

LEGISLATURE OF NEBRASKA

NINETY-NINTH LEGISLATURE

SECOND SESSION

**LEGISLATIVE BILL 1189**

Introduced by Synowiecki, 7; Baker, 44; Connealy, 16

Read first time January 18, 2006

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section  
2 77-2701.47, Revised Statutes Supplement, 2005; to change  
3 a sales tax exemption relating to molds and dies; to  
4 provide an operative date; and to repeal the original  
5 section.

6 Be it enacted by the people of the State of Nebraska,

1                   Section 1. Section 77-2701.47, Revised Statutes  
2 Supplement, 2005, is amended to read:

3                   77-2701.47 (1) Manufacturing machinery and equipment  
4 means any machinery or equipment purchased, leased, or rented  
5 by a person engaged in the business of manufacturing for use in  
6 manufacturing, including, but not limited to:

7                   (a) Machinery or equipment for use in manufacturing to  
8 produce, fabricate, assemble, process, finish, refine, or package  
9 tangible personal property;

10                  (b) Machinery or equipment for use in transporting,  
11 conveying, handling, or storing by the manufacturer the raw  
12 materials or components to be used in manufacturing or the products  
13 produced by the manufacturer;

14                  (c) Molds and dies and the materials necessary to create  
15 molds and dies for use in manufacturing that determine the physical  
16 characteristics of the finished product or its packaging material,  
17 whether or not such molds or dies are permanent or temporary  
18 in nature, and including any chemicals, solutions, or catalysts  
19 utilized in the mold or die process even if such items are consumed  
20 during the course of the mold or die process;

21                  (d) Machinery or equipment for use in manufacturing  
22 to maintain the integrity of the product or to maintain unique  
23 environmental conditions required for either the product or the  
24 machinery and equipment used in manufacturing by a manufacturer;

25                  (e) Testing equipment for use in manufacturing to measure

1 the quality of the finished product;

2 (f) Computers, software, and related peripheral equipment  
3 for use in manufacturing to guide, control, operate, or measure the  
4 manufacturing process;

5 (g) Machinery or equipment for use in manufacturing to  
6 produce steam, electricity, or chemical catalysts and solutions  
7 that are essential to the manufacturing process even if such  
8 produced items are consumed during the course of the manufacturing  
9 process or do not become necessary or integral parts of the  
10 finished product; and

11 (h) A repair or replacement part or accessory purchased  
12 for use in maintaining, repairing, or refurbishing machinery and  
13 equipment used in manufacturing.

14 (2) Manufacturing machinery and equipment does not  
15 include: Vehicles required to be registered for operation on the  
16 roads and highways of this state; hand tools; office equipment; and  
17 computers, software, and related peripheral equipment not used in  
18 guiding, controlling, operating, or measuring of the manufacturing  
19 process. Machinery or equipment does not need to come into direct  
20 physical contact with any of the raw materials, components,  
21 or products that are part of the manufacturing process to be  
22 considered manufacturing machinery or equipment.

23 Sec. 2. This act becomes operative on October 1, 2006.

24 Sec. 3. Original section 77-2701.47, Revised Statutes  
25 Supplement, 2005, is repealed.