates the provisions of the following bills into LB 217:

LB 49, as amended;

LB 228, as amended;

LB 238, as amended;

LB 288 as amended by AM 323;

LB 387; and

LB 233, as amended by AM 127, and already advanced to General File.

Section 1. Eliminates obsolete language with respect to raffles and lotteries;

Section 2. Allows county assessors to notify political subdivisions of their certified taxable property values electronically or by mail if requested by the political subdivision.

Section 3. Makes a minor change to the allocation of funds under the Affordable Housing Trust Fund;

Section 4. Allows for the use of electronic reports for cigarette manufacturers;

Section 5. For Rent-Restricted Housing Projects, allows for the use of electronic statements; requires the Department of Revenue to forward such statements to relevant county assessors;

Sections 6, 7 and 8. For purposes of a treasurer's tax deed, changes provisions for notice to owner-occupants or other persons entitled to notice;

Section 9. Allows for the use of electronic reports for cigarette wholesalers;

Section 10. Allows for the use of electronic reports for cigarette exporters;

Sections 11 and 12. Requires the Tax Commissioner to prepare a report within 60 days of the enactment of an amendment to the Internal Revenue Code that details the effect on state income taxes for a change that begins during the calendar year in which the amendment is enacted if the effect is more than \$5 million;

Section 13. Matches to the federal filing date for withholding tax reports;

Sections 14 and 15. Matches to the federal provisions allowing correction of mathematical or clerical errors regarding income tax information reported by a taxpayers;

Section 16. Clarifies the method for claiming an employer tax credit for hiring former recipients of benefits under the Temporary Assistance for Needy Families Program;

Section 17. Allows for the use of electronic forms for county assessors under the Homestead Exemption;

Section 18. Delays the accrual of interest on homestead exemptions claims that are reduced or denied until 30 days after the county assessor receives the approval from the county board to adjust the exemption;

Section 19. Under the Property Tax Credit Act, requires county treasurers to electronically file certain reports with the Property Tax Administrator;

Section 20. Under the Nebraska Advantage Act, clarifies that the property tax exemption applies to qualifying property based on the date the property was placed in service, rather than the date acquired, which conforms to other definitions;

Sections 21, 22, 23 and 24. Under the Nebraska Advantage Microenterprise Tax Credit Act, eliminates the definition of and references to "distressed areas" as that term has become unnecessary;

Sections 25, 26 and 27. Under the Angel Investment Tax Credit Act, removes the definition of and references to "distressed areas" and clarifies reporting requirements;

Section 28. Changes the reporting date for county assessors for school adjusted value from August 25th to August 20th of each year and the date for amended school adjusted value from September 30th to August 31st;

Section 29. Allows the Business Recruitment Division of the Department of Economic Development to withhold information regarding recruitment, location, relocation and expansion projects until after a public announcement by an authorized representative of the business or the Department or until negotiations have been completed, whichever is earlier;

Sections 30, 31 and 32. Under the Business Innovation Act, removes the definition of and references to "distressed areas" and allows but does not mandate that the Department of Economic Development adopt and promulgate regulations;

Section 33. Provides an effective date of three calendar months after the bill becomes law, except for Sections 18 and 35 which become operative on January 1, 2018, and other effective dates as provided in the bill;

Section 34, 35 and 36. Repealer provisions;

Section 37. Outright repeals certain sections of statute;

Section 38. Emergency Clause.

Disposition at Sine Die:

LB 217 was advanced to General File as amended. LB 217 was passed on Final Reading with the Emergency Clause, 47-0-2. LB 217 was approved by the Governor on April 27, 2017.

LB 272 (Vargas) Change procedures for tax credits under the Nebraska Job Creation and Mainstreet Revitalization Act

Introduced Version:

The bill makes changes to the Job Creation and Mainstreet Revitalization Act, also referred to as the Historic Tax Credit.

The statute currently requires that within 12 months of the property being placed in service, an approved applicant must file all required information with the State Historical Officer and pay a fee to receive final approval of the project. The officer may either approve the request for final approval or deny the request and provide a written explanation of the decision. If the Officer denies the request for final approval, the applicant may file a protest of the Officer's denial.

If the officer does nothing within 30 days of receiving the request, the request is deemed approved. Once approved, the Department of Revenue must determine the amount of eligible expenditures, calculate the amount of the credit and issue a certificate evidencing the credit.

The bill adds a new requirement that the Department must complete its work within 60 days after receiving the final approval or the filing of a protest. If not, the credits are deemed approved in the amount requested. However, the amount cannot exceed 110 percent of the amount allocated by the officer for the project nor may it increase the total amount of credits allocated for the calendar year.

The bill also allows an applicant to file a protest with regard to the determinations made by the Department.

Disposition at Sine Die:

LB 272 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 291 (Larson) Adopt the Special Economic Impact Zone Act and change the Nebraska Investment Finance Authority Act and the Nebraska Revenue Act of 1967 as prescribed

Introduced Version:

This bill create the Special Economic Impact Zone Act (Act). Each reservation in the State is established as a special economic impact zone. The Act is to encourage the formation and expansion of businesses on reservations in the State.

For tax years on or after 2018:

- A qualified business may exclude any income derived during the taxable year from sources within a special economic impact zone; and
- A qualified business shall be exempt from sales and use taxes for the first \$10M of eligible purchases for each calendar year.

Any qualified business receiving tax incentives under the Nebraska Advantage Act shall be also eligible to qualify for the tax incentives provided in the Act.

NIFA will be required to give a bonus equal to 2 percent of the total number of points allowable under such scoring system to any project located in a special economic impact zone.

The Department of Revenue will be required to enter into a revenue-sharing agreement with any federally recognized tribe (Tribe) if the agreement contains the all the following provisions:

- The duration of the agreement;

- The purpose of the agreement;
- A tribal tax less than or equal to the state sales and use tax;
- The tribal tax will not be imposed on any transaction that is exempt from sales and use tax;
- The tribal tax will be imposed on members and nonmembers of the Tribe;
- 20 percent of the tribal tax will be shared with the State;
- Provisions for administering, collecting, and enforcing the agreement and for the mutual waiver of sovereign immunity objections with respect to such provisions;
- Remittance of taxes collected;
- The method to be employed in accomplishing the partial or complete termination of the agreement;
- A dispute resolution procedure; and
- Adequate reporting and auditing provisions.

A revenue-sharing agreement containing more than the provisions mentioned above will give the Department of Revenue the discretion on whether or not to enter into such agreement.

Committee Amendment: AM 530 – adopted

The amendment reduces the exemption from sales and use taxes to the first \$250,000 of eligible purchases.

Disposition at Sine Die:

LB 291 was advanced to General File as amended. LB 291 advanced to Select File. LB 291 was indefinitely postponed with the end of the legislative session on April 18, 2018

LB 295 (Smith) Adopt the Opportunity Scholarships Act and provide tax credits

Introduced Version:

The bill creates the Opportunity Scholarships Act.

The bill creates a nonrefundable tax credit for contributions to one or more scholarship-granting organizations. The credit is available against individual (including estates and trusts) and corporate income tax, equal to the total amount of the contribution made during the tax year. Any unused credit may be carried forward for five years. The taxpayer may not specifically designate their contribution for a particular eligible student. The taxpayer must notify the organization in advance of its intent to make a contribution and the amount of the proposed contribution. The organization must then notify the Department of Revenue of the intent to claim a tax credit. The contribution must be made between 31 and 60 days after notifying the organization.

An eligible student is defined as a Nebraska resident who is or may be enrolled full-time at a qualifying school and who is a dependent member of a household for which the gross income for the most recently concluded calendar year before the student receives a scholarship does not exceed two times the income under the eligibility guidelines for reduced price meals under the National School Lunch Program. The student must also be (1) receiving a scholarship for the first time and is either entering kindergarten or ninth grade or transferring from a public school and is entering any grade or (2) has previously received a scholarship and is continuing education until they graduate from high school or reaches 21 years of age or (3) is the sibling of a student who is receiving a scholarship and resides in the same household.

A qualifying school is defined as any nongovernmental, privately operated elementary or secondary school in this state that is operated not for profit, does not discriminate on the basis of race, color or national origin, complies with all health and life safety laws or codes that apply to privately operated schools and fulfills the applicable accreditation or approval requirements under §79-318.

A scholarship-granting organization must be certified by the Department of Revenue. Such certification requires the organization to be exempt from federal income tax under §501(c)(3) and offer one or more scholarship programs for eligible students without limiting such scholarships to only one qualified school. The organization must allocate at least 90 percent of its revenue for scholarships and no more than 10 percent for administrative costs, or 95 percent and no more than five percent for administrative costs, depending upon the aggregate amount of tax credits.

The percentage of funds allocated for scholarships is measured by a monthly average over the most recent 24 month period, or for an organization that has been certified for less than 24 months, for the period of time the organization has been certified.

The aggregate amount of tax credits may not exceed \$10 million for calendar year 2016. For subsequent years, the limit is based on a mathematical calculation. The bill sets the operative date as taxable years beginning or deemed to begin on or after January 1, 2018 and contains a severability clause.

Committee Amendment: AM 1418 - pending

The amendment becomes the bill. It imposes limits on the amount of the credit for various taxpayers as follows for tax year January 1, 2019:

1. Individuals - \$10,000 if married filing joint; \$5,000 all other taxpayers;
2. Partnerships, LLC's and S Corporations - \$50,000;
3. Trusts and Estates - \$50,000; and 4. Corporations - \$150,000

The credit amounts are indexed for inflation for each subsequent tax year. They may also be increased by 20 percent each year if the 95 percent threshold described below is achieved.

The total amount of credits for tax year 2019 is capped at \$2 million. Each subsequent tax year the amount of the cap is indexed for inflation and may also be increased by 20 percent if the prior year's intended tax credits exceed 95 percent of the prior year's annual limit. The annual limit may not exceed \$10 million in any tax year.

Disposition at Sine Die:

LB 295 was advanced to General File as amended. LB 295 was indefinitely postponed with the end of the legislative session on April 18, 2018

LB 373 (Schumacher) Change and eliminate revenue and taxation provisions

Introduced Version:

The bill terminates numerous tax credits, exemptions and other benefits after the effective date of the bill, including the following:

- No applications or payments under the Sports Arena Facility Financing Act;
- Build Nebraska Act;
- New Markets Job Growth Investment Act;
- Historic Tax Credit;

- Personal Property Tax Relief Act;
- Sales tax exemption for;
 - molds and dies;
 - fees and admissions charged by 501(c)(3) organizations for statewide sport events or for the YMCA;
- Certain sales tax refunds;
- Indexing income tax brackets for inflation and previous adjustments of the income tax brackets;
- Previous reductions to the income tax rates for the first three brackets;
- Reduces the EITC from 10 to 8 percent of the federal credit;
- Exclusions for income earned in other states by S Corporations and LLC's;
- Previously increased exclusion for Social Security benefits;
- Military retirement exemption;
- Extension of net operating loss carryforwards from 5 to 20 years (federal rule);
- Market-based sourcing for corporate tax purposes;
- Nebraska Advantage Act.

The bill reinstates the following taxes:

- Estate Tax;
- Generation-Skipping taxes;
- Sales tax on certain contractor labor;
- Alternative Minimum Tax;

The bill includes a phase-out of the personal exemption credit, the standard deduction and certain itemized deductions; Makes changes to qualifying under the Homestead Exemption; Increases the valuation of ag land from 75% to 80% of market value; and redirects the sales and use taxes in excess of five percent on the sale of motor vehicles from the Highway Allocation Fund to the General Fund.

Disposition at Sine Die:

LB 373 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 374 (Schumacher) Provide an income tax credit for corporate income taxes paid and change sunset dates under the Nebraska Advantage Act

Introduced Version:

The first sections of the bill would create a new credit for corporate taxpayers. One half of the credit would go to shareholders and the other half to employees of corporate taxpayers. The credit would be equal to 100 percent of corporate income taxes paid and would be nonrefundable. Corporate taxpayers receiving this credit would not be ineligible for all other tax incentive and credit programs.

The remaining sections of the bill would terminate applications for the Nebraska Advantage Act filed after the effective date of the bill. The bill contains the Emergency Clause.

Disposition at Sine Die:

LB 374 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 387 (Lindstrom) Change and eliminate provisions relating to various tax credit programs and economic development activities

Introduced Version:

The bill makes changes to several programs administered by the Department of Economic Development.

Section 1 makes a minor change to the Affordable Housing Trust Fund.

Sections 2, 3, 4 and 5 makes changes to the Nebraska Advantage Microenterprise Tax Credit Act by removing references to and the requirement that such projects must be in a “distressed area.”

Sections 6, 7 and 8 amend the Angel Investment Tax Credit Act. The first change removes the requirement that the investments must be made in small business in a “distressed area.” The second change removes the difference in credits based on the location of the small business. The credit is set at a uniform 40 percent of qualified investment and the reference to “distressed areas” is removed. The third change maintains the confidentiality of investors but not of the qualified small businesses.

Section 9 changes responsibilities of the Business Recruitment Division of the Department of Economic Development. It allows the Division to withhold pertinent information regarding business recruitment until a public announcement is made about the project or until negotiations with the Division or another governmental entity have been completed, whichever is later.

Section 10 changes from “shall” to “may” the language that allows the department to promulgate rules and regulations to carry out the various programs listed in Section 81-1201.01 to 81-1201.20.

Sections 11 and 12 remove the definition of a “distressed area” from the Business Innovation Act and remove the requirement under the Act to direct at least 40 percent of the funding to distressed areas.

Disposition at Sine Die:

LB 387 was amended into LB 217 with AM 634. LB 217 as amended was passed on Final Reading on April 24, 2017 and approved by the Governor on May 2, 2017.

LB 443 (Bolz) Adopt the Student Loan Repayment Tax Credit Act

Introduced Version:

The bill creates the Student Loan Repayment Tax Credit Act. It allows a Nebraska employer to claim a nonrefundable credit for the repayment of student loans on behalf of qualified employees, up to a total of 20 employees. The credit is limited to 50 percent of the payments made during the calendar year up to a maximum of \$1,800 per employee.

The employer must:

- Employ one or more qualified employees;
- Be subject to income or franchise tax; and
- Be physically located in the state.

A qualified employee must:

- Be employed for at least 480 hours during the year in which the repayment is made;

- Have graduated or earned a certification from a postsecondary educational institution; and
- Incurred a student loan while attending the institution.

The payment must be made directly to the relevant lender or servicer of the loan. The employer must apply with the Department of Revenue between January 1 and March 31 of the calendar year in which it plans to make such payments. The Department must certify the amount of credits approved to the employer.

The program is capped at \$1,500,000 per year. At least 40 percent of the credits must be awarded to employers that have 30 employees or less or that are located in a city of the first or second class or a village.

Unused credits may be carried forward until fully utilized. Any employer who is claiming deductions on its federal return for repayment of any student loans must add such deductions back for Nebraska purposes. Failure to comply allows the Department to recapture any Nebraska credits claimed for three years after the year in which the credits were claimed.

The Department is required to file an annual report which includes among other things the number of qualified employees who as of the most recently completed tax year have paid income taxes to the state.

Applications for the credits may be accepted beginning January 1, 2018. Applications will no longer be accepted after December 31, 2022.

Disposition at Sine Die:

LB 443 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 467 (Krist) Change provisions relating to certain tax incentive programs

Introduced Version:

The bill temporarily freezes applications and credits under certain tax incentive and credit programs as follows:

- New Markets Job Growth Investment Act – No applications from July 1, 2017 through June 30, 2019;
- Nebraska Job Creation and Mainstreet Revitalization Act – No credit allocations or applications for the period January 1, 2018 through December 31, 2019;
 - Any credits not allocated during calendar year 2017 through 2020 shall expire;
 - Prohibits the final approval of any project from January 1, 2018 through December 31, 2019;
- Nebraska Advantage Act – No applications may be approved from July 1, 2017 through June 30, 2019.

The bill contains the Emergency Clause.

Disposition at Sine Die:

LB 467 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 468 (Krist) Change revenue and taxation provisions

Introduced Version:

The bill removes certain tax benefits from various sections of Nebraska tax law.

Sections 1, 2 and 3. Excludes tax years 2018 and 2019 from the Personal Property Tax Relief Act, which provides an exclusion for the first \$10,000 of value on tangible personal property such as agricultural and commercial machinery and equipment;

Section 4. Eliminates indexing the individual income tax brackets for a two year period between taxable years 2018 and 2020;

Section 5. Eliminates the special capital gains exclusion for a two year period between taxable years 2018 and 2020;

Section 6:

- Terminates the transfer of sales and use taxes from the sale of motorboats, personal watercraft, all-terrain vehicles and utility-type vehicles to the Game and Parks Commission for transactions occurring on or after July 1, 2017; and
- Terminates the transfer of sales and use tax from the sale or (or a lease for a period of more than 31 days) of motor vehicles, trailers and semitrailers to the Highway Trust Fund (for the first five percent of the tax) and to the Highway Allocation Fund (for the amount in excess of the first five percent of the tax).

Section 7. Delays the increase in the Property Tax Credit Fund to \$224 million for two years, until tax year 2019. It also reverts to the old distribution method used prior to LB958 (2016). Since the Property Tax Credit Fund amount is set through the appropriations process, it is unclear what amount of money would be available for tax years 2017 and 2018.

Section 9. Includes an E clause.

Disposition at Sine Die:

LB 468 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 475 (Schumacher) Change the application deadline under the Nebraska Job Creation and Mainstreet Revitalization Act

Introduced Version:

The bill would prohibit new applications for the Job Creation and Revitalization Act, also known as the Historic Tax Credit, after the effective date of the bill. The bill contains the emergency clause.

Disposition at Sine Die:

LB 475 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 498 (Brewer) Change provisions relating to transfer of homestead exemptions

Introduced Version:

This bill would remove the January 1 through August 15 ownership and occupancy requirement to transfer homestead exemption to the new homestead.

Disposition at Sine Die:

LB 498 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 528 (Harr) Change provisions relating to the New Markets Job Growth Investment Act

Introduced Version:

The bill makes changes to the New Markets Job Growth Investment Act.

Section 1. Current law allows an economic-impact project to be financed in whole or in part by the use of the federal credit. The bill would also allow projects to be financed in whole or in part by the use of the Nebraska credit.

Section 2. The definition of a qualified active low-income community business excludes businesses that are essentially engaged in renting or selling real estate. This exclusion does not apply to a business that is controlled by another business if the second business is not essentially engaged in renting or selling real estate and is the primary tenant of the real estate leased from the first business. This last requirement is eliminated under the bill.

Section 3. Modifies the definition of qualified community development entity by removing the requirement that the entity have entered into an allocation agreement with the federal government.

Section 4. Eliminates the requirement to file a copy of the allocation agreement with an application and the attestation by an executive officer regarding the allocation agreement.

Section 6. Emergency clause.

Disposition at Sine Die:

LB 528 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 543 (Watermeier) Change provisions relating to applications and reporting requirements under the Nebraska Advantage Act

Introduced Version:

The bill makes specific amendments to the information required to be provided by taxpayers participating in the Nebraska Advantage Act, relative to evaluations of the program under the Legislative Performance Audit Act.

The specific provisions address situations regarding members of unitary groups for corporate income tax purposes and additional information to confirm employee or FTE jobs claimed for qualification under the Advantage Act.

Disposition at Sine Die:

LB 543 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 546 (Watermeier) Change the Nebraska Advantage Act

Introduced Version:

The bill makes numerous changes to the provisions of the Nebraska Advantage Act.

Sec. 5 Page 3 – Creates development regions, in addition project locations;

Sec. 7 Page 5 – Expands the definition of “qualified property” to include incidental leasing of a building and telecommunications infrastructure that is connected to but not adjacent to a qualified location;

Sec. 8 Page 6 – Amends the definition of “number of new employees” under a Tier 1, 2, 3 or 4 project;

Sec. 9 Page 9 and 10 – Changes the definition of “qualified business activities” to a list of excluded, non-qualifying activities, rather than the current list of qualified activities;

Sec. 10 Page 11 – Adds a definition of the term “qualified location”;

Sec. 12 and 13 Page 12 – Adds definitions of the terms “required levels” and “required wages”;

Sec. 16 Pages 16 through 20 –

- Streamlines the application process;
- Requires the Tax Commissioner to approve or not approve an application with 60 days, unless additional information is required, in which case the 60 limit is tolled or if the taxpayer and Tax Commissioner agree to extend the 60 days;
- If the Tax Commissioner fails to make a determination within 60 days, the application is deemed approved;
- Requires a written agreement 60 days after the application is approved;
- Requires a timetable of sales tax refunds and requires an annual notice from the taxpayer to the Tax Commissioner of any changes which may affect the timetable;
- Changes certain provisions dealing with other tax incentive programs relative to the Nebraska Advantage Act; and
- Allows for more than one agreement at a time, allows for modification of agreements and allows the Departments of Revenue and Labor to share information as provided;

Sec. 18 Page 21 through 23 – Extends the sunset dates for the various Tiers;

Sec. 19 Page 31 through 39 – Incorporates the new definitions and terms, reorders and restates the required investment and employment requirements for each tier for applications filed on or after January 1, 2018, the benefits available, the applicable sunset date, and addresses applications filed on or before the sunset date;

Sec. 21 Page 44 through 48 – Restates the provisions for claiming benefits for application filed on or after January 1, 2018, but adds the provision that the taxpayers may begin claiming credits once certified by the Tax Commissioner or “a certified public accountant approved by the Tax Commissioner;”

Sec. 23 Page 52 through 54 – Reorders and restates the recapture provisions applicable to applications filed on or after January 1, 2018.

The remaining sections contain technical corrections to implement the various changes in terminology and Section 27, page 58 adds language requiring the Department of Labor to collect and report wage data on a quarterly basis. The bill contains the E Clause.

Disposition at Sine Die:

LB 546 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 557 (Harr) Adopt the Great Opportunities Nebraska Act

Introduced Version:

The bill creates the Great Opportunities Nebraska Act as a replacement for the Nebraska Advantage Act. The provisions of the new Act are substantially similar to those in the old Act.

One notable difference is the addition of a new Tier 7. The new tier requires investment of at least \$1,000,000 and the hiring of at least five new employees who are paid at least the Tier 7 required compensation **or** the hiring of at least 10 new employees who are paid at the required levels. Tier 7 compensation means 150 percent of the Nebraska statewide median hourly wage. Taxpayers who may qualify for this new tier must have less than 50 total employees during the base year at all U.S. locations.

Benefits under the new tier are similar to the other tiers except for a new, one-time payment from the state of \$10,000 per each new employee, not to exceed the amount expended by the taxpayer for job training and talent recruitment. A new benefit is created for Tiers 2, 4, and 6 to use up to 25 percent of the credits earned to obtain a payment from the state for the public infrastructure costs incurred.

The bill amends Section 77-5725, which contains the sunset dates for the Nebraska Advantage Act. Applications may no longer be accepted and agreements may not be executed under the old Act as of the effective date of this bill, which contains an Emergency Clause.

It is presumed that the Department of Revenue may begin accepting applications under the new Act as of the effective date of the bill.

Disposition at Sine Die:

LB 557 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 561 (Schumacher) Create the Taxpayer Investment Program

Introduced Version:

The bill creates the Taxpayer Investment Program. The Program would allow taxpayers to make advance tax payments or tax investments that would accumulate interest at the rate specified in the bill. The taxpayer could then redeem the investment as a nonrefundable credit against taxes owed to the State after five years or upon reaching the age of 62, or upon death, whichever is earlier.

The investment is capped at \$10,000. Such investments shall be credited to the State Highway Capital Improvement Fund. Credits may be transferred subject to certain conditions, including a ten percent transfer fee to the State. Credits remaining unclaimed upon the death of the taxpayer would be applied first to any inheritance tax, then to reimburse any state aid paid under Chapter 68 (Public Assistance), then a ten percent transfer fee to the state and then to the heirs or devisees of the decedent.

Credits must be claimed on a first paid, first claimed basis. The State may redeem outstanding credits. Credits expire unless claimed within twenty years of the underlying payment or for credits held by the original payor five years from the later date of death or a surviving joint filer.

The bill contains a severability clause.

Disposition at Sine Die:

LB 561 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 563 (McCollister) Impose sales tax on certain services and eliminate certain sales tax exemptions

Introduced Version:

Section 1. Makes minor changes as needed to the Tax Expenditure Report (Items that are not currently taxed but would become subject to tax no longer need to be accounted for in the Report).

Section 2. Amends the definition of gross receipts to include the following services;

- Motor vehicle repair;
- Storage and moving services;
- Personal care services including hair care, hair removal, massage, nail care, skin care, tanning, tattoos, other body modifications and other beauty and personal care services;
- Local taxi, limousine or other luxury vehicle services and any other transportation services by motor vehicle;
- Dry cleaning and other laundry service;
- Lawn care, gardening, and landscaping;
- Weight loss;
- Interment of human remains;
- Bail bonding;
- Wedding planning;
- Shoeshine;
- Social escort services;
- Personal instruction;
- Telefloral deliveries to other states;
- Parking and docking fees;
- Investment advice;
- Interior design;
- Custom meat slaughtering;
- Hunting and fishing guides;
- Swimming pool cleaning and maintenance;
- Debt counseling; and
- Tax return preparation.

Section 5. Outright repeals the following sales tax exemptions:

- Minerals, oil or gas;
- Coin-op laundry; and
- Lottery tickets.

Disposition at Sine Die:

LB 563 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 565 (McCollister) Require the posting of tax incentive information under the Taxpayer Transparency Act

Introduced Version:

The bill requires disclosure of certain information by taxpayers under the Taxpayer Transparency Act, Sec. 84-602.01 to 84-602.04. This program is administered by the State Treasurer. Sec. 84-602.04 provides for a website which, among other things, lists certain expenditures of state funds.

The bill would require any taxpayer receiving benefits under all tax incentive and credit programs to disclose the following information for publication on the website:

- Identity of the taxpayer;
- Location where the taxpayer is earning incentive payments;
- Name of the tax incentive program being utilized;
- List of individual incentive payments received under the program;
- Public benefits intended to be produced to earn incentive payments, such as jobs and investment;
- Amount of such public benefits actually produced; and
- Any recapture amount of incentive payments.

The taxpayer information for fiscal years 2008-09 through 2016-17 must be made available on the website no later than October 1, 2017 and no later than 30 days after the close of subsequent fiscal years.

Committee Amendment: AM 650 - pending

The Committee Amendment only requires the following programs to be added to the State Treasurer's Taxpayer Transparency Website:

- The Nebraska Advantage Act
- The Nebraska Advantage Microenterprise Tax Credit Act
- The Nebraska Advantage Research and Development Act
- The Nebraska Advantage Rural Development Act -The Nebraska job Creation and Mainstreet Revitalization Act -The New Markets Job Growth Investment Act
- The Renewable Energy Tax Credit
- Any similar programs providing tax credits or tax refunds after the effective date of this Act

Information on the Website shall include:

- The identity of the taxpayer;
- The location where the taxpayer is using tax credits or tax refunds
- The name of the program under which the taxpayer is earning tax credits or tax refunds
- The total tax credits used or tax refunds received by the taxpayer under the
- The increases in jobs and investment that are actually produced to earn tax credits or tax refunds
- Any amount of tax credits or tax refunds recouped from the taxpayer for failure to provide the increases in jobs and investment required under the program.

The website shall contain the total amount of tax credits used by taxpayers each year for the Nebraska Advantage Research and Development Act.

The data for fiscal years 2014-15 through 2016-17 shall be available on the website no later than December 31, 2017.

All state entities shall provide the State Treasurer such information as is necessary to accomplish the purposes of this Act.

Disposition at Sine Die:

LB 565 was advanced from the committee to General File as amended. LB 565 was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 592 (Crawford) Change the tax incentives available under the Nebraska Advantage Act

Introduced Version:

The bill amends the Nebraska Advantage Act by removing the local option sales and use taxes as part of the direct refunds and credits that may be earned by taxpayers under the Act. The change would apply to applications filed on or after January 1, 2018.

Disposition at Sine Die:

LB 592 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 607 (Kintner) Provide a homestead exemption for certain first responders

Introduced Version:

No summary available.

Disposition at Sine Die:

LB 607 was Indefinitely Postponed by the committee on February 7, 2017.

LB 684 (Blood) Change the Beginning Farmer Tax Credit Act

Introduced Version:

The bill amends the Beginning Farmer Tax Credit Act by creating a slightly increased credit if the beginning farmer or livestock producer is a veteran.

For cash rent agreements the credit would be 11 percent of gross rental income for veterans, 10 percent for all others. For share rent agreements the credit would be 15 percent of the cash equivalent of gross rental income for veterans, 16 percent for all others.

Veteran has the same meaning as in Section 48-225 which provides:

(1) Servicemember means a person who serves on active duty in the armed forces of the United States except for training;

(2) Veteran means:

(a) A person who served full-time duty with military pay and allowances in the armed forces of the United States, except for training or for determining physical fitness, and was discharged or otherwise separated with a characterization of honorable or general (under honorable conditions); or

(b) The spouse of a veteran who has a one hundred percent permanent disability as determined by the United States Department of Veterans Affairs;

(3) Full-time duty means duty during time of war or during a period recognized by the United States Department of Veterans Affairs as qualifying for veterans benefits

administered by the department and that such duty from January 31, 1955, to February 28, 1961, exceeded one hundred eighty days unless lesser duty was the result of a service-connected or service-aggravated disability;

(4) Disabled veteran means an individual who has served on active duty in the armed forces of the United States, has been discharged or otherwise separated with a characterization of honorable or general (under honorable conditions) therefrom, and has established the present existence of a service-connected disability or is receiving compensation, disability retirement benefits, or pension because of a public statute administered by the United States Department of Veterans Affairs or a military department; and

(5) Preference eligible means any veteran as defined in this section or the spouse of a servicemember as defined in this section, except that for a spouse of a servicemember such preference is limited to the time during which the servicemember serves on active duty as described in subdivision (1) of this section and up to one hundred eighty days after the servicemember's discharge or separation from service.

The changes would be effective credits earned in tax years beginning or deemed to begin on and after January 1, 2019.

Disposition at Sine Die:

LB 684 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 760 (Hughes) Change the Volunteer Emergency Responders Incentive Act

Introduced Version:

LB760 adds language to the Volunteer Emergency Responders Incentive Act (Act). The Act currently provides a \$250 refundable income tax credit to a qualifying rescue squad member or an active volunteer firefighter in any city, village, rural fire protection district or suburban fire protection district.

The new language adds eligible active emergency responder, active rescue squad member or active volunteer firefighter serving a county to be able to utilize the \$250 refundable income tax credit. The new language shall apply retroactively to July 21, 2016.

The bill contains the Emergency Clause.

Disposition at Sine Die:

LB 760 was advanced to General File. LB 760 passed on Final Reading, 46-0-3, and was approved by the Governor on April 11, 2018.

LB 804 (Brasch) Include elementary and secondary schools in the Nebraska educational savings plan trust and change tax benefits

Introduced Version:

The bill would conform Nebraska to the recent federal changes regarding “529 Plans” under the College Savings Plan Program. The federal changes would allow for contributions to a plan to also be used to pay tuition at an elementary or secondary school of choice. The bill would allow such contributions to qualify for the existing 529 Plan deduction of up to \$5,000 married filing separate taxpayers or \$10,000 for all other returns.

The deduction would not become effective until January 1, 2020, but other changes to the College Savings Plan Program would be operative on the effective date of the bill.

Disposition at Sine Die:

LB 804 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 914 (Riepe) Provide an income tax credit for certain long-term care insurance policy premiums

Introduced Version:

The bill would create a nonrefundable credit for premiums paid for a long-term care insurance policy issued on or after January 1, 2019. The credit is limited to 25 percent of the premium paid during the taxable year. The policy may offer coverage to the taxpayer, taxpayers spouse, parent or immediate family member or a dependent as defined under statute.

The credit may not exceed \$250 per taxable year on an individual policy or \$500 on a joint policy. The credit may be claimed for a maximum of three years. The credit is not allowed if the taxpayer paid the premium prior to the first taxable year for which the credit is sought or if another taxpayers is claiming the credit for the same policy premium. Unused credits do not carry forward.

Disposition at Sine Die:

LB 914 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 918 (Bolz) Change provisions relating to certain tax incentive programs and job training grants

Introduced Version:

LB 918 makes adjustments to the provisions of the Nebraska Advantage Rural Development Act, the Nebraska Advantage Act, and Job Training Grants from the Job Training Cash Fund. The change to each program will be effective for all applications filed on or after the effective date of this bill. The provisions of each program filed prior to such effective date shall be administered under the provisions of each program as they existed immediately prior to such effective date.

Nebraska Advantage Rural Development Act

Applications for a tax credit must pay a minimum qualifying wage equal to at least 150% of the Nebraska average weekly wage and provide health care benefits to the new equivalent employees for whom tax credits are sought. Nebraska average weekly wage is defined as the most recent average weekly wage paid by all employers in all counties in Nebraska as reported by the Department of Labor by October 1 of the year prior to the application.

Nebraska Advantage Act

New employees for Tier 1, Tier 2, Tier 3, or Tier 4, are paid a rate equal to at least 150% of the Nebraska average weekly wage for the year of application and receive employer-

provided health care benefits. New employees for Tier 6 must receive employer-provided health care benefits.

The tax credit allowed for a qualified Tier 1, Tier 2, Tier 3, or Tier 4 project is equal to 3% times the average wage of new employees times the number of new employees if the average wage of the new employees equals at least 150% of the Nebraska average annual wage for the year of application.

The tax credit shall equal 4% times the average wage of new employees times the number of new employees if the average wage of the new employees equals at least 165% of the Nebraska average annual wage for the year of application.

The tax credit shall equal 5% times the average wage of the new employees equals at least 190% of the Nebraska average annual wage for the year of application.

The tax credit shall equal 6% times the average wage of new employees times the number of new employees if the average wage of the new employees equals at least 215% of the Nebraska average annual wage for the year of application.

Average annual wage is defined as total compensation paid to employees during the year at the project who are not base-year employees, who receive employer-provided health care benefits and who are paid wages equal to at least 150% of Nebraska average weekly wage the year of application.

Job Training Grant

The wage level of the jobs created will be equal to at least 150% of the Nebraska average weekly wage and will include employer-provided health care benefits. Additional criteria includes 100% of the jobs created will be full-time jobs, The wage level of the positions available or to be created will be equal to at least 150% of the Nebraska average weekly wage.

Nebraska average weekly wage means the most recent average weekly wage paid by all employers in all counties in Nebraska as reported by the Department of Labor by October 1 of the year prior to application.

The Department of Economic Development shall not approve a job training grant which exceeds an average expenditure of \$20,000 per job.

Disposition at Sine Die:

LB 918 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 919 (Bolz) Adopt the Student Loan Repayment Tax Credit Act and change certain taxation and grant provisions

Introduced Version:

LB 919 creates the Student Loan Repayment Tax Credit Act and the Nebraska Integrated Education and Training Grant Program. The bill sunsets the Nebraska Job Creation and Mainstreet Revitalization Act and makes adjustments to the qualifying wages for the child care and dependent tax credit. LB 919 makes changes to the Job Training Grants program administered by the Department of Economic Development.

Student Loan Repayment Tax Credit Act

- Department of Revenue shall accept applications beginning January 1, 2019.
 - Employer makes application from January 1 to March 31 in a calendar year.
- Applications considered in order in which the application is received.
- Tax credits capped at \$2 million in any calendar year.
 - At least 25% of credits must be award to employer that have no more than 30 employees or that are located in a city of the first class or second class or a village.
- Nonrefundable tax credit equal to 50% of student loan repayments made by the employer.
 - Maximum credit of \$1,800 for each qualified employee.
- Tax credits claimed but not used may be carried forward until fully utilized.
- Employer may earn credits for up to 20 qualified employees per calendar year.
 - Qualified employee is employed for at least 480 hours during the year, graduated or earned a certificate from a postsecondary educational institution.
 - Incurred a student loan while attending a postsecondary educational institution.
- FAGI or federal taxable income shall be increased by the amount of the deduction for any student loan repayments for the tax credit claimed.
 - Recapture provision is provided for a period of 3 years after the end of the taxable year in which the credits were claimed.
- On or before July 1, 2020 and each July 1 thereafter, the Department shall submit a report to the Governor and Legislature regarding this Act.
 - The bill provides specifics for the report.
- Program sunsets on December 31, 2023.

Nebraska Integrated Education and Training Grant Program

- The Nebraska Community College Student Performance and Occupational Education Grant Committee (Committee) will administer the program.
- The Committee will provide grants to community colleges to develop and implement local programs of integrated education and training.
 - Grants will be allocated through a competitive process for up to 3 years.
- The Coordinating Commission for Postsecondary Education (Commission) is required to develop an annual evaluation of the grant program.
- \$3 million required to carry out this grant program.
 - Up to 15% may be retained by the Commission to administer this grant program.

Nebraska Job Creation and Mainstreet Revitalization Act (Historic Tax Credits)

- No new applications may be filed beginning January 1, 2019

Child Care and Dependent Tax Credit

- The qualifying FAGI for the child care and dependent tax credit is changed from greater than \$29,000 to greater than \$29,000 but no more than \$150,000.
- The percentage of the nonrefundable tax credit is changed from 25% of the federal credit to 35% of the federal credit.

Job Training Grants/Job Training Cash Fund

- Department of Economic Development may approve up to \$5 million of job training grants each year.
- The bill changes the allocation of dollars from \$1.5 million to \$2 million from the Job Training Cash Fund

This bill has an operative date of January 1, 2019.

Disposition at Sine Die:

LB 919 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 920 (Bolz) Change provisions relating to a child and dependent care tax credit

Introduced Version:

The bill would adjust the income and credit levels for the Child and Dependent Care Credit. The credit can be either refundable or nonrefundable based on income levels.

The nonrefundable credit would increase from 25 percent to 30 percent of the federal credit. The income levels for this credit would increase \$29,000 to \$52,000 in federal adjusted gross income but must still be less than \$150,000.

The refundable credit, which is 100 percent of the federal credit, would be available for incomes not greater than \$32,000, up from the current amount of \$22,000. The percentage of available credit would continue to be reduced as income rises. Currently, the credit is reduced by 10 percent for each \$1,000 exceeding the base amount of \$22,000. The bill would reduce the credit by three and one-half percent for each \$1,000 exceeding the new base amount of \$32,000.

Disposition at Sine Die:

LB 920 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 954 (Hansen) Provide refundable income tax credits to individuals who rent their primary residence

Introduced Version:

The bill would create a refundable credit for individuals who rent their primary residence. The credit shall be two percent of the rent paid during the taxable year, not to exceed \$500. The bill would be operative for taxable years beginning or deemed to begin on or after January 1, 2019.

Disposition at Sine Die:

LB 954 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 976 (Briese) Provide a reporting duty for the Beginning Farmer Board under the Beginning Farmer Tax Credit Act

Introduced Version:

LB 976 would add another duty to the Beginning Farmer Board. This additional duty would a report to the Director of Agriculture and the Legislature on or before November 1, 2018 regarding the maximum net worth qualification of beginning farmers based on the definition of beginning farmer found in 77-5209.

The one-time report shall include:

- A discussion of net worth as a factor in long-term farming business viability for beginning farmers and the ability of beginning farmers to obtain real estate and operating capital to expand or upgrade farming operations.
- A comparison of the beginning farmer net worth qualification for purposes of the Beginning Farmer Tax Credit Act to net worth qualifications of other state and federal programs of assistance available to beginning farmers.
- Whether the current maximum net worth qualification disqualifies individuals who would otherwise be included among intended beneficiaries of the Beginning Farmer Tax Credit Act.
- Any recommendation for adjustment to the net worth qualification of beginning farmers and for making regular or periodic adjustments to the net worth qualification.

Disposition at Sine Die:

LB 976 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 1016 (Briese) Adopt the Money Transmission Fee Act and provide income tax credits

Introduced Version:

LB1 016 would create the Money Transmission Fee Act (Act). Under the Act, a financial institution shall collect a fee on each money transmission transaction completed for an individual. A money transmission transaction is defined as transmitting money or monetary value to a location in another state or a location outside of the United States. The money transmission transaction may include an order, wire, facsimile or an electronic transfer. A money transmission transaction does not include a financial institution transmitting money or monetary value from an account or on behalf of a depositor.

The fee a financial institution may charge will be \$5 if the amount of the transaction is no more than \$166.66 or 3% of the amount transmitted if the transaction is more than \$166.66

The fees collected under this Act shall be credited to the Property Tax Credit Cash Fund. The individual that is charged the fee will receive a nonrefundable tax credit for the amount of the fee paid.

The Department of Revenue may adopt and promulgate rules to carry out this Act.

The bill has an operative date of January 1, 2019.

Disposition at Sine Die:

LB 1016 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 1023 (Schumacher) Change sunset dates on certain tax incentive programs

Introduced Version:

The bill changes the sunset date for several tax credit and incentive programs from December 31, 2020 to December 31, 2018:

- Community Development Assistance Act;
- New Markets Job Growth Investment Act;
- Nebraska Advantage Rural Development Act;
- Job Creation and Mainstreet Revitalization Act;

- Beginning Farmer Tax Credit Act;
- Nebraska Advantage Act;
- Nebraska Advantage Research and Development Act;
- Nebraska Advantage Microenterprise Tax Credit Act; and
- Angel Investment Tax Credit Act.

Disposition at Sine Die:

LB 1023 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 1045 (Schumacher) Adopt the Nebraska Excellence Fund Tax Credit Act

Introduced Version:

The bill would create the Nebraska Excellence Fund Tax Credit. For taxable years beginning or deemed to begin on or after January 1, 2018, a nonrefundable credit would be allowed for all filers equal to the amount of the contribution to the Fund during the taxable year. Credits that exceed tax liability would be carried forward to subsequent taxable years until fully utilized.

All amounts in The Fund shall be used exclusively upon appropriation by the Legislature for public purposes as specified under the charitable contribution laws of Section 170 of the Internal Revenue Code of 1986. The Fund would be administered by the Department of Revenue.

Disposition at Sine Die:

LB 1045 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 1108 (Harr) Authorize certain tax credits, change the sales tax rate, and provide for school foundation aid and certain grant programs

Introduced Version:

Sections 1 – 8. Create the Yes to Occupational Learning Opportunities Act (the “YOLOA”) which provides “just-in-time” tax credits for employers who plan to provide job training activities for employees and a Nebraska intern tax credit for employers who provide internships for students.

“Just-in-time credits” are 75 percent of reasonable training costs not to exceed \$2,000 for an employee who:

- Is homeless or a participant in the Temporary Assistance for Needy Families program;
- Is a veteran;
- Has been convicted of a felony;
- Is a student who qualifies for free or reduced lunch; or
- Is a federal Pell Grant recipient.

The credit is limited to 75 percent of reasonable expenses not to exceed \$1,500 for all other employees. The employer must provide the following job training activities during the year to at least one employee who will:

- Work in a high-needs job;
- Work a minimum of 35 hours per week for at least six months;
- Participate in at least 40 hours but no more than 160 hours of job training activities; and

- Upon completion of the job training:
 - Will be paid at an annual wage level equal to 240 percent of the federal poverty level and receive employer-provided health benefits; or
 - Will be paid an annual wage level equal to 275 percent of the federal poverty level.

The intern tax credit is the lesser of 75 percent of the cost of the internship or \$7,500 if the student:

- Is a federal Pell Grant recipient; or
- Is a student who qualifies for free or reduced lunch.

The credit is the lesser of 75 percent of the cost of the internship or \$5,000 for all other students. The internship must meet the following requirements:

- The student must be paid at least the state minimum hourly wage;
- The internship must be completed within the state;
- The internship must be completed within 12 months; and
- The internship must be of a duration sufficient to allow the student to gain significant valuable work experience and knowledge.

In both cases the credit may be used to offset the employer's withholding tax liability. The program is to be administered by the Department of Economic Development, which may award credits up to \$5 million in any calendar year.

The credits are to be granted on a prorated basis, awarding them to employers with no more than 50 employees in each congressional and to employers with more than 50 employees, on a 1/6 basis. However, the credits are also required to be considered in the order in which they are received. A second application period is required if there are unused funds available on June 1 of each calendar year.

A third credit under the YOLOA is the post-training tax credit for employers who plan to hire a student completing an internship or an employee completing job training activities within one month of such completion. The position must:

- Be a minimum of a forty hour work week for at least one year; and
- Pay annual wages which are 300 percent of the federal poverty level and include health benefits; or
- Pay annual wages which are 350 percent of the federal poverty level.

If the student is a Pell Grant recipient or qualifies for free or reduced-priced lunches the credit is \$10,000, and \$8,000 for all other student. The credit for employees who meet any of the special qualifications under the just-in-time tax credit is \$10,000 and \$8,000 for all other employees.

The department may approve up to \$10 million in credits in any calendar year, prorated in the same manner as the just-in-time credit, with a second application period in the case of unused funds during the calendar year. There is a three-year recapture period if the employer is found to have violated portions of the agreement.

Sections 9 – 13. Creates the Jobs of Tomorrow Innovation Act which provides a nonrefundable income tax credit to partnerships formed by for-profit businesses and non-profit colleges or universities. Such businesses may apply for a credit equal to the reasonable expenses incurred in researching and developing the creation of jobs and technology. The credit may not exceed \$1 million.

The department may award credits of up to \$31.5 million per calendar year. Credits may be carried forward until fully utilized.

Sections 14 – et seq. Increase the state sales tax rate from 5.5 percent to 6.0 percent from January 1, 2019 through January 1, 2023. On January 1, 2023 the rate would return to 5.5 percent. The revenue from the rate increase are intended to fund the new credits as well as increases in the credits under the School Readiness Tax Credit Act. The sunset date for the Act is repealed.

The additional revenue is also intended to fund the newly created School Aid Fund to be administered by the Department of Education to provide foundation aid each year based on fall membership of each school district.

The Department of Economic Development is to create and administer a new youth talent initiative to provide grants to up to six industry partners or consortia from the manufacturing and information technology industries. The purpose is to support such industries in exposing students to the industries and creating a pipeline for youth talent in cooperation with the public schools. At least one grant must be in a county of less than 100,000 in population.

The remainder of the additional revenue is to be appropriated to the newly created Nebraska Integrated Education and Training Grant Program which is administered by the Nebraska Community College Student Performance and Occupational Education Grant Committee. The program is intended to provide adult education and literacy or remedial education to support workforce preparation activities by the state's community colleges.

Finally, additional revenue generated by the sales tax rate increase as applied to the sale or lease of motor vehicles, trailers and semi-trailers is credited one-half to the Transportation Infrastructure Bank and one-half to the newly created Light Rail Grant Fund to be administered by the Department of Transportation.

Disposition at Sine Die:

LB 1108 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

Miscellaneous

LB 15 (Craighead) Adopt the First-Time Home Buyer Savings Account Act

Introduced Version:

The bill creates the First-time Home Buyer Savings Account Act. It allows any person to make contributions to one or more accounts with a financial institution. This is the account holder. A first-time home buyer (“qualified beneficiary”) may then draw funds from the account to pay “eligible costs” as defined. The money in the account may be withdrawn for the purchase of a single-family home in this state or, outside this state if they are active-duty military who were stationed in Nebraska any time after creation of the account. A maximum of \$50,000 may be contributed to any one account for all taxable years and the balance in the account may not exceed \$150,000.

Any interest or other income earned on the account may be subtracted by the account holder from federal adjusted gross income on a Nebraska individual income tax return, to the extent it was included for federal tax purposes. The bill also provides penalties for use of funds for other than eligible costs including recapture for income tax purposes.

The bill is operative for taxable years beginning or deemed to being on January 1, 2018.

Disposition at Sine Die:

LB 15 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 49 (Schumacher) Provide for the treatment of certain amendments to the Internal Revenue Code

Introduced Version:

The bill address the potential for changes to the federal income tax laws. In particular, the provisions of the bill would apply when a federal change is enacted and becomes applicable during the calendar year in which it is enacted. Such changes could affect the calculation of Nebraska individual and/or corporate income tax to the extent they effect the calculation of federal adjusted gross income and/or federal taxable income.

The bill would require the Tax Commissioner to prepare a report within 60 days of the enactment of such law changes that details the federal changes and the effect they would have on state revenue. It also requires an outline of the impact on unspecified classes and types of taxpayers.

These requirements only apply when the federal changes effect state revenue by \$5 million or more.

Disposition at Sine Die:

LB 49 was amended into LB 217 with AM 634. LB 217 as amended was passed on Final Reading on April 24, 2017 and approved by the Governor on May 2, 2017.

LB 52 (Schumacher) Adopt the Modern Tax Act

Introduced Version:

The bill creates the Modern Tax Act which imposes a tax of 5.5 percent on interest paid on loans. The tax would be the obligation of the debtor and would be collected by the lender. The tax would be due at the same time as any regularly scheduled payment on the loan. Loans subject to the tax include mortgages, auto loans, commercial paper and any loans secured by filing under the Uniform Commercial Code, but excludes government loans, publicly traded bonds and loan proceeds used by a financial institution to make loans subject to the tax.

The effective date of the bill is January 1, 2018.

Disposition at Sine Die:

LB 52 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 98 (Friesen) Extend certain levy authority for natural resources districts

Introduced Version:

A natural resource district that is located in a river basin, sub-basin or reach that has been fully appropriated or over-appropriated has the authority to tax an additional 3 cents to administer and implement ground water manage and integrated management activities under the Nebraska Ground Water Management and Protection Act.

This bill would extend the authority to tax the additional 3 cents from fiscal year 2006-07 through 2017-18 to fiscal year 2006-07 through fiscal year 2025-26.

Disposition at Sine Die:

LB 98 was advanced to General File. LB 98 failed to advance to Select File. LB 98 was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 228 (Harr) Change provisions relating to rent-restricted housing projects

Introduced Version:

The bill makes changes related to Rent-Restricted Housing Projects Valuation.

Section 1:

- Provides that the statement to be filed by the owner of a rent-restricted project shall now be done electronically and on a form as prescribed by the Tax Commissioner;
- The filing date is changed from October 1 of each year to July 1;
- The Department of Revenue is now required to forward such statements to the county assessor of each county in which a project is located, rather than the applicant filing the statement with each county;
- The Department must forward the statements no later August 15 of each year;
- Authorizes the Rent-Restricted Housing Projects Valuation Committee to calculate an additional capitalization rate if it determines that a particular housing type requires a different rate than the one calculated for the rest of the state.

Section 3. Emergency Clause

Disposition at Sine Die:

LB 228 was amended into LB 217. LB 217 as amended was passed on Final Reading on April 24, 2017 and approved by the Governor on May 2, 2017.

LB 253 (Crawford) Authorize intergovernmental service agreements under the County Industrial Sewer Construction Act and authorize a use for a sewer tax levy

Introduced Version:

LB 253 would allow a county and any city, village, or SID to enter into a service agreement with any joint entity created pursuant to the Interlocal Cooperation Act or any joint public agency created pursuant to the Joint Public Agency Act which owns or operates or proposes to own or operate any sewerage disposal system and plant, including the use or right to use real or personal property included in any such project.

The bill provides the parameters of the service agreement to include:

- Payment of fixed or variable periodic amounts for service or the right to obtain service, including the use or right to use real or personal property;
- May extend for a term of years as determined by the governing body of the county, city, village, or SID;
- Fixed or variable periodic amounts payable may be determined based upon any of the following factors, or such other factors as may be deemed reasonable by the parties;
 - Operating, maintenance, and management expenses, including renewals and replacements for facilities and equipment;
 - Amounts payable with respect to debt service on bonds or other obligations, including margins of debt service coverage if deemed appropriate; and
 - Amounts necessary to build or maintain operating reserves, capital reserves, and debt service reserves.
- May require payment to be made in the agreed fixed or variable periodic amounts regardless of whether such sewerage disposal system and plant or plants are completed or operational and notwithstanding any suspension, interruption, interference, reduction, or curtailment of the services of such project or system; and
- Such other provisions as the parties to the service agreement deem appropriate in connection with constructing and operating a sewerage disposal system and plant or plants.

A county, city, village, or SID may provide that payments be made from a special tax levied for such purpose upon all taxable property within such county, city, village, or SID. The special tax shall have the same status as a tax levied for the purpose of paying bonds approved according to law and secured by a levy on the property of such county, city, village, or SID.

Committee Amendment: AM 693 – approved

LB 253 allows the county, cities, villages, and SIDs to enter into the inter local agreement which gives them the authority to enter into service agreements and exceed their budget limitations for amounts paid with respect to debt service on bonds, if necessary, but would not allow them to exceed their levy limitations for such purposes.

As amended, LB 253 will allow Sarpy County to use the levy authority it has per the County Industrial Sewer Construction Act to secure bonds for a regional wastewater system. The taxing authority in Section 23-3613 will not extend to cities, villages, or SIDs in the inter-local agreement.

LB 253, as amended will eliminate Joint Public Agencies as an option for the county, cities, villages, and SIDs collaborating on a regional wastewater system. These entities will need to enter into an inter-local agreement per the Inter-local Agreement Act.

Disposition at Sine Die:

LB 253 was advanced to General File as amended. LB 253 passed on Final Reading, 46-0-3 and was approved by the Governor on May 9, 2017.

LB 326 (Kolowski) Provide additional budget and tax levy authority for certain school districts

Introduced Version:

This bill would provide additional 3 cents per \$100 of taxable valuation for any school district whose average daily membership per total disbursements is below the statewide median calculation for all school districts. The source data for the calculation shall be from the most recently complete data year. The Department of Education shall determine the amounts for each school district and the statewide median. These amounts would be certified on September 15, 2017 and on or before March 1 (the deadline to certify TEEOSA) for each year thereafter.

A 2/3 majority vote of a school board is required to access the additional 3 cents of levy authority. A public hearing is required before the school board may vote to access the additional levy authority.

Disposition at Sine Die:

LB 326 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 400 (Hilkemann) Change provisions relating to motor vehicle fees and taxes

Introduced Version:

This bill would provide the seller of a motor vehicle or trailer a refund of the taxes paid based on the number of unexpired days remaining in the registration period.

LB400 has an operative date of January 1, 2019.

Committee Amendment: AM 887 – pending

The Committee Amendment provides that on and after January 1, 2020 amounts for transferring ownership of a motor vehicle or trailer will be calculated by the number of unexpired days remaining in the registration period.

Disposition at Sine Die:

LB 400 was advanced to General File as amended. LB 400 was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 535 (Hughes) Change requirements for instruments and statements filed with the register of deeds

Introduced Version:

A grantee or purchaser of an oil, gas or mineral lease would not be required to file with the register of deeds a statement that may contain any information contained in the deed, memorandum of contract, or land contract, the total consideration paid, the amount of the total consideration attributable to factors other than the purchase of the real estate itself, and other factors which may influence the transaction.

Committee Amendment: AM 203 - approved

The amendment expands the exemption from filing a real estate transfer statement from oil, gas or mineral leases to include subsequent assignment of an easement or a lease.

Disposition at Sine Die:

LB 535 was advanced to General File as amended. LB 535 passed on Final Reading, 49-0-0 and approved by the Governor on April 27, 2017.

LB 633 (Kolowski) Authorize school districts to levy a tax and exceed budget authority for school security measures and student technology

Introduced Version:

This bill would create two specific funds for the receipt and expenditure of additional tax authority for student technology and school security measures.

School boards could vote to access an additional 1 cent (per \$100 of assessed valuation) for student technology expenditures with a 2/3 majority vote of the board. School boards would also be able to access an additional 1 cent (per \$100 of assessed valuation) for school security measures with 2/3 board approval.

The actual expenditure of the funds for student technology expenditures and school security measures would be an exclusion to the expenditure limit.

LB 633 expands the definition of general fund operating expenditures (a component of TEEOSA). The expenditures for student technology and school security measures would not be included in general fund operating expenditures.

As the bill is introduced, by creating two specific budgeted funds for the receipt and expenditures of the monies for student technology expenditures and school security measures keeps the monies out of the General Fund. The expansion of general fund operating expenditures and the new exclusions to the expenditure limit would not be needed since these funds would not be part of a school district's General Fund.

The bill contains the Emergency Clause.

Disposition at Sine Die:

LB 633 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 739 (Lindstrom) Change the Sports Arena Facility Financing Assistance Act

Introduced Version:

This bill adds a new definition to eligible sports arena facility. The new definition includes any sports complex which would include stadiums, arenas, fields, concession areas, parking facilities and onsite administrative offices connected with operating the facilities.

LB 739 would repeal the occupancy requirement of an eligible sports arena facility to receive a turn back of sales tax and replaces occupancy with project completion date. Project completion date is defined as:

- Projects involving the acquisition or construction of any eligible sports arena facility, the date of initial occupancy of the facility following the completion of such acquisition or construction; or
- For all other projects, the date of completion of the project for which state assistance is received.

To qualify for the sales tax turn back, a sports complex must meet the following definition: the facility must include indoor areas, outdoor areas, or both, be primarily used for competitive sports and contain at least 12 separate sports venues. Sports venues may include, but are not limited to:

- A baseball field
- A softball field
- A soccer field
- A football field
- An outdoor stadium primarily used for competitive sports
- An outdoor arena primarily used for competitive sports
- An enclosed, temperature-controlled building primarily used for competitive sports

The details required in an application for the Sports Arena Facility Financing Assistance Act, the requirement for a public hearing on the application, and the approval or denial of the application are not changes by LB 739.

Disposition at Sine Die:

LB 739 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 789 (Ebke) Eliminate the marijuana and controlled substances tax

Introduced Version:

The bill repeals the Marijuana and Controlled Substances Tax Act.

Disposition at Sine Die:

LB 789 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 881 (Schumacher) Change inheritance tax provisions relating to life insurance proceeds

Introduced Version:

The bill provides that proceeds from life insurance are not subject to the inheritance tax unless they are paid out to the decedent's estate as the beneficiary of a trust. The proceeds must be payable to the trustee.

Disposition at Sine Die:

LB 881 was advanced to General File, and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 882 (Schumacher) Change provisions relating to certain inheritance tax proceedings

Introduced Version:

Section 68-919 of Nebraska statutes provides that:

(1) The recipient of medical assistance under the medical assistance program shall be indebted to the department for the total amount paid for medical assistance on behalf of the recipient if:

(a) The recipient was fifty-five years of age or older at the time the medical assistance was provided; or

(b) The recipient resided in a medical institution and, at the time of institutionalization or application for medical assistance, whichever is later, the department determines that the recipient could not have reasonably been expected to be discharged and resume living at home. For purposes of this section, medical institution means a nursing facility, an intermediate care facility for persons with developmental disabilities, or an inpatient hospital.

The bill clarifies when a notice must be sent to the Department of Health and Human Services regarding decedents described in Section 68-919. It provides that such notice will only be required when an independent proceeding is brought for the sole purpose of determining the amount of inheritance, if any, which may be due. Such notice would not be required under the bill if the decedent's estate is probated under Chapter 30, Article 24 or 25.

Disposition at Sine Die:

LB 882 was advanced to General File, and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 905 (Kuehn) Change the burden of proof for certain protests of real property valuations

Introduced Version:

LB 905 would change the burden of proof at any hearing of the county board of equalization on a protest regarding real property to the county assessor. The county assessor is required to show that their assessed value is equitable and in accordance with the law.

The bill has an operative date of January 1, 2019.

Disposition at Sine Die:

LB 905 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 926 (Crawford) Exempt members of the armed forces on active duty and their spouses from motor vehicle taxes

Introduced Version:

The bill amends the exemption from the motor vehicle registration fee for military members as follows:

- The exemption is expanded to include the service member's spouse.
- The language limiting the exemption to members who are residents of a state other than Nebraska is repealed.
- The language "serving in compliance with military or naval orders" is replaced with the phrase "on active duty." This also would appear to expand the definition of qualified members.

Disposition at Sine Die:

LB 926 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 941 (Wayne) Change the calculation of the tax on the average wholesale price of gasoline

Introduced Version:

Under Nebraska law, the excise tax on gasoline is paid by the producer, supplier, distributor, wholesaler or importer at the rate of five percent of the average wholesale price of gasoline. The average wholesale gasoline price is calculated by the Department of Revenue every April 1 and October 1.

The bill sets a new minimum average wholesale price for gasoline of \$2.44 effective July 1, 2018. The Department is to then calculate the average wholesale price every October 1 and April 1 thereafter.

The bill contains the Emergency Clause.

Disposition at Sine Die:

LB 941 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 965 (Schumacher) Change provisions relating to lists of real property subject to sale for delinquent taxes

Introduced Version:

LB 965 clarifies the information the county treasurer will use on the list of properties for sale. The bill will require the county treasurer to describe the property as it is described on the tax list and shall include the parcel number of the property.

Current language does not require include the parcel number of the property for sale.

Disposition at Sine Die:

LB 965 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 1026 (Wayne) Authorize issuance of highway bonds, create a fund, and change existing highway funding provisions

Introduced Version:

LB 1026 authorizes the Nebraska State Highway Commission, upon the recommendation of the Department of Transportation, to issue up to \$200,000,000 of bonds to use for purposes of the Build Nebraska Act. The interest rate shall be a fixed rate and cannot exceed 5%. No bonds can be issued after June 30, 2021 (except for refunding bonds) and the bonds must be paid off by July 1, 2037.

At least 25% of the bond proceeds shall be used for construction of the expressway system and federally designated high priority corridors. The bill creates the Build Nebraska Bond Fund to receive the bond proceeds. The Highway Cash Fund may be pledged for repayment of the bonds and the repayment of the bonds may also be made from the State Highway Capital Improvement Fund.

The bill has the Emergency Clause.

Disposition at Sine Die:

LB 1026 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 1075 (Friesen) Impose a fee on transfers of real estate

Introduced Version:

LB 1075 would impose a fee on the transfer of real estate. The fee would be equal to 1% of the value of the real estate. The fee is not imposed on any instrument that is exempt from the documentary stamp tax. The register of deeds will retain 50 cents of the fee with the remainder credited to the Property Tax Credit Fund.

A refund of the fee may be claimed if the payment was made:

- As the result of a misunderstanding or honest mistake of the person paying the fee;
- As the result of a clerical error on the part of the register of deeds or the person paying the fee; or,
- The payment is invalid for any reason.

The Department of Revenue may adopt and promulgate rules and regulations to carry out the new language found in LB 1075.

This bill has an operative date of January 1, 2019.

Disposition at Sine Die:

LB 1075 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.

LB 1076 (Friesen) Increase the documentary stamp tax and provide for the use of the revenue

Introduced Version:

LB 1076 would increase the fee for a document tax stamp from \$2.25 for each \$1,000 value to \$2.75 for each \$1,000 value.

The Property Tax Credit Fund would be credited with 50 cents of the increased fee.

This bill has an operative date of January 1, 2019.

Disposition at Sine Die:

LB 1076 was not advanced from the committee and was indefinitely postponed with the end of the legislative session on April 18, 2018.