

AMENDMENTS TO LB 205

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

3 "Section 1. Section 77-2704.12, Revised Statutes
4 Supplement, 2000, is amended to read:

5 77-2704.12. (1) Sales and use taxes shall not be imposed
6 on the gross receipts from the sale, lease, or rental of and the
7 storage, use, or other consumption in this state of purchases by
8 any organization created exclusively for religious purposes, any
9 nonprofit organization providing services exclusively to the blind,
10 any private educational institution established under sections
11 79-1601 to 79-1607, any private college or university established
12 under sections 85-1101 to 85-1111, any hospital, health clinic when
13 two or more hospitals or the parent corporations of the hospitals
14 own or control the health clinic for the purpose of reducing the
15 cost of health services or when the health clinic receives ~~funds~~
16 ~~under the Urban Health Initiative Program or the Rural Health~~
17 ~~Initiative Program of the United States Public Health Service~~
18 federal funds for the purpose of serving populations that are
19 medically underserved, skilled nursing facility, intermediate care
20 facility, or nursing facility licensed under the Health Care
21 Facility Licensure Act and organized not for profit, any nonprofit
22 organization providing services primarily for home health care
23 purposes, any licensed child-caring agency, or any licensed child
24 placement agency.

1 (2) Any organization listed in subsection (1) of this
2 section shall apply for an exemption on forms provided by the Tax
3 Commissioner. The application shall be approved and a numbered
4 certificate of exemption received by the applicant organization in
5 order to be exempt from the sales and use tax.

6 (3) The appointment of purchasing agents shall be
7 recognized for the purpose of altering the status of the
8 construction contractor as the ultimate consumer of property which
9 is physically annexed to the structure and which subsequently
10 belongs to the owner of the organization or institution. The
11 appointment of purchasing agents shall be in writing and occur
12 prior to having any property annexed to real estate in the
13 construction, improvement, or repair. The contractor who has been
14 appointed as a purchasing agent may apply for a refund of or use as
15 a credit against a future use tax liability the tax paid on
16 inventory items annexed to real estate in the construction,
17 improvement, or repair of a project for a licensed not-for-profit
18 institution.

19 (4) Any organization listed in subsection (1) of this
20 section which enters into a contract of construction, improvement,
21 or repair upon property annexed to real estate without first
22 issuing a purchasing agent authorization to a contractor or
23 repairperson prior to property being annexed to real estate in the
24 project may apply to the Tax Commissioner for a refund of any sales
25 and use tax paid by the contractor or repairperson on the property
26 physically annexed to real estate in the construction, improvement,
27 or repair.

1 (5) Any person purchasing, storing, using, or otherwise
2 consuming property in the performance of any construction,
3 improvement, or repair by or for any institution enumerated in
4 subsection (1) of this section which is licensed upon completion
5 although not licensed at the time of construction or improvement,
6 which property is annexed to real estate and which subsequently
7 belongs to the owner of the institution, shall pay any applicable
8 sales or use tax thereon. Upon becoming licensed and receiving a
9 numbered certificate of exemption, the institution organized not
10 for profit shall be entitled to a refund of the amount of taxes so
11 paid in the performance of such construction, improvement, or
12 repair and shall submit whatever evidence is required by the Tax
13 Commissioner sufficient to establish the total sales and use tax
14 paid upon the property physically annexed to real estate in the
15 construction, improvement, or repair.

16 Sec. 2. Original section 77-2704.12, Revised Statutes
17 Supplement, 2000, is repealed.

18 Sec. 3. Since an emergency exists, this act takes effect
19 when passed and approved according to law.".