

AMENDMENTS TO LB 1080

Introduced by Cornett

1 1. Strike the original sections and insert the following
2 new sections:

3 Section 1. Section 77-202, Revised Statutes Supplement,
4 2011, is amended to read:

5 77-202 (1) The following property shall be exempt from
6 property taxes:

7 (a) Property of the state and its governmental
8 subdivisions to the extent used or being developed for use by
9 the state or governmental subdivision for a public purpose. For
10 purposes of this subdivision, public purpose means use of the
11 property (i) to provide public services with or without cost to the
12 recipient, including the general operation of government, public
13 education, public safety, transportation, public works, civil and
14 criminal justice, public health and welfare, developments by a
15 public housing authority, parks, culture, recreation, community
16 development, and cemetery purposes, or (ii) to carry out the
17 duties and responsibilities conferred by law with or without
18 consideration. Public purpose does not include leasing of property
19 to a private party unless the lease of the property is at fair
20 market value for a public purpose. Leases of property by a public
21 housing authority to low-income individuals as a place of residence
22 are for the authority's public purpose;

23 (b) Unleased property of the state or its governmental

1 subdivisions which is not being used or developed for use for
2 a public purpose but upon which a payment in lieu of taxes is
3 paid for public safety, rescue, and emergency services and road
4 or street construction or maintenance services to all governmental
5 units providing such services to the property. Except as provided
6 in Article VIII, section 11, of the Constitution of Nebraska,
7 the payment in lieu of taxes shall be based on the proportionate
8 share of the cost of providing public safety, rescue, or emergency
9 services and road or street construction or maintenance services
10 unless a general policy is adopted by the governing body of the
11 governmental subdivision providing such services which provides for
12 a different method of determining the amount of the payment in
13 lieu of taxes. The governing body may adopt a general policy by
14 ordinance or resolution for determining the amount of payment in
15 lieu of taxes by majority vote after a hearing on the ordinance
16 or resolution. Such ordinance or resolution shall nevertheless
17 result in an equitable contribution for the cost of providing such
18 services to the exempt property;

19 (c) Property owned by and used exclusively for
20 agricultural and horticultural societies;

21 (d) Property owned by educational, religious, charitable,
22 or cemetery organizations, or any organization for the exclusive
23 benefit of any such educational, religious, charitable, or cemetery
24 organization, and used exclusively for educational, religious,
25 charitable, or cemetery purposes, when such property is not
26 (i) owned or used for financial gain or profit to either the
27 owner or user, (ii) used for the sale of alcoholic liquors for

1 more than twenty hours per week, or (iii) owned or used by
2 an organization which discriminates in membership or employment
3 based on race, color, or national origin. For purposes of this
4 subdivision, educational organization means (A) an institution
5 operated exclusively for the purpose of offering regular courses
6 with systematic instruction in academic, vocational, or technical
7 subjects or assisting students through services relating to the
8 origination, processing, or guarantying of federally reinsured
9 student loans for higher education or (B) a museum or historical
10 society operated exclusively for the benefit and education of the
11 public. For purposes of this subdivision, charitable organization
12 means an organization operated exclusively for the purpose of the
13 mental, social, or physical benefit of the public or an indefinite
14 number of persons; and

15 (e) Household goods and personal effects not owned or
16 used for financial gain or profit to either the owner or user.

17 (2) The increased value of land by reason of shade and
18 ornamental trees planted along the highway shall not be taken into
19 account in the valuation of land.

20 (3) Tangible personal property which is not depreciable
21 tangible personal property as defined in section 77-119 shall be
22 exempt from property tax.

23 (4) Motor vehicles required to be registered for
24 operation on the highways of this state shall be exempt from
25 payment of property taxes.

26 (5) Business and agricultural inventory shall be exempt
27 from the personal property tax. For purposes of this subsection,

1 business inventory includes personal property owned for purposes
2 of leasing or renting such property to others for financial gain
3 only if the personal property is of a type which in the ordinary
4 course of business is leased or rented thirty days or less and
5 may be returned at the option of the lessee or renter at any time
6 and the personal property is of a type which would be considered
7 household goods or personal effects if owned by an individual. All
8 other personal property owned for purposes of leasing or renting
9 such property to others for financial gain shall not be considered
10 business inventory.

11 (6) Any personal property exempt pursuant to subsection
12 (2) of section 77-4105 or section 77-5209.02 shall be exempt from
13 the personal property tax.

14 (7) Livestock shall be exempt from the personal property
15 tax.

16 (8) Any personal property exempt pursuant to the Nebraska
17 Advantage Act shall be exempt from the personal property tax.

18 (9) Any depreciable tangible personal property used
19 directly in the generation of electricity using wind as the fuel
20 source shall be exempt from the property tax levied on depreciable
21 tangible personal property. Depreciable tangible personal property
22 used directly in the generation of electricity using wind as the
23 fuel source includes, but is not limited to, wind turbines, rotors
24 and blades, towers, trackers, generating equipment, transmission
25 components, substations, supporting structures or racks, inverters,
26 and other system components such as wiring, control systems,
27 switchgears, and generator step-up transformers.

1 (10) Any tangible personal property that is acquired by
2 a person operating a data center located in this state, that is
3 assembled, engineered, processed, fabricated, manufactured into,
4 attached to, or incorporated into other tangible personal property,
5 both in component form or that of an assembled product, for
6 the purpose of subsequent use at a physical location outside
7 this state by the person operating a data center shall be
8 exempt from the personal property tax. Such exemption extends
9 to keeping, retaining, or exercising any right or power over
10 tangible personal property in this state for the purpose of
11 subsequently transporting it outside this state for use thereafter
12 outside this state. For purposes of this subsection, data center
13 means computers, supporting equipment, and other organized assembly
14 of hardware or software that are designed to centralize the
15 storage, management, or dissemination of data and information,
16 environmentally controlled structures or facilities or interrelated
17 structures or facilities that provide the infrastructure for
18 housing the equipment, such as raised flooring, electricity supply,
19 communication and data lines, Internet access, cooling, security,
20 and fire suppression, and any building housing the foregoing.

21 Sec. 2. Section 77-2701, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 77-2701 Sections 77-2701 to 77-27,135.01 and 77-27,228 to
24 77-27,236 and sections 4 and 5 of this act shall be known and may
25 be cited as the Nebraska Revenue Act of 1967.

26 Sec. 3. Section 77-2701.04, Reissue Revised Statutes of
27 Nebraska, is amended to read:

1 77-2701.04 For purposes of sections 77-2701.04 to
2 77-2713 and sections 4 and 5 of this act, unless the context
3 otherwise requires, the definitions found in sections 77-2701.05 to
4 77-2701.53 and section 4 of this act shall be used.

5 Sec. 4. Data center means computers, supporting
6 equipment, and other organized assembly of hardware or software
7 that are designed to centralize the storage, management, or
8 dissemination of data and information, environmentally controlled
9 structures or facilities or interrelated structures or facilities
10 that provide the infrastructure for housing the equipment, such as
11 raised flooring, electricity supply, communication and data lines,
12 Internet access, cooling, security, and fire suppression, and any
13 building housing the foregoing.

14 Sec. 5. Sales and use taxes shall not be imposed on the
15 gross receipts from the sale, lease, or rental of and the storage,
16 use, or other consumption in this state of tangible personal
17 property and services acquired by a person operating a data center
18 located in this state that are assembled, engineered, processed,
19 fabricated, manufactured into, attached to, or incorporated into
20 other tangible personal property for the purpose of subsequent use
21 at a physical location outside this state. Such exemption extends
22 to keeping, retaining, or exercising any right or power over
23 such tangible personal property in this state for the purpose of
24 subsequently transporting it outside this state for use thereafter
25 outside this state.

26 Sec. 6. Sections 2, 3, 4, 5, and 7 of this act become
27 operative on July 1, 2012. The other sections of this act become

1 operative on their effective date.

2 Sec. 7. Original sections 77-2701 and 77-2701.04, Reissue
3 Revised Statutes of Nebraska, are repealed.

4 Sec. 8. Original section 77-202, Revised Statutes
5 Supplement, 2011, is repealed.

6 Sec. 9. Since an emergency exists, this act takes effect
7 when passed and approved according to law.