

AMENDMENTS TO LB 367

Introduced by Kruse, 13

1           1. Insert the following new section:

2           Sec. 15. Section 77-2704.12, Revised Statutes Cumulative  
3 Supplement, 2006, 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  
12 when two or more hospitals or the parent corporations of the  
13 hospitals own or control the health clinic for the purpose  
14 of reducing the cost of health services or when the health  
15 clinic receives federal funds through the United States Public  
16 Health Service for the purpose of serving populations that are  
17 medically underserved, skilled nursing facility, intermediate care  
18 facility, assisted-living facility, intermediate care facility for  
19 the mentally retarded, nursing facility, home health agency,  
20 hospice or hospice service, or respite care service licensed  
21 under the Health Care Facility Licensure Act and organized not  
22 for profit, any licensed child-caring agency, any licensed child  
23 placement agency, or any nonprofit organization certified by the

1 Department of Health and Human Services to provide community-based  
2 services for persons with developmental disabilities.

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

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

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

1 repairperson on the building materials physically annexed to real  
2 estate in the construction, improvement, or repair.

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

19 2. Amend the operative date and repealer sections so that  
20 section 15 added by this amendment becomes operative October 1,  
21 2007.

22 3. Renumber the remaining sections and correct internal  
23 references accordingly.