

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 44

Introduced by Flood, 19.

Read first time January 8, 2009

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend sections
2 77-1624 and 77-5903, Revised Statutes Cumulative
3 Supplement, 2008; to eliminate an obsolete reference;
4 to correct a definition; and to repeal the original
5 sections.

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

1 Section 1. Section 77-1624, Revised Statutes Cumulative
2 Supplement, 2008, is amended to read:

3 77-1624 ~~It shall be the duty of the~~ The county treasurer
4 for each and every county, when collecting personal and real
5 estate taxes being delinquent five years or more, ~~to~~ shall receipt
6 for such taxes on a receipt for the fifth delinquent year. Such
7 taxes so collected shall be prorated in proportion to the levies
8 applicable for the year levied. All ~~state taxes when collected~~
9 ~~shall be remitted to the State Treasurer and by him or her credited~~
10 ~~to the fund or funds for which the levy or levies were made,~~ and
11 ~~all~~ county funds when collected shall be placed to the credit of
12 the county general fund; all municipal, school district, learning
13 community, township, precinct, and special funds shall be entered
14 in separate columns. All taxes so consolidated shall be paid in
15 order of priority of delinquency.

16 Sec. 2. Section 77-5903, Revised Statutes Cumulative
17 Supplement, 2008, is amended to read:

18 77-5903 For purposes of the Nebraska Advantage
19 Microenterprise Tax Credit Act:

20 (1) Actively engaged in the operation of a microbusiness
21 means personal involvement on a continuous basis in the daily
22 management and operation of the business;

23 (2) Distressed area means a municipality, county,
24 unincorporated area within a county, or census tract in Nebraska
25 that has (a) an unemployment rate which exceeds the statewide

1 average unemployment rate, (b) a per capita income below the
2 statewide average per capita income, or (c) had a population
3 decrease between the two most recent federal decennial censuses;

4 (3) Equivalent employees means the number of employees
5 computed by dividing the total hours paid in a year by the product
6 of forty times the number of weeks in a year;

7 (4) Microbusiness means any business employing five
8 or fewer equivalent employees at the time of application.
9 Microbusiness does not include a farm or livestock operation
10 unless (a) the person actively engaged in the operation of the
11 microbusiness has a net worth of not more than two hundred thousand
12 dollars, including any holdings by a spouse or dependent, based
13 on fair market value, or (b) the investment or employment is in
14 the processing or marketing of agricultural products, aquaculture,
15 agricultural tourism, or the production of fruits, herbs, tree
16 products, vegetables, tree nuts, dried fruits, organic crops, or
17 nursery crops;

18 (5) New employment means the amount by which the total
19 compensation plus the employer cost for health insurance for
20 employees paid during the tax year to or for employees who
21 are Nebraska residents exceeds the total compensation paid plus
22 the employer cost for health insurance for employees to or for
23 employees who are Nebraska residents in the tax year prior to
24 application. New employment does not include compensation to any
25 employee that is in excess of one hundred fifty percent of the

1 Nebraska average weekly wage. Nebraska average weekly wage means
2 the most recent average weekly wage paid by all employers as
3 reported by October 1 by the Department of Labor;

4 (6) New investment means the increase during the tax year
5 over the year prior to the application in the applicant's (a)
6 purchases of buildings and depreciable personal property located in
7 Nebraska, (b) expenditures on repairs and maintenance on property
8 located in Nebraska, neither subdivision (a) or (b) of this
9 subdivision to include vehicles required to be registered for
10 operation on the roads and highways of this state, and (c)
11 expenditures on advertising, legal, and professional services. If
12 the buildings or depreciable personal property is leased, the
13 amount of new investment shall be the increase in average net
14 annual rents multiplied by the number of years of the lease for
15 which the taxpayer is bound, not to exceed ten years;

16 (7) Related persons means (a) any corporation,
17 partnership, limited liability ~~corporation~~, company, cooperative,
18 including cooperatives exempt under section 521 of the Internal
19 Revenue Code of 1986, as amended, limited cooperative association,
20 or joint venture which is or would otherwise be a member of
21 the same unitary group, if incorporated, or any person who is
22 considered to be a related person under either section 267(b) and
23 (c) or section 707(b) of the Internal Revenue Code of 1986, as
24 amended, and (b) any individual who is a spouse, parent if the
25 taxpayer is a minor, or minor son or daughter of the taxpayer; and

1 (8) Taxpayer means any person subject to the income tax
2 imposed by the Nebraska Revenue Act of 1967, any corporation,
3 partnership, limited liability company, cooperative, including a
4 cooperative exempt under section 521 of the Internal Revenue Code
5 of 1986, as amended, limited cooperative association, or joint
6 venture that is or would otherwise be a member of the same unitary
7 group, if incorporated, which is, or whose partners, members,
8 or owners representing an ownership interest of at least ninety
9 percent of such entity are, subject to such tax, and any other
10 partnership, limited liability company, subchapter S corporation,
11 cooperative, including a cooperative exempt under section 521 of
12 the Internal Revenue Code of 1986, as amended, limited cooperative
13 association, or joint venture when the partners, shareholders,
14 or members representing an ownership interest of at least ninety
15 percent of such entity are subject to such tax.

16 The changes made to this section by Laws 2008, LB 177,
17 shall be operative for all applications for benefits received on or
18 after July 18, 2008.

19 Sec. 3. Original sections 77-1624 and 77-5903, Revised
20 Statutes Cumulative Supplement, 2008, are repealed.