

LEGISLATURE OF NEBRASKA
NINETY-EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 284

Introduced by Landis, 46

Read first time January 13, 2003

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section
2 77-2734.14, Reissue Revised Statutes of Nebraska; to
3 change income tax calculations for unitary businesses;
4 and to repeal the original section.
5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2734.14, Reissue Revised Statutes
2 of Nebraska, is amended to read:

3 77-2734.14. (1) The sales factor is a fraction, the
4 numerator of which is the total sales of the taxpayer in this state
5 during the tax period, and the denominator of which is the total
6 sales everywhere during the tax period.

7 (2) Sales of tangible personal property in this state
8 include:

9 (a) Property delivered or shipped to a purchaser, other
10 than the United States Government, within this state regardless of
11 the f.o.b. point or other conditions of the sale;

12 (b) Property shipped from an office, store, warehouse,
13 factory, or other place of storage in this state if (i) the
14 purchaser is the United States Government or (ii) for all taxable
15 years beginning or deemed to begin before January 1, 1995, and
16 after December 31, 2002, under the Internal Revenue Code of 1986,
17 as amended, the taxpayer is not taxable in the state of the
18 purchaser;

19 (c) For all taxable years beginning or deemed to begin on
20 or after January 1, 1995, and before January 1, 1996, under the
21 Internal Revenue Code of 1986, as amended, two-thirds of the
22 property shipped from an office, store, warehouse, factory, or
23 other place of storage in this state if the taxpayer is not taxable
24 in the state of the purchaser; or

25 (d) For all taxable years beginning or deemed to begin on
26 or after January 1, 1996, but before January 1, 1997, under the
27 Internal Revenue Code of 1986, as amended, one-third of the
28 property shipped from an office, store, warehouse, factory, or

1 other place of storage in this state if the taxpayer is not taxable
2 in the state of the purchaser.

3 (3) Sales, other than sales of tangible personal
4 property, are in this state if:

5 (a) The income-producing activity is performed in this
6 state; or

7 (b) The income-producing activity is performed both in
8 and outside this state and a greater proportion of the
9 income-producing activity is performed in this state than in any
10 other state, based on costs of performance.

11 Sec. 2. Original section 77-2734.14, Reissue Revised
12 Statutes of Nebraska, is repealed.