

E AND R AMENDMENTS TO LB867

Introduced by Murante, 49, Chairman Enrollment and Review

1 1. Strike the original sections and all amendments
2 thereto and insert the following new sections:

3 Section 1. Section 13-2709, Revised Statutes Supplement,
4 2013, is amended to read:

5 13-2709 The department shall submit, as part of the
6 department's annual status report under section 81-1201.11, the
7 following information regarding the Civic and Community Center
8 Financing Act:

9 (1) Information documenting the grants conditionally
10 approved for funding by the Legislature in the following fiscal
11 year;

12 (2) Reasons why a full application was not sent to any
13 municipality seeking assistance under the act;

14 (3) The amount of sales tax revenue generated for the
15 fund pursuant to subsection (4) of section 13-2610 and subsection
16 ~~(6)~~ (7) of section 13-3108, the total amount of grants applied for
17 under the act, the year-end fund balance, and, if all available
18 funds have not been committed to funding grants under the act, an
19 explanation of the reasons why all such funds have not been so
20 committed;

21 (4) The amount of appropriated funds actually expended by
22 the department for the year;

23 (5) The department's current budget for administration

1 of the act and the department's planned use and distribution of
2 funds, including details on the amount of funds to be expended on
3 grants and the amount of funds to be expended by the department for
4 administrative purposes; and

5 (6) Grant summaries, including the applicant
6 municipality, project description, grant amount requested,
7 amount and type of matching funds, and reasons for approval
8 or denial based on evaluation criteria from section 13-2707 or
9 13-2707.01 for every application seeking assistance under the act.

10 Sec. 2. Section 13-3107, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 13-3107 (1) If an application is approved, the Tax
13 Commissioner shall:

14 (a) Audit or review audits of the approved eligible
15 sports arena facility to determine the (i) state sales tax revenue
16 collected by retailers doing business at such facility on sales at
17 such facility, (ii) state sales tax revenue collected on primary
18 and secondary box office sales of admissions to such facility, and
19 (iii) new state sales tax revenue collected by nearby retailers;

20 (b) Estimate quarterly the amount of state sales tax
21 revenue and new state sales tax revenue that will be determined
22 under subdivision (a) of this subsection and certify such amount to
23 the State Treasurer;

24 ~~(b)~~ (c) Certify annually the amount of state sales
25 tax revenue and new state sales tax revenue determined under
26 subdivision (a) of this subsection to the State Treasurer; and

27 ~~(e)~~ (d) Determine if more than one facility is eligible

1 for state assistance from state sales tax revenue collected by
2 the same nearby retailers. If the Tax Commissioner has made such
3 a determination, the facility that was first determined to be
4 eligible for state assistance shall be the only facility eligible
5 to receive such funds.

6 (2) State sales tax revenue collected by retailers that
7 are doing business at an eligible sports arena facility and new
8 state sales tax revenue collected by nearby retailers shall be
9 reported on informational returns developed by the Department of
10 Revenue and provided to any such retailers by the facility. The
11 informational returns shall be submitted to the department by the
12 retailer by the twentieth day of the month following the month the
13 sales taxes are collected. The Tax Commissioner shall use the data
14 from the informational returns and sales tax returns of both such
15 categories of retailers and the sports arena facility to determine
16 the appropriate amount of state sales tax revenue.

17 (3) The Department of Revenue may adopt and promulgate
18 rules and regulations to carry out the Sports Arena Facility
19 Financing Assistance Act.

20 Sec. 3. Section 13-3108, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 13-3108 (1) Upon the ~~annual~~ quarterly certification under
23 subdivision (1)(b) of section 13-3107, the State Treasurer shall
24 transfer ~~after the audit~~ the amount certified to the Sports Arena
25 Facility Support Fund which is hereby created. Any money in the
26 fund available for investment shall be invested by the state
27 investment officer pursuant to the Nebraska Capital Expansion Act

1 and the Nebraska State Funds Investment Act.

2 (2) Upon the annual certification under subdivision
3 (1)(c) of section 13-3107, the State Treasurer shall transfer
4 after the audit the amount necessary to reconcile the quarterly
5 estimated transfers with the annual certification either to or from
6 the fund.

7 ~~(2)(a)~~ (3)(a) It is the intent of the Legislature to
8 appropriate from the fund money to be distributed quarterly to any
9 political subdivision for which an application for state assistance
10 under the Sports Arena Facility Financing Assistance Act has been
11 approved an amount not to exceed seventy percent of the (i)
12 state sales tax revenue collected by retailers doing business at
13 eligible sports arena facilities on sales at such facilities, (ii)
14 state sales tax revenue collected on primary and secondary box
15 office sales of admissions to such facilities, and (iii) new state
16 sales tax revenue collected by nearby retailers and sourced under
17 sections 77-2703.01 to 77-2703.04 to a location within six hundred
18 yards of the eligible facility.

19 (b) The amount to be appropriated for distribution as
20 state assistance to a political subdivision under this subsection
21 for any one year after the tenth year shall not exceed the
22 highest such amount appropriated under subdivision ~~(2)(a)~~ (3)(a) of
23 this section during any one year of the first ten years of such
24 appropriation. If seventy percent of the state sales tax revenue as
25 described in subdivision ~~(2)(a)~~ (3)(a) of this section exceeds the
26 amount to be appropriated under this subdivision, such excess funds
27 shall be transferred to the General Fund.

1 ~~(3)~~ (4) The total amount of state assistance approved
2 for an eligible sports arena facility shall not (a) exceed fifty
3 million dollars or (b) be paid out for more than twenty years after
4 the issuance of the first bond for the sports arena facility.

5 ~~(4)~~ (5) State assistance to the political subdivision
6 shall no longer be available upon the retirement of the bonds
7 issued to acquire, construct, improve, or equip the facility or any
8 subsequent bonds that refunded the original issue or when state
9 assistance reaches the amount determined under subsection ~~(3)~~ (4)
10 of this section, whichever comes first.

11 ~~(5)~~ (6) State assistance shall not be used for an
12 operating subsidy or other ancillary facility.

13 ~~(6)~~ (7) The thirty percent of state sales tax revenue
14 remaining after the appropriation and transfer in subsection ~~(2)~~
15 (3) of this section shall be appropriated by the Legislature to the
16 Civic and Community Center Financing Fund.

17 ~~(7)~~ (8) Except as provided in subsection ~~(8)~~ (9) of this
18 section for a city of the primary class, any municipality that has
19 applied for and received a grant of assistance under the Civic and
20 Community Center Financing Act shall not receive state assistance
21 under the Sports Arena Facility Financing Assistance Act for the
22 same project for which the grant was awarded under the Civic and
23 Community Center Financing Act.

24 ~~(8)~~ (9) A city of the primary class shall not be eligible
25 to receive a grant of assistance from the Civic and Community
26 Center Financing Act if the city has applied for and received
27 a grant of assistance under the Sports Arena Facility Financing

1 Assistance Act.

2 Sec. 4. Section 77-2701, Revised Statutes Cumulative
3 Supplement, 2012, is amended to read:

4 77-2701 Sections 77-2701 to 77-27,135.01 and 77-27,228 to
5 77-27,236 and sections 8 and 9 of this act shall be known and may
6 be cited as the Nebraska Revenue Act of 1967.

7 Sec. 5. Section 77-2701.04, Revised Statutes Cumulative
8 Supplement, 2012, is amended to read:

9 77-2701.04 For purposes of sections 77-2701.04 to
10 77-2713 and sections 8 and 9 of this act, unless the context
11 otherwise requires, the definitions found in sections 77-2701.05 to
12 77-2701.55 shall be used.

13 Sec. 6. Section 77-2701.11, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 77-2701.11 Delivery charges means charges by the seller
16 of personal property or services for preparation and delivery to
17 a location designated by the purchaser of personal property or
18 services, including, but not limited to, transportation, shipping,
19 postage, handling, crating, and packing. Delivery charges does not
20 include United States postage charges on direct mail that are
21 separately stated on the invoice, bill of sale, or similar document
22 given to the purchaser.

23 Sec. 7. Section 77-2701.35, Reissue Revised Statutes of
24 Nebraska, is amended to read:

25 77-2701.35 (1) Sales price applies to the measure subject
26 to sales tax and means the total amount of consideration, including
27 cash, credit, property, and services, for which personal property

1 or services are sold, leased, or rented, valued in money, whether
2 received in money or otherwise, without any deduction for the
3 following:

4 (a) The seller's cost of the property sold;

5 (b) The cost of materials used, the cost of labor or
6 service, interest, losses, all costs of transportation to the
7 seller, all taxes imposed on the seller, and any other expense of
8 the seller;

9 (c) Charges by the seller for any services necessary to
10 complete the sale;

11 (d) Delivery charges; and

12 (e) Installation charges.

13 (2) Sales price includes consideration received by the
14 seller from third parties if:

15 (a) The seller actually receives consideration from a
16 party other than the purchaser and the consideration is directly
17 related to a price reduction or discount on the sale;

18 (b) The seller has an obligation to pass the price
19 reduction or discount through to the purchaser;

20 (c) The amount of the consideration attributable to the
21 sale is fixed and determinable by the seller at the time of the
22 sale of the item to the purchaser; and

23 (d) One of the following criteria is met:

24 (i) The purchaser presents a coupon, certificate, or
25 other documentation to the seller to claim a price reduction
26 or discount when the coupon, certificate, or documentation is
27 authorized, distributed, or granted by a third party with the

1 understanding that the third party will reimburse any seller to
2 whom the coupon, certificate, or documentation is presented;

3 (ii) The purchaser identifies himself or herself to the
4 seller as a member of a group or organization entitled to a price
5 reduction or discount. A preferred customer card that is available
6 to any patron does not constitute membership in such a group; or

7 (iii) The price reduction or discount is identified as a
8 third-party price reduction or discount on the invoice received by
9 the purchaser or on a coupon, certificate, or other documentation
10 presented by the purchaser.

11 (3) Sales price does not include:

12 (a) Any discounts, including cash, terms, or coupons that
13 are not reimbursed by a third party that are allowed by a seller
14 and taken by a purchaser on a sale;

15 (b) Interest, financing, and carrying charges from credit
16 extended on the sale of personal property or services, if the
17 amount is separately stated on the invoice, bill of sale, or
18 similar document given to the purchaser;

19 (c) Any taxes legally imposed directly on the consumer
20 that are separately stated on the invoice, bill of sale, or similar
21 document given to the purchaser; and

22 (d) United States postage charges on direct mail that are
23 separately stated on the invoice, bill of sale, or similar document
24 given to the purchaser; and

25 ~~(d)~~ (e) Credit for any trade-in as follows:

26 (i) The value of property taken by a seller in trade as
27 all or a part of the consideration for a sale of property of any

1 kind or nature; or

2 (ii) The value of a motor vehicle or motorboat taken by
3 any person in trade as all or a part of the consideration for a
4 sale of another motor vehicle or motorboat.

5 Sec. 8. (1) Sales and use taxes shall not be imposed
6 on the gross receipts from the sale, lease, or rental of and
7 the storage, use, or other consumption in this state of purchases
8 by any historic automobile museum of items which are displayed
9 or held for display by such historic automobile museum and which
10 are reasonably related to the general purpose of such historic
11 automobile museum.

12 (2) For purposes of this section, historic automobile
13 museum means a museum as defined in section 51-702 that:

14 (a) Is used to maintain and exhibit to the public a
15 collection of at least one hundred fifty motor vehicles; and

16 (b) Was open to the public an average of four or more
17 hours per week during the previous calendar year.

18 (3) A museum in its first year of existence may qualify
19 as a historic automobile museum under this section without
20 complying with subdivision (2)(b) of this section if all other
21 requirements of subsection (2) of this section are met.

22 (4) If a museum that has claimed an exemption under this
23 section fails to qualify as a historic automobile museum, such
24 museum shall be subject to a deficiency determination under section
25 77-2709 and notice of such deficiency determination may be served
26 or mailed within the applicable period provided in subdivision

27 (5)(c) of section 77-2709.

1 Sec. 9. (1) Sales and use taxes shall not be imposed
2 on the gross receipts from the sale, lease, or rental of and the
3 storage, use, or other consumption in this state of currency or
4 bullion.

5 (2) For purposes of this section:

6 (a) Bullion means bars, ingots, or commemorative
7 medallions of gold, silver, platinum, or palladium, or a
8 combination of these, for which the value of the metal depends on
9 its content and not the form; and

10 (b) Currency means a coin or currency made of gold,
11 silver, or other metal or paper which is or has been used as legal
12 tender.

13 Sec. 10. Section 77-2711, Revised Statutes Supplement,
14 2013, is amended to read:

15 77-2711 (1)(a) The Tax Commissioner shall enforce
16 sections 77-2701.04 to 77-2713 and may prescribe, adopt, and
17 enforce rules and regulations relating to the administration and
18 enforcement of such sections.

19 (b) The Tax Commissioner may prescribe the extent to
20 which any ruling or regulation shall be applied without retroactive
21 effect.

22 (2) The Tax Commissioner may employ accountants,
23 auditors, investigators, assistants, and clerks necessary for the
24 efficient administration of the Nebraska Revenue Act of 1967 and
25 may delegate authority to his or her representatives to conduct
26 hearings, prescribe regulations, or perform any other duties
27 imposed by such act.

1 (3)(a) Every seller, every retailer, and every person
2 storing, using, or otherwise consuming in this state property
3 purchased from a retailer shall keep such records, receipts,
4 invoices, and other pertinent papers in such form as the Tax
5 Commissioner may reasonably require.

6 (b) Every such seller, retailer, or person shall keep
7 such records for not less than three years from the making of such
8 records unless the Tax Commissioner in writing sooner authorized
9 their destruction.

10 (4) The Tax Commissioner or any person authorized in
11 writing by him or her may examine the books, papers, records, and
12 equipment of any person selling property and any person liable for
13 the use tax and may investigate the character of the business of
14 the person in order to verify the accuracy of any return made or,
15 if no return is made by the person, to ascertain and determine
16 the amount required to be paid. In the examination of any person
17 selling property or of any person liable for the use tax, an
18 inquiry shall be made as to the accuracy of the reporting of city
19 sales and use taxes for which the person is liable under the Local
20 Option Revenue Act or sections 13-319, 13-324, and 13-2813 and
21 the accuracy of the allocation made between the various counties,
22 cities, villages, and municipal counties of the tax due. The Tax
23 Commissioner may make or cause to be made copies of resale or
24 exemption certificates and may pay a reasonable amount to the
25 person having custody of the records for providing such copies.

26 (5) The taxpayer shall have the right to keep or store
27 his or her records at a point outside this state and shall make his

1 or her records available to the Tax Commissioner at all times.

2 (6) In administration of the use tax, the Tax
3 Commissioner may require the filing of reports by any person or
4 class of persons having in his, her, or their possession or custody
5 information relating to sales of property, the storage, use, or
6 other consumption of which is subject to the tax. The report shall
7 be filed when the Tax Commissioner requires and shall set forth the
8 names and addresses of purchasers of the property, the sales price
9 of the property, the date of sale, and such other information as
10 the Tax Commissioner may require.

11 (7) It shall be a Class I misdemeanor for the Tax
12 Commissioner or any official or employee of the Tax Commissioner,
13 the State Treasurer, or the Department of Administrative Services
14 to make known in any manner whatever the business affairs,
15 operations, or information obtained by an investigation of records
16 and activities of any retailer or any other person visited
17 or examined in the discharge of official duty or the amount
18 or source of income, profits, losses, expenditures, or any
19 particular thereof, set forth or disclosed in any return, or
20 to permit any return or copy thereof, or any book containing
21 any abstract or particulars thereof to be seen or examined by
22 any person not connected with the Tax Commissioner. Nothing in
23 this section shall be construed to prohibit (a) the delivery to
24 a taxpayer, his or her duly authorized representative, or his
25 or her successors, receivers, trustees, executors, administrators,
26 assignees, or guarantors, if directly interested, of a certified
27 copy of any return or report in connection with his or her tax,

1 (b) the publication of statistics so classified as to prevent
2 the identification of particular reports or returns and the items
3 thereof, (c) the inspection by the Attorney General, other legal
4 representative of the state, or county attorney of the reports
5 or returns of any taxpayer when either (i) information on the
6 reports or returns is considered by the Attorney General to be
7 relevant to any action or proceeding instituted by the taxpayer
8 or against whom an action or proceeding is being considered or
9 has been commenced by any state agency or the county or (ii) the
10 taxpayer has instituted an action to review the tax based thereon
11 or an action or proceeding against the taxpayer for collection of
12 tax or failure to comply with the Nebraska Revenue Act of 1967 is
13 being considered or has been commenced, (d) the furnishing of any
14 information to the United States Government or to states allowing
15 similar privileges to the Tax Commissioner, (e) the disclosure of
16 information and records to a collection agency contracting with the
17 Tax Commissioner pursuant to sections 77-377.01 to 77-377.04, (f)
18 the disclosure to another party to a transaction of information
19 and records concerning the transaction between the taxpayer and
20 the other party, (g) the disclosure of information pursuant to
21 section 77-27,195 or 77-5731, or (h) the disclosure of information
22 to the Department of Labor necessary for the administration of the
23 Employment Security Law, the Contractor Registration Act, or the
24 Employee Classification Act.

25 (8) Notwithstanding the provisions of subsection (7) of
26 this section, the Tax Commissioner may permit the Postal Inspector
27 of the United States Postal Service or his or her delegates to

1 inspect the reports or returns of any person filed pursuant to the
2 Nebraska Revenue Act of 1967 when information on the reports or
3 returns is relevant to any action or proceeding instituted or being
4 considered by the United States Postal Service against such person
5 for the fraudulent use of the mails to carry and deliver false and
6 fraudulent tax returns to the Tax Commissioner with the intent to
7 defraud the State of Nebraska or to evade the payment of Nebraska
8 state taxes.

9 (9) Notwithstanding the provisions of subsection (7) of
10 this section, the Tax Commissioner may permit other tax officials
11 of this state to inspect the tax returns, reports, and applications
12 filed under sections 77-2701.04 to 77-2713, but such inspection
13 shall be permitted only for purposes of enforcing a tax law and
14 only to the extent and under the conditions prescribed by the rules
15 and regulations of the Tax Commissioner.

16 (10) Notwithstanding the provisions of subsection (7)
17 of this section, the Tax Commissioner may, upon request, provide
18 the county board of any county which has exercised the authority
19 granted by section 81-3716 with a list of the names and addresses
20 of the hotels located within the county for which lodging sales tax
21 returns have been filed or for which lodging sales taxes have been
22 remitted for the county's County Visitors Promotion Fund under the
23 Nebraska Visitors Development Act.

24 The information provided by the Tax Commissioner shall
25 indicate only the names and addresses of the hotels located within
26 the requesting county for which lodging sales tax returns have been
27 filed for a specified period and the fact that lodging sales taxes

1 remitted by or on behalf of the hotel have constituted a portion of
2 the total sum remitted by the state to the county for a specified
3 period under the provisions of the Nebraska Visitors Development
4 Act. No additional information shall be revealed.

5 (11) (a) Notwithstanding the provisions of subsection (7)
6 of this section, the Tax Commissioner shall, upon written request
7 by the Auditor of Public Accounts or the Legislative Performance
8 Audit Committee, make tax returns and tax return information open
9 to inspection by or disclosure to the Auditor of Public Accounts
10 or employees of the office of Legislative Audit for the purpose of
11 and to the extent necessary in making an audit of the Department
12 of Revenue pursuant to section 50-1205 or 84-304. Confidential
13 tax returns and tax return information shall be audited only upon
14 the premises of the Department of Revenue. All audit workpapers
15 pertaining to the audit of the Department of Revenue shall be
16 stored in a secure place in the Department of Revenue.

17 (b) No employee of the Auditor of Public Accounts or
18 the office of Legislative Audit shall disclose to any person,
19 other than another Auditor of Public Accounts or office employee
20 whose official duties require such disclosure or as provided in
21 subsections (2) and (3) of section 50-1213, any return or return
22 information described in the Nebraska Revenue Act of 1967 in a form
23 which can be associated with or otherwise identify, directly or
24 indirectly, a particular taxpayer.

25 (c) Any person who violates the provisions of this
26 subsection shall be guilty of a Class I misdemeanor. For purposes
27 of this subsection, employee includes a former Auditor of Public

1 Accounts or office of Legislative Audit employee.

2 (12) For purposes of this subsection and subsections (11)
3 and (14) of this section:

4 (a) Disclosure means the making known to any person in
5 any manner a tax return or return information;

6 (b) Return information means:

7 (i) A taxpayer's identification number and (A) the
8 nature, source, or amount of his or her income, payments, receipts,
9 deductions, exemptions, credits, assets, liabilities, net worth,
10 tax liability, tax withheld, deficiencies, overassessments, or tax
11 payments, whether the taxpayer's return was, is being, or will be
12 examined or subject to other investigation or processing or (B) any
13 other data received by, recorded by, prepared by, furnished to, or
14 collected by the Tax Commissioner with respect to a return or the
15 determination of the existence or possible existence of liability
16 or the amount of liability of any person for any tax, penalty,
17 interest, fine, forfeiture, or other imposition or offense; and

18 (ii) Any part of any written determination or any
19 background file document relating to such written determination;
20 and

21 (c) Tax return or return means any tax or information
22 return or claim for refund required by, provided for, or permitted
23 under sections 77-2701 to 77-2713 which is filed with the Tax
24 Commissioner by, on behalf of, or with respect to any person
25 and any amendment or supplement thereto, including supporting
26 schedules, attachments, or lists which are supplemental to or part
27 of the filed return.

1 (13) Notwithstanding the provisions of subsection (7) of
2 this section, the Tax Commissioner shall, upon request, provide any
3 municipality which has adopted the local option sales tax under the
4 Local Option Revenue Act with a list of the names and addresses
5 of the retailers which have collected the local option sales tax
6 for the municipality. The request may be made annually and shall
7 be submitted to the Tax Commissioner on or before June 30 of
8 each year. The information provided by the Tax Commissioner shall
9 indicate only the names and addresses of the retailers. The Tax
10 Commissioner may provide additional information to a municipality
11 so long as the information does not include any data detailing
12 the specific revenue, expenses, or operations of any particular
13 business.

14 (14) (a) Notwithstanding the provisions of subsection
15 (7) of this section, the Tax Commissioner shall, upon written
16 request, provide a ~~municipal employee~~ an individual certified under
17 subdivision (b) of this subsection representing a municipality
18 which has adopted the local option sales and use tax under
19 the Local Option Revenue Act with confidential sales and use
20 tax returns and sales and use tax return information regarding
21 taxpayers that possess a sales tax permit and the amounts remitted
22 by such permitholders at locations within the boundaries of the
23 requesting municipality or with confidential business use tax
24 returns and business use tax return information regarding taxpayers
25 that file a Nebraska and Local Business Use Tax Return and
26 the amounts remitted by such taxpayers at locations within the
27 boundaries of the requesting municipality. Any written request

1 pursuant to this subsection shall provide the Department of Revenue
2 with no less than ten business days to prepare the sales and use
3 tax returns and sales and use tax return information requested.
4 Such returns and return information shall be viewed only upon the
5 premises of the department.

6 (b) Each municipality that seeks to request information
7 under subdivision (a) of this subsection shall certify to the
8 Department of Revenue one ~~municipal employee~~ individual who is
9 authorized by such municipality to make such request and review
10 the documents described in subdivision (a) of this subsection.
11 The individual may be a municipal employee or an individual who
12 contracts with the requesting municipality to provide financial,
13 accounting, or other administrative services.

14 (c) No ~~municipal employee~~ individual certified by a
15 municipality pursuant to subdivision (b) of this subsection shall
16 disclose to any person any information obtained pursuant to
17 a review by that ~~municipal employee~~ pursuant to under this
18 subsection. A ~~municipal employee~~ An individual certified by a
19 municipality pursuant to subdivision (b) of this subsection shall
20 remain subject to this subsection after he or she (i) is no longer
21 certified or (ii) is no longer in the employment of or under
22 contract with the certifying municipality.

23 (d) Any person who violates the provisions of this
24 subsection shall be guilty of a Class I misdemeanor.

25 (e) The Department of Revenue shall not be held liable by
26 any person for an impermissible disclosure by a municipality or any
27 agent or employee thereof of any information obtained pursuant to a

1 review under this subsection.

2 (15) In all proceedings under the Nebraska Revenue Act
3 of 1967, the Tax Commissioner may act for and on behalf of the
4 people of the State of Nebraska. The Tax Commissioner in his or her
5 discretion may waive all or part of any penalties provided by the
6 provisions of such act or interest on delinquent taxes specified in
7 section 45-104.02, as such rate may from time to time be adjusted.

8 (16) (a) The purpose of this subsection is to set forth
9 the state's policy for the protection of the confidentiality
10 rights of all participants in the system operated pursuant to
11 the streamlined sales and use tax agreement and of the privacy
12 interests of consumers who deal with model 1 sellers.

13 (b) For purposes of this subsection:

14 (i) Anonymous data means information that does not
15 identify a person;

16 (ii) Confidential taxpayer information means all
17 information that is protected under a member state's laws,
18 regulations, and privileges; and

19 (iii) Personally identifiable information means
20 information that identifies a person.

21 (c) The state agrees that a fundamental precept for model
22 1 sellers is to preserve the privacy of consumers by protecting
23 their anonymity. With very limited exceptions, a certified service
24 provider shall perform its tax calculation, remittance, and
25 reporting functions without retaining the personally identifiable
26 information of consumers.

27 (d) The governing board of the member states in the

1 streamlined sales and use tax agreement may certify a certified
2 service provider only if that certified service provider certifies
3 that:

4 (i) Its system has been designed and tested to ensure
5 that the fundamental precept of anonymity is respected;

6 (ii) Personally identifiable information is only used and
7 retained to the extent necessary for the administration of model 1
8 with respect to exempt purchasers;

9 (iii) It provides consumers clear and conspicuous
10 notice of its information practices, including what information
11 it collects, how it collects the information, how it uses the
12 information, how long, if at all, it retains the information, and
13 whether it discloses the information to member states. Such notice
14 shall be satisfied by a written privacy policy statement accessible
15 by the public on the web site of the certified service provider;

16 (iv) Its collection, use, and retention of personally
17 identifiable information is limited to that required by the member
18 states to ensure the validity of exemptions from taxation that are
19 claimed by reason of a consumer's status or the intended use of the
20 goods or services purchased; and

21 (v) It provides adequate technical, physical, and
22 administrative safeguards so as to protect personally identifiable
23 information from unauthorized access and disclosure.

24 (e) The state shall provide public notification to
25 consumers, including exempt purchasers, of the state's practices
26 relating to the collection, use, and retention of personally
27 identifiable information.

1 (f) When any personally identifiable information that
2 has been collected and retained is no longer required for the
3 purposes set forth in subdivision (16) (d) (iv) of this section, such
4 information shall no longer be retained by the member states.

5 (g) When personally identifiable information regarding an
6 individual is retained by or on behalf of the state, it shall
7 provide reasonable access by such individual to his or her own
8 information in the state's possession and a right to correct any
9 inaccurately recorded information.

10 (h) If anyone other than a member state, or a person
11 authorized by that state's law or the agreement, seeks to discover
12 personally identifiable information, the state from whom the
13 information is sought should make a reasonable and timely effort to
14 notify the individual of such request.

15 (i) This privacy policy is subject to enforcement by the
16 Attorney General.

17 (j) All other laws and regulations regarding the
18 collection, use, and maintenance of confidential taxpayer
19 information remain fully applicable and binding. Without
20 limitation, this subsection does not enlarge or limit the state's
21 authority to:

22 (i) Conduct audits or other reviews as provided under the
23 agreement and state law;

24 (ii) Provide records pursuant to the federal Freedom of
25 Information Act, disclosure laws with governmental agencies, or
26 other regulations;

27 (iii) Prevent, consistent with state law, disclosure of

1 confidential taxpayer information;

2 (iv) Prevent, consistent with federal law, disclosure or
3 misuse of federal return information obtained under a disclosure
4 agreement with the Internal Revenue Service; and

5 (v) Collect, disclose, disseminate, or otherwise use
6 anonymous data for governmental purposes.

7 Sec. 11. Section 77-27,144, Revised Statutes Cumulative
8 Supplement, 2012, is amended to read:

9 77-27,144 (1) The Tax Commissioner shall collect the
10 tax imposed by any incorporated municipality concurrently with
11 collection of a state tax in the same manner as the state tax is
12 collected. The Tax Commissioner shall remit monthly the proceeds
13 of the tax to the incorporated municipalities levying the tax,
14 after deducting the amount of refunds made and three percent of the
15 remainder to be credited to the Municipal Equalization Fund.

16 (2) Deductions for a refund made pursuant to section
17 77-4105 or 77-5725 shall be delayed for one year after the refund
18 has been made to the taxpayer. The Department of Revenue shall
19 notify the municipality liable for the refund of the pending
20 refund, the amount of the refund, and the month in which the
21 deduction will be made or begin, except that if the amount of a
22 refund claimed under section 77-4105 or 77-5725 exceeds twenty-five
23 percent of the municipality's total sales and use tax receipts, net
24 of any refunds or sales tax collection fees, for the municipality's
25 prior fiscal year, the department shall deduct the refund over
26 the period of one year in equal monthly amounts beginning after
27 the one-year notification period required by this subsection. This

1 subsection applies to refunds owed by cities of the first class,
2 cities of the second class, and villages. This subsection applies
3 beginning January 1, 2014.

4 (3) The Tax Commissioner shall keep full and accurate
5 records of all money received and distributed under the provisions
6 of the Local Option Revenue Act. When proceeds of a tax levy
7 are received but the identity of the incorporated municipality
8 which levied the tax is unknown and is not identified within six
9 months after receipt, the amount shall be credited to the Municipal
10 Equalization Fund. The municipality may request the names and
11 addresses of the retailers which have collected the tax as provided
12 in subsection (13) of section 77-2711 and may certify a ~~municipal~~
13 ~~employee~~ an individual to request and review confidential sales
14 and use tax returns and sales and use tax return information as
15 provided in subsection (14) of section 77-2711.

16 Sec. 12. Sections 1, 2, 3, and 13 of this act become
17 operative on July 1, 2014. Sections 4, 5, 6, 7, 9, and 14 of
18 this act become operative on April 1, 2014. Section 8 of this
19 act becomes operative on October 1, 2014. Sections 10, 11, and
20 15 of this act become operative three calendar months after the
21 adjournment of this legislative session. The other sections of this
22 act become operative on their effective date.

23 Sec. 13. Original sections 13-3107 and 13-3108, Reissue
24 Revised Statutes of Nebraska, and section 13-2709, Revised Statutes
25 Supplement, 2013, are repealed.

26 Sec. 14. Original sections 77-2701.11 and 77-2701.35,
27 Reissue Revised Statutes of Nebraska, and sections 77-2701 and

1 77-2701.04, Revised Statutes Cumulative Supplement, 2012, are
2 repealed.

3 Sec. 15. Original section 77-27,144, Revised Statutes
4 Cumulative Supplement, 2012, and section 77-2711, Revised Statutes
5 Supplement, 2013, are repealed.

6 Sec. 16. Since an emergency exists, this act takes effect
7 when passed and approved according to law.

8 2. On page 1, strike beginning with "section" in line 1
9 through line 6 and insert "sections 13-3107, 13-3108, 77-2701.11,
10 and 77-2701.35, Reissue Revised Statutes of Nebraska, sections
11 77-2701, 77-2701.04, and 77-27,144, Revised Statutes Cumulative
12 Supplement, 2012, and sections 13-2709 and 77-2711, Revised
13 Statutes Supplement, 2013; to provide for quarterly distributions
14 under the Sports Arena Facility Financing Assistance Act; to exempt
15 certain postage, currency, and bullion from sales and use taxation;
16 to exempt purchases by historic automobile museums from sales and
17 use taxation; to change provisions relating to review of sales and
18 use tax information by municipalities; to harmonize provisions; to
19 provide operative dates; to repeal the original sections; and to
20 declare an emergency."