

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FOURTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 438**

Introduced by Morfeld, 46.

Read first time January 20, 2015

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend section
- 2 77-27,132, Revised Statutes Cumulative Supplement, 2014; to change
- 3 the distribution of sales and use tax revenue; to create a fund; to
- 4 provide funding for schools; to harmonize provisions; and to repeal
- 5 the original section.
- 6 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 77-27,132, Revised Statutes Cumulative  
2 Supplement, 2014, is amended to read:

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

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

16           (a) For transactions occurring on or after October 1, 2014, and  
17 before October 1, 2019, credit to the Game and Parks Commission Capital  
18 Maintenance Fund all of the proceeds of the sales and use taxes imposed  
19 pursuant to section 77-2703 on the sale or lease of motorboats as defined  
20 in section 37-1204, personal watercraft as defined in section 37-1204.01,  
21 all-terrain vehicles as defined in section 60-103, and utility-type  
22 vehicles as defined in section 60-135.01;

23           (b) Credit to the Highway Trust Fund all of the proceeds of the  
24 sales and use taxes derived from the sale or lease for periods of more  
25 than thirty-one days of motor vehicles, trailers, and semitrailers,  
26 except that the proceeds equal to any sales tax rate provided for in  
27 section 77-2701.02 that is in excess of five percent derived from the  
28 sale or lease for periods of more than thirty-one days of motor vehicles,  
29 trailers, and semitrailers shall be credited to the Highway Allocation  
30 Fund;~~and~~

31           (c) For transactions occurring on or after July 1, 2013, and before

1 July 1, 2033, of the proceeds of the sales and use taxes derived from  
2 transactions other than those listed in subdivisions (2)(a) and (b) of  
3 this section from a sales tax rate of one-quarter of one percent, credit  
4 monthly eighty-five percent to the State Highway Capital Improvement Fund  
5 and fifteen percent to the Highway Allocation Fund; and -

6 (d) For transactions occurring on or after January 1, 2016, of the  
7 proceeds of the sales and use taxes derived from transactions other than  
8 those listed in subdivisions (2)(b) and (c) of this section, credit to  
9 the Excellence in Education Trust Fund ten percent of the proceeds of the  
10 sales and use taxes derived from online purchases. The Tax Commissioner  
11 shall determine the amount of sales and use taxes derived from online  
12 purchases and shall certify such amount to the State Treasurer.

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

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

26 (2) Whenever the Legislature determines it is necessary to provide  
27 additional funding to public schools under the Tax Equity and Educational  
28 Opportunities Support Act, then funds shall be transferred from the  
29 Nebraska Educational Trust Fund to the Tax Equity and Educational  
30 Opportunities Fund, and such funds shall be distributed in accordance  
31 with the Tax Equity and Educational Opportunities Support Act.

1           Sec. 3.   Original section 77-27,132, Revised Statutes Cumulative  
2 Supplement, 2014, is repealed.