

LEGISLATURE OF NEBRASKA

NINETY-NINTH LEGISLATURE

SECOND SESSION

**LEGISLATIVE BILL 957**

Introduced by Brown, 6; Chambers, 11; Cornett, 45; Howard, 9;  
Stuhr, 24; Thompson, 14

Read first time January 6, 2006

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section  
2 77-2704.15, Revised Statutes Cumulative Supplement, 2004;  
3 to exempt housing agencies from sales and use taxes; 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 77-2704.15, Revised Statutes  
2 Cumulative Supplement, 2004, is amended to read:

3                   77-2704.15 (1) Sales and use taxes shall not be imposed  
4 on the gross receipts from the sale, lease, or rental of and  
5 the storage, use, or other consumption in this state of purchases  
6 by the state, including public educational institutions recognized  
7 or established under the provisions of Chapter 85, or by any  
8 county, township, city, village, rural or suburban fire protection  
9 district, city airport authority, county airport authority, joint  
10 airport authority, drainage district organized under sections  
11 31-401 to 31-450, natural resources district, elected county fair  
12 board, housing agency as defined in section 71-1575, or joint  
13 entity or agency formed to fulfill the purposes described in the  
14 Integrated Solid Waste Management Act by any combination of two  
15 or more counties, townships, cities, or villages pursuant to the  
16 Interlocal Cooperation Act, the Integrated Solid Waste Management  
17 Act, or the Joint Public Agency Act, except for purchases for use  
18 in the business of furnishing gas, water, electricity, or heat, or  
19 by any irrigation or reclamation district, the irrigation division  
20 of any public power and irrigation district, or public schools  
21 established under Chapter 79.

22                   (2) The appointment of purchasing agents shall be  
23 recognized for the purpose of altering the status of the  
24 construction contractor as the ultimate consumer of building  
25 materials which are physically annexed to the structure and which

1 subsequently belong to the state or the governmental unit. The  
2 appointment of purchasing agents shall be in writing and occur  
3 prior to having any building materials annexed to real estate in  
4 the construction, improvement, or repair. The contractor who has  
5 been appointed as a purchasing agent may apply for a refund of or  
6 use as a credit against a future use tax liability the tax paid  
7 on inventory items annexed to real estate in the construction,  
8 improvement, or repair of a project for the state or a governmental  
9 unit.

10 (3) Any governmental unit listed in subsection (1) of  
11 this section, except the state, which enters into a contract  
12 of construction, improvement, or repair upon property annexed to  
13 real estate without first issuing a purchasing agent authorization  
14 to a contractor or repairperson prior to the building materials  
15 being annexed to real estate in the project may apply to the Tax  
16 Commissioner for a refund of any sales and use tax paid by the  
17 contractor or repairperson on the building materials physically  
18 annexed to real estate in the construction, improvement, or repair.

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

20 Sec. 3. Original section 77-2704.15, Revised Statutes  
21 Cumulative Supplement, 2004, is repealed.