

LEGISLATURE OF NEBRASKA  
ONE HUNDRED THIRD LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1025**

Introduced by Bolz, 29.

Read first time January 22, 2014

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section  
2 79-1021, Reissue Revised Statutes of Nebraska, and  
3 section 77-27,132, Revised Statutes Cumulative  
4 Supplement, 2012; to change the distribution of sales and  
5 use tax revenue; to create a fund; to provide funding for  
6 schools; to harmonize provisions; and to repeal the  
7 original sections.  
8 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 77-27,132, Revised Statutes Cumulative  
2 Supplement, 2012, is amended to read:

3           77-27,132 (1) There is hereby created a fund to be  
4 designated the Revenue Distribution Fund which shall be set apart and  
5 maintained by the Tax Commissioner. Revenue not required to be  
6 credited to the General Fund or any other specified fund may be  
7 credited to the Revenue Distribution Fund. Credits and refunds of  
8 such revenue shall be paid from the Revenue Distribution Fund. The  
9 balance of the amount credited, after credits and refunds, shall be  
10 allocated as provided by the statutes creating such revenue.

11           (2) The Tax Commissioner shall pay to a depository bank  
12 designated by the State Treasurer all amounts collected under the  
13 Nebraska Revenue Act of 1967. The Tax Commissioner shall present to  
14 the State Treasurer bank receipts showing amounts so deposited in the  
15 bank, and of the amounts so deposited the State Treasurer shall:

16           (a) Credit to the Highway Trust Fund all of the proceeds  
17 of the sales and use taxes derived from the sale or lease for periods  
18 of more than thirty-one days of motor vehicles, trailers, and  
19 semitrailers, except that the proceeds equal to any sales tax rate  
20 provided for in section 77-2701.02 that is in excess of five percent  
21 derived from the sale or lease for periods of more than thirty-one  
22 days of motor vehicles, trailers, and semitrailers shall be credited  
23 to the Highway Allocation Fund; and

24           (b) For transactions occurring on or after July 1, 2013,  
25 and before July 1, 2033, of the proceeds of the sales and use taxes

1 derived from transactions other than those listed in subdivision (2)  
2 (a) of this section from a sales tax rate of one-quarter of one  
3 percent, credit monthly eighty-five percent to the State Highway  
4 Capital Improvement Fund and fifteen percent to the Highway  
5 Allocation Fund; and -

6 (c) For transactions occurring on or after January 1,  
7 2015, of the proceeds of the sales and use taxes derived from  
8 transactions other than those listed in subdivisions (2)(a) and (b)  
9 of this section, credit to the Nebraska Educational Trust Fund all of  
10 the proceeds of the sales and use taxes derived from online  
11 purchases. The Tax Commissioner shall determine the amount of sales  
12 and use taxes derived from online purchases and shall certify such  
13 amount to the State Treasurer.

14 The balance of all amounts collected under the Nebraska  
15 Revenue Act of 1967 shall be credited to the General Fund.

16 Sec. 2. (1) The Nebraska Educational Trust Fund is  
17 created. The fund shall consist of money credited to the fund  
18 pursuant to subdivision (2)(c) of section 77-27,132 and any other  
19 money appropriated or transferred to the fund by the Legislature. The  
20 fund shall provide a dedicated source of revenue which shall be used  
21 to stabilize the total amount of state aid paid to public schools  
22 under the Tax Equity and Educational Opportunities Support Act. Any  
23 money in the fund available for investment shall be invested by the  
24 state investment officer pursuant to the Nebraska Capital Expansion  
25 Act and the Nebraska State Funds Investment Act.

1           (2) Whenever the Legislature determines it is necessary  
2 to provide additional funding to public schools under the Tax Equity  
3 and Educational Opportunities Support Act, then funds shall be  
4 transferred from the Nebraska Educational Trust Fund to the Tax  
5 Equity and Educational Opportunities Fund, and such funds shall be  
6 distributed in accordance with the Tax Equity and Educational  
7 Opportunities Support Act.

8           Sec. 3. Section 79-1021, Reissue Revised Statutes of  
9 Nebraska, is amended to read:

10           79-1021 The Tax Equity and Educational Opportunities Fund  
11 is created. The fund shall receive dedicated income tax  
12 appropriations, ~~and~~ appropriations made by the Legislature, ~~and~~  
13 transfers from the Nebraska Educational Trust Fund to fund the Tax  
14 Equity and Educational Opportunities Support Act and shall be  
15 administered by the state board. Any money in the fund available for  
16 investment shall be invested by the state investment officer pursuant  
17 to the Nebraska Capital Expansion Act and the Nebraska State Funds  
18 Investment Act.

19           Sec. 4. Original section 79-1021, Reissue Revised  
20 Statutes of Nebraska, and section 77-27,132, Revised Statutes  
21 Cumulative Supplement, 2012, are repealed.