

AMENDMENTS TO LB 1189

Introduced by Synowiecki, 7

1 1. Insert the following new section:

2 Sec. 2. Section 77-2704.12, Revised Statutes Supplement,
3 2005, is amended to read:

4 77-2704.12 (1) Sales and use taxes shall not be imposed
5 on the gross receipts from the sale, lease, or rental of and the
6 storage, use, or other consumption in this state of purchases by
7 any organization created exclusively for religious purposes, any
8 nonprofit organization providing services exclusively to the blind,
9 any private educational institution established under sections
10 79-1601 to 79-1607, any private college or university established
11 under sections 85-1101 to 85-1111, any hospital, health clinic when
12 two or more hospitals or the parent corporations of the hospitals
13 own or control the health clinic for the purpose of reducing
14 the cost of health services or when the health clinic receives
15 federal funds through the United States Public Health Service for
16 the purpose of serving populations that are medically underserved,
17 skilled nursing facility, intermediate care facility, intermediate
18 care facility for the mentally retarded, nursing facility, home
19 health agency, hospice or hospice service, or respite care
20 service licensed under the Health Care Facility Licensure Act
21 and organized not for profit, any licensed child-caring agency, ~~or~~
22 any licensed child placement agency, or any nonprofit organization
23 providing community-based services for persons with developmental

1 disabilities.

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

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

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

1 estate in the construction, improvement, or repair.

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

18 2. Correct the operative date section and repealer so
19 that the section added by this amendment becomes operative on
20 October 1, 2006.

21 3. Renumber the remaining sections accordingly.