

AMENDMENTS TO LB 731

(Amendments to Standing Committee amendments, AM2151)

Introduced by Mello

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

3 Section 1. Sections 1 to 9 of this act shall be known and
4 may be cited as the Remanufacturing Pilot Project Act.

5 Sec. 2. For purposes of the Remanufacturing Pilot Project
6 Act:

7 (1) Base year means the calendar year immediately
8 preceding the year during which the application was submitted;

9 (2) Construction and demolition waste means waste which
10 results from land clearing and the demolition of buildings,
11 roads, or other structures, including, but not limited to, fill
12 materials, wood, including painted and treated wood, land clearing
13 debris other than yard waste, wall coverings, including wallpaper,
14 paneling, and tile, drywall, plaster, non-asbestos insulation,
15 roofing shingles and other roof coverings, plumbing fixtures,
16 glass, plastic, carpeting, electrical wiring, pipe, and metals.
17 Such waste also includes the types of waste listed in this
18 subdivision that result from construction projects. Construction
19 and demolition waste does not include friable asbestos waste,
20 special waste, liquid waste, hazardous waste and waste that
21 contains polychlorinated biphenyl, pultrescible waste, household
22 waste, industrial solid waste, corrugated cardboard, appliances,

1 tires, drums, and fuel tanks;

2 (3) Municipal solid waste means household waste or the
3 combination of household waste with industrial or commercial solid
4 wastes, except that it does not include construction and demolition
5 waste;

6 (4) Recycle means separating, cleaning, treating, and
7 reconstituting waste or other discarded materials for the purpose
8 of recovering and reusing the resources contained therein; and

9 (5) Statewide average tipping fee means the average fee
10 charged per ton for disposal of waste at a municipal solid waste
11 disposal area in the state in the prior calendar year as determined
12 by the Department of Environmental Quality.

13 Sec. 3. For taxable years beginning on or after January
14 1, 2013, and before January 1, 2016, under the Internal Revenue
15 Code of 1986, as amended, a taxpayer shall earn a recovered
16 resource income tax credit for each ton of municipal solid waste
17 recycled or composted in Nebraska during the tax year by the
18 taxpayer in excess of the amount of the same type of municipal
19 solid waste (1) recycled or composted in Nebraska during the base
20 year by the taxpayer or (2) disposed in a solid waste disposal area
21 in Nebraska during the base year by the taxpayer. The municipal
22 solid waste recycled or composted shall be municipal solid waste
23 which was generated by the taxpayer. The per-ton credit shall
24 equal the statewide average tipping fee. The maximum tax credit
25 earned by a taxpayer in a tax year shall be twenty-five thousand
26 dollars. The tax credit shall be refundable. A taxpayer shall
27 file an application for the recovered resource income tax credit

1 with the Department of Environmental Quality. Applications can be
2 filed at any time on or after the beginning of the tax year
3 for which the tentative tax credit is to be claimed. Applications
4 for tax credits shall be considered in the order in which they
5 are received, except that the department shall give priority to
6 applications that include partnerships between the taxpayer and a
7 nonprofit organization, school district, community college area,
8 village, city, county, or natural resources district. No tax credit
9 shall be allowed unless an application is filed and approved.

10 Sec. 4. If the Department of Environmental Quality
11 determines that the application meets the requirements of the
12 Remanufacturing Pilot Project Act, the department shall approve
13 the application, determine the base-year tonnage amount, set the
14 tax-year tonnage amount used to determine the tentative tax credit,
15 authorize a tentative tax credit to the applicant within the limits
16 set forth in sections 3 and 5 of this act, and certify to the
17 applicant and the Department of Revenue the amount of tentative tax
18 credit reserved for the applicant. No tax credit shall be allowed
19 if the applicant fails to meet or exceed the tax-year tonnage
20 amount established during the application process.

21 Sec. 5. The Department of Environmental Quality may
22 approve applications for recovered resource income tax credits for
23 up to the amount available in the Recovered Resource Income Tax
24 Credit Fund for each calendar year. An application for a tax credit
25 for a tax year other than a calendar year shall be applied against
26 the limit for the calendar year during which the tax year of the
27 applicant ends. After applications for tax credits totaling the

1 amount available in the fund have been approved for a calendar
2 year, no further applications shall be approved for that calendar
3 year. Tax credits shall be prorated among the approved applications
4 filed on the day the limit is exceeded.

5 Sec. 6. Any recovered resource income tax credit
6 allowable to a partnership, a limited liability company, a
7 subchapter S corporation, a cooperative, including a cooperative
8 exempt under section 521 of the Internal Revenue Code of 1986, as
9 amended, a limited cooperative association, or an estate or trust
10 may be distributed to the partners, members, shareholders, patrons,
11 or beneficiaries in the same manner as income is distributed for
12 use against their income tax liabilities.

13 Sec. 7. The Department of Revenue and the Environmental
14 Quality Council may adopt and promulgate rules and regulations to
15 carry out the Remanufacturing Pilot Project Act, including rules
16 and regulations to permit verification of the validity of any
17 recovered resource income tax credit claimed.

18 Sec. 8. The Recovered Resource Income Tax Credit Fund is
19 created. The fund shall receive fees allocated in sections 81-1561
20 and 81-15,165. The fund shall be used to reimburse the General
21 Fund for recovered resource income tax credits, for the costs
22 of administration of the Remanufacturing Pilot Project Act, and
23 for one-time expenses relating to the act. The Tax Commissioner
24 shall certify the amount of recovered resource income tax credits
25 used each year to the State Treasurer. Within ten days after the
26 certification, the State Treasurer shall transfer that amount of
27 funds from the Recovered Resource Income Tax Credit Fund to the

1 General Fund. Any funds reserved for tentative tax credits that are
2 not claimed shall be returned to the original fund source in the
3 same proportion as they were originally remitted to the Recovered
4 Resource Income Tax Credit Fund. The Director of Environmental
5 Quality may accept grants, contributions, or other funds from any
6 private, federal, state, or public source to be used for purposes
7 of the act and to be credited to the fund. Any money in the
8 Recovered Resource Income Tax Credit Fund available for investment
9 shall be invested by the state investment officer pursuant to
10 the Nebraska Capital Expansion Act and the Nebraska State Funds
11 Investment Act.

12 Sec. 9. The Remanufacturing Pilot Project Act terminates
13 on December 31, 2017.

14 Sec. 10. Section 77-2715.07, Revised Statutes Supplement,
15 2011, is amended to read:

16 77-2715.07 (1) There shall be allowed to qualified
17 resident individuals as a nonrefundable credit against the income
18 tax imposed by the Nebraska Revenue Act of 1967:

19 (a) A credit equal to the federal credit allowed under
20 section 22 of the Internal Revenue Code; and

21 (b) A credit for taxes paid to another state as provided
22 in section 77-2730.

23 (2) There shall be allowed to qualified resident
24 individuals against the income tax imposed by the Nebraska Revenue
25 Act of 1967:

26 (a) For returns filed reporting federal adjusted
27 gross incomes of greater than twenty-nine thousand dollars, a

1 nonrefundable credit equal to twenty-five percent of the federal
2 credit allowed under section 21 of the Internal Revenue Code of
3 1986, as amended;

4 (b) For returns filed reporting federal adjusted gross
5 income of twenty-nine thousand dollars or less, a refundable credit
6 equal to a percentage of the federal credit allowable under section
7 21 of the Internal Revenue Code of 1986, as amended, whether or
8 not the federal credit was limited by the federal tax liability.
9 The percentage of the federal credit shall be one hundred percent
10 for incomes not greater than twenty-two thousand dollars, and
11 the percentage shall be reduced by ten percent for each one
12 thousand dollars, or fraction thereof, by which the reported
13 federal adjusted gross income exceeds twenty-two thousand dollars;

14 (c) A refundable credit as provided in section 77-5209.01
15 for individuals who qualify for an income tax credit as a qualified
16 beginning farmer or livestock producer under the Beginning Farmer
17 Tax Credit Act for all taxable years beginning or deemed to begin
18 on or after January 1, 2006, under the Internal Revenue Code of
19 1986, as amended;

20 (d) A refundable credit for individuals who qualify for
21 an income tax credit under the Angel Investment Tax Credit Act, the
22 Nebraska Advantage Microenterprise Tax Credit Act, ~~or~~ the Nebraska
23 Advantage Research and Development Act, or the Remanufacturing
24 Pilot Project Act; and

25 (e) A refundable credit equal to ten percent of the
26 federal credit allowed under section 32 of the Internal Revenue
27 Code of 1986, as amended.

1 (3) There shall be allowed to all individuals as a
2 nonrefundable credit against the income tax imposed by the Nebraska
3 Revenue Act of 1967:

4 (a) A credit for personal exemptions allowed under
5 section 77-2716.01;

6 (b) A credit for contributions to certified community
7 betterment programs as provided in the Community Development
8 Assistance Act. Each partner, each shareholder of an electing
9 subchapter S corporation, each beneficiary of an estate or trust,
10 or each member of a limited liability company shall report his or
11 her share of the credit in the same manner and proportion as he
12 or she reports the partnership, subchapter S corporation, estate,
13 trust, or limited liability company income; and

14 (c) A credit for investment in a biodiesel facility as
15 provided in section 77-27,236.

16 (4) There shall be allowed as a credit against the income
17 tax imposed by the Nebraska Revenue Act of 1967:

18 (a) A credit to all resident estates and trusts for taxes
19 paid to another state as provided in section 77-2730;

20 (b) A credit to all estates and trusts for contributions
21 to certified community betterment programs as provided in the
22 Community Development Assistance Act; and

23 (c) A refundable credit for individuals who qualify for
24 an income tax credit as an owner of agricultural assets under the
25 Beginning Farmer Tax Credit Act for all taxable years beginning
26 or deemed to begin on or after January 1, 2009, under the
27 Internal Revenue Code of 1986, as amended. The credit allowed

1 for each partner, shareholder, member, or beneficiary of a
2 partnership, corporation, limited liability company, or estate
3 or trust qualifying for an income tax credit as an owner of
4 agricultural assets under the Beginning Farmer Tax Credit Act
5 shall be equal to the partner's, shareholder's, member's, or
6 beneficiary's portion of the amount of tax credit distributed
7 pursuant to subsection (4) of section 77-5211.

8 (5) (a) For all taxable years beginning on or after
9 January 1, 2007, and before January 1, 2009, under the Internal
10 Revenue Code of 1986, as amended, there shall be allowed to each
11 partner, shareholder, member, or beneficiary of a partnership,
12 subchapter S corporation, limited liability company, or estate or
13 trust a nonrefundable credit against the income tax imposed by
14 the Nebraska Revenue Act of 1967 equal to fifty percent of the
15 partner's, shareholder's, member's, or beneficiary's portion of the
16 amount of franchise tax paid to the state under sections 77-3801 to
17 77-3807 by a financial institution.

18 (b) For all taxable years beginning on or after January
19 1, 2009, under the Internal Revenue Code of 1986, as amended,
20 there shall be allowed to each partner, shareholder, member, or
21 beneficiary of a partnership, subchapter S corporation, limited
22 liability company, or estate or trust a nonrefundable credit
23 against the income tax imposed by the Nebraska Revenue Act of 1967
24 equal to the partner's, shareholder's, member's, or beneficiary's
25 portion of the amount of franchise tax paid to the state under
26 sections 77-3801 to 77-3807 by a financial institution.

27 (c) Each partner, shareholder, member, or beneficiary

1 shall report his or her share of the credit in the same manner
2 and proportion as he or she reports the partnership, subchapter S
3 corporation, limited liability company, or estate or trust income.
4 If any partner, shareholder, member, or beneficiary cannot fully
5 utilize the credit for that year, the credit may not be carried
6 forward or back.

7 Sec. 11. Section 77-2717, Revised Statutes Supplement,
8 2011, is amended to read:

9 77-2717 (1)(a) The tax imposed on all resident estates
10 and trusts shall be a percentage of the federal taxable income
11 of such estates and trusts as modified in section 77-2716, plus
12 a percentage of the federal alternative minimum tax and the
13 federal tax on premature or lump-sum distributions from qualified
14 retirement plans. The additional taxes shall be recomputed by (i)
15 substituting Nebraska taxable income for federal taxable income,
16 (ii) calculating what the federal alternative minimum tax would
17 be on Nebraska taxable income and adjusting such calculations for
18 any items which are reflected differently in the determination of
19 federal taxable income, and (iii) applying Nebraska rates to the
20 result. The federal credit for prior year minimum tax, after the
21 recomputations required by the Nebraska Revenue Act of 1967, and
22 the credits provided in the Nebraska Advantage Microenterprise Tax
23 Credit Act, ~~and the Nebraska Advantage Research and Development~~
24 ~~Act, and the Remanufacturing Pilot Project Act~~ shall be allowed
25 as a reduction in the income tax due. A refundable income tax
26 credit shall be allowed for all resident estates and trusts
27 under the Angel Investment Tax Credit Act, the Nebraska Advantage

1 Microenterprise Tax Credit Act, ~~and~~ the Nebraska Advantage Research
2 and Development Act, and the Remanufacturing Pilot Project Act.

3 (b) The tax imposed on all nonresident estates and trusts
4 shall be the portion of the tax imposed on resident estates and
5 trusts which is attributable to the income derived from sources
6 within this state. The tax which is attributable to income derived
7 from sources within this state shall be determined by multiplying
8 the liability to this state for a resident estate or trust with
9 the same total income by a fraction, the numerator of which is
10 the nonresident estate's or trust's Nebraska income as determined
11 by sections 77-2724 and 77-2725 and the denominator of which is
12 its total federal income after first adjusting each by the amounts
13 provided in section 77-2716. The federal credit for prior year
14 minimum tax, after the recomputations required by the Nebraska
15 Revenue Act of 1967, reduced by the percentage of the total income
16 which is attributable to income from sources outside this state,
17 and the credits provided in the Nebraska Advantage Microenterprise
18 Tax Credit Act, ~~and~~ the Nebraska Advantage Research and Development
19 Act, and the Remanufacturing Pilot Project Act shall be allowed
20 as a reduction in the income tax due. A refundable income tax
21 credit shall be allowed for all nonresident estates and trusts
22 under the Angel Investment Tax Credit Act, the Nebraska Advantage
23 Microenterprise Tax Credit Act, ~~and~~ the Nebraska Advantage Research
24 and Development Act, and the Remanufacturing Pilot Project Act.

25 (2) In all instances wherein a fiduciary income tax
26 return is required under the provisions of the Internal Revenue
27 Code, a Nebraska fiduciary return shall be filed, except that a

1 fiduciary return shall not be required to be filed regarding a
2 simple trust if all of the trust's beneficiaries are residents of
3 the State of Nebraska, all of the trust's income is derived from
4 sources in this state, and the trust has no federal tax liability.
5 The fiduciary shall be responsible for making the return for the
6 estate or trust for which he or she acts, whether the income be
7 taxable to the estate or trust or to the beneficiaries thereof.
8 The fiduciary shall include in the return a statement of each
9 beneficiary's distributive share of net income when such income is
10 taxable to such beneficiaries.

11 (3) The beneficiaries of such estate or trust who are
12 residents of this state shall include in their income their
13 proportionate share of such estate's or trust's federal income and
14 shall reduce their Nebraska tax liability by their proportionate
15 share of the credits as provided in the Angel Investment Tax
16 Credit Act, the Nebraska Advantage Microenterprise Tax Credit Act,
17 ~~and the Nebraska Advantage Research and Development Act, and the~~
18 Remanufacturing Pilot Project Act. There shall be allowed to a
19 beneficiary a refundable income tax credit under the Beginning
20 Farmer Tax Credit Act for all taxable years beginning or deemed to
21 begin on or after January 1, 2001, under the Internal Revenue Code
22 of 1986, as amended.

23 (4) If any beneficiary of such estate or trust is a
24 nonresident during any part of the estate's or trust's taxable
25 year, he or she shall file a Nebraska income tax return which shall
26 include (a) in Nebraska adjusted gross income that portion of the
27 estate's or trust's Nebraska income, as determined under sections

1 77-2724 and 77-2725, allocable to his or her interest in the estate
2 or trust and (b) a reduction of the Nebraska tax liability by his
3 or her proportionate share of the credits as provided in the Angel
4 Investment Tax Credit Act, the Nebraska Advantage Microenterprise
5 Tax Credit Act, ~~and the Nebraska Advantage Research and Development~~
6 Act, and the Remanufacturing Pilot Project Act and shall execute
7 and forward to the fiduciary, on or before the original due date
8 of the Nebraska fiduciary return, an agreement which states that he
9 or she will file a Nebraska income tax return and pay income tax
10 on all income derived from or connected with sources in this state,
11 and such agreement shall be attached to the Nebraska fiduciary
12 return for such taxable year.

13 (5) In the absence of the nonresident beneficiary's
14 executed agreement being attached to the Nebraska fiduciary return,
15 the estate or trust shall remit a portion of such beneficiary's
16 income which was derived from or attributable to Nebraska sources
17 with its Nebraska return for the taxable year. The amount of
18 remittance, in such instance, shall be the highest individual
19 income tax rate determined under section 77-2715.02 multiplied by
20 the nonresident beneficiary's share of the estate or trust income
21 which was derived from or attributable to sources within this
22 state. The amount remitted shall be allowed as a credit against the
23 Nebraska income tax liability of the beneficiary.

24 (6) The Tax Commissioner may allow a nonresident
25 beneficiary to not file a Nebraska income tax return if the
26 nonresident beneficiary's only source of Nebraska income was his or
27 her share of the estate's or trust's income which was derived from

1 or attributable to sources within this state, the nonresident did
2 not file an agreement to file a Nebraska income tax return, and
3 the estate or trust has remitted the amount required by subsection
4 (5) of this section on behalf of such nonresident beneficiary. The
5 amount remitted shall be retained in satisfaction of the Nebraska
6 income tax liability of the nonresident beneficiary.

7 (7) For purposes of this section, unless the context
8 otherwise requires, simple trust shall mean any trust instrument
9 which (a) requires that all income shall be distributed currently
10 to the beneficiaries, (b) does not allow amounts to be paid,
11 permanently set aside, or used in the tax year for charitable
12 purposes, and (c) does not distribute amounts allocated in the
13 corpus of the trust. Any trust which does not qualify as a simple
14 trust shall be deemed a complex trust.

15 (8) For purposes of this section, any beneficiary of an
16 estate or trust that is a grantor trust of a nonresident shall be
17 disregarded and this section shall apply as though the nonresident
18 grantor was the beneficiary.

19 Sec. 12. Section 77-2734.03, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 77-2734.03 (1)(a) For taxable years commencing prior to
22 January 1, 1997, any (i) insurer paying a tax on premiums and
23 assessments pursuant to section 77-908 or 81-523, (ii) electric
24 cooperative organized under the Joint Public Power Authority Act,
25 or (iii) credit union shall be credited, in the computation of
26 the tax due under the Nebraska Revenue Act of 1967, with the
27 amount paid during the taxable year as taxes on such premiums and

1 assessments and taxes in lieu of intangible tax.

2 (b) For taxable years commencing on or after January 1,
3 1997, any insurer paying a tax on premiums and assessments pursuant
4 to section 77-908 or 81-523, any electric cooperative organized
5 under the Joint Public Power Authority Act, or any credit union
6 shall be credited, in the computation of the tax due under the
7 Nebraska Revenue Act of 1967, with the amount paid during the
8 taxable year as (i) taxes on such premiums and assessments included
9 as Nebraska premiums and assessments under section 77-2734.05 and
10 (ii) taxes in lieu of intangible tax.

11 (c) For taxable years commencing or deemed to commence
12 prior to, on, or after January 1, 1998, any insurer paying a tax on
13 premiums and assessments pursuant to section 77-908 or 81-523 shall
14 be credited, in the computation of the tax due under the Nebraska
15 Revenue Act of 1967, with the amount paid during the taxable year
16 as assessments allowed as an offset against premium and related
17 retaliatory tax liability pursuant to section 44-4233.

18 (2) There shall be allowed to corporate taxpayers a
19 tax credit for contributions to community betterment programs as
20 provided in the Community Development Assistance Act.

21 (3) There shall be allowed to corporate taxpayers a
22 refundable income tax credit under the Beginning Farmer Tax Credit
23 Act for all taxable years beginning or deemed to begin on or
24 after January 1, 2001, under the Internal Revenue Code of 1986, as
25 amended.

26 (4) The changes made to this section by Laws 2004, LB
27 983, apply to motor fuels purchased during any tax year ending

1 or deemed to end on or after January 1, 2005, under the Internal
2 Revenue Code of 1986, as amended.

3 (5) There shall be allowed to corporate taxpayers
4 refundable income tax credits under the Nebraska Advantage
5 Microenterprise Tax Credit Act, ~~and~~ the Nebraska Advantage Research
6 and Development Act, and the Remanufacturing Pilot Project Act.

7 (6) There shall be allowed to corporate taxpayers a
8 nonrefundable income tax credit for investment in a biodiesel
9 facility as provided in section 77-27,236.

10 Sec. 13. Section 81-1561, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 81-1561 (1) The Tax Commissioner shall deduct and
13 withhold from the litter fee collected a fee sufficient to
14 reimburse himself or herself for the cost of collecting and
15 administering the litter fee and shall deposit such collection fee
16 in the Litter Fee Collection Fund which is hereby created. The
17 Litter Fee Collection Fund shall be appropriated to the Department
18 of Revenue. Any money in the Litter Fee Collection Fund available
19 for investment shall be invested by the state investment officer
20 pursuant to the Nebraska Capital Expansion Act and the Nebraska
21 State Funds Investment Act.

22 (2) The Tax Commissioner shall remit the balance of
23 the litter fee collections to the Department of Environmental
24 Quality. The department shall allocate the balance of the litter
25 fee collections in the following manner: (a) Ninety percent shall
26 be deposited in the Nebraska Litter Reduction and Recycling Fund;
27 and (b) ten percent shall be deposited in the Recovered Resource

1 Income Tax Credit Fund. After December 31, 2016, the department
2 shall allocate the entire balance of litter fee collections to the
3 Nebraska Litter Reduction and Recycling Fund.

4 (3) The department shall allocate and distribute funds
5 from the Nebraska Litter Reduction and Recycling Fund in percentage
6 amounts to be determined by the council on an annual basis, after a
7 public hearing on a date to be determined by the council, for the
8 following activities:

9 (a) Programs of public education, motivation, and
10 participation aimed at creating an ethic conducive to the reduction
11 of litter, establishing an attitude against littering and a desire
12 for a clean environment, and securing greater awareness of and
13 compliance with antilitter laws. Such programs shall include:

14 (i) The distribution of informative materials to
15 elementary and secondary schools;

16 (ii) The purchase and erection of roadside signs;

17 (iii) The organization and operation of cleanup drives
18 conducted by local agencies and organizations using volunteer help;

19 (iv) Grants to state and local government units and
20 agencies and private organizations for developing and conducting
21 antilitter programs; and

22 (v) Any other public information method selected by the
23 department, including the use of media;

24 (b) Cleanup of public highways, waterways, recreation
25 lands, urban areas, and public places within the state, including,
26 but not limited to:

27 (i) Grants to cities and counties for payment of

1 personnel employed in the pickup of litter;

2 (ii) Grants for programs aimed at increasing the use
3 of youth and unemployed persons in seasonal and part-time litter
4 pickup programs and to establish work release and other programs
5 to carry out the purposes of the Nebraska Litter Reduction and
6 Recycling Act;

7 (iii) Grants to public and private agencies and persons
8 to conduct surveys of amounts and composition of litter and rates
9 of littering; and

10 (iv) Grants to public and private agencies and persons
11 for research and development in the fields of litter reduction,
12 removal, and disposal, including the evaluation of behavioral
13 science techniques in litter control and the development of new
14 equipment, and to implement such research and development when
15 appropriate; and

16 (c) New or improved community recycling and source
17 separation programs, including, but not limited to:

18 (i) Expansion of existing and creation of new community
19 recycling centers;

20 (ii) Expansion of existing and creation of new source
21 separation programs;

22 (iii) Research and evaluation of markets for the
23 materials and products recovered in source separation and recycling
24 programs; and

25 (iv) Providing advice and assistance on matters relating
26 to recycling and source separation, including information and
27 consultation on available technology, operating procedures,

1 organizational arrangements, markets for materials and products
2 recovered in recycling and source separation, transportation
3 alternatives, and publicity techniques.

4 Funds allocated to the Recovered Resource Income Tax
5 Credit Fund pursuant to subdivision (2)(b) of this section shall be
6 considered as being used for the purposes specified in subdivision
7 (3)(c) of this section.

8 Sec. 14. Section 81-1565, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 81-1565 The department shall adopt guidelines for the
11 determination of eligibility of public and private agencies and
12 persons to receive funds pursuant to the Nebraska Litter Reduction
13 and Recycling Act and the determination of qualification and
14 suitability of plans submitted by such agencies and persons
15 consistent with the purposes of the act. A taxpayer who has
16 applied for a tax credit under the Remanufacturing Pilot Project
17 Act shall be ineligible to receive funds pursuant to the Nebraska
18 Litter Reduction and Recycling Act for the year for which the tax
19 credit application is approved.

20 Sec. 15. Section 81-15,161, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 81-15,161 (1) Allocations from the Waste Reduction and
23 Recycling Incentive Fund may be made as grants to a political
24 subdivision or other entity or organization, public, private, or
25 nonprofit, when it is found that the proposed program, project, or
26 study appears to benefit the general public, to further the goals
27 of waste reduction and recycling, and to be consistent with proper

1 waste management practices. Each application for a grant under the
2 Waste Reduction and Recycling Incentive Act shall be filed with the
3 department in a manner and form prescribed by the department.

4 (2) The council shall adopt guidelines for the
5 determination of eligibility of public, private, and nonprofit
6 entities, organizations, or persons to receive funds pursuant to
7 the act and for the determination of qualification and suitability
8 of plans submitted by such entities, organizations, and persons
9 consistent with the act. A taxpayer who has applied for a tax
10 credit under the Remanufacturing Pilot Project Act shall be
11 ineligible to receive funds pursuant to the Waste Reduction and
12 Recycling Incentive Act for the year for which the tax credit
13 application is approved.

14 (3) An application for a grant shall: (a) Describe the
15 nature and purpose of the proposed program, project, or study;
16 (b) set forth or be accompanied by a plan for development of the
17 proposed program, project, or study, together with engineering,
18 economic, and financial feasibility data and information and
19 such estimated costs of construction or implementation as may
20 be required by the department; (c) state whether money other
21 than that for which the application is made will be used to
22 help in meeting program, project, or study costs and whether such
23 money is available or has been sought for this purpose; (d) when
24 appropriate, state that the applicant holds or can acquire title to
25 all lands or has the necessary easements and rights-of-way for the
26 project and related lands; (e) show that the applicant possesses
27 all necessary authority to undertake or participate in the proposed

1 program, project, or study; and (f) demonstrate the probable
2 environmental and ecological consequences that may result from
3 the proposed program or project. Upon receipt of an application
4 the director shall evaluate and investigate all aspects of the
5 proposed program, project, or study and the proposed schedule for
6 the development and completion of such program, project, or study
7 and determine the eligibility of the program, project, or study
8 for funding. As a part of his or her investigation, the director
9 shall consider whether the plan for development of the program,
10 project, or study is satisfactory. If the director determines
11 that the plan is unsatisfactory or that the application does not
12 contain adequate information upon which to make determinations, the
13 director shall return the application to the applicant and may
14 make recommendations to the applicant which the director considers
15 necessary to make the plan or the application satisfactory.

16 (4) The director shall within a reasonable time, not to
17 exceed six months, after receipt of such application approve or
18 reject grant funding for the program, project, or study. The grant
19 shall be for a specific dollar amount of funds, and the funds shall
20 be used only for the purpose specified in the grant. The director
21 may set any terms for the administration of the funds as he or she
22 deems necessary and any penalties to be imposed upon the recipient
23 if it fails to comply with any requirements of the grant.

24 (5) It is the intent of the Legislature that allocations
25 from the Waste Reduction and Recycling Incentive Fund shall be made
26 in an equitable manner which maximizes the benefits of the fund.
27 When awarding grants, the director shall balance the needs of: (a)

1 All geographic areas of the state; (b) all sizes and classes of
2 communities; and (c) all manner and scale of programs, projects,
3 and studies. The director shall also give consideration to eligible
4 programs, projects, and studies which would specifically employ
5 disabled or handicapped persons.

6 (6) The director may deny any application which he or
7 she determines (a) is not in conformance with this section, (b)
8 does not reflect reasonable costs for the type of project proposed,
9 (c) contains inaccurate, incomplete, or misleading information in
10 the application, or (d) would require the expenditure of funds
11 beyond the fund's unobligated balance or for any other reason which
12 the director determines is necessary to properly administer this
13 section.

14 (7) All disbursements made under this section shall be
15 formalized by a written agreement between the department and all
16 recipients of the disbursement. The agreement may include, but need
17 not be limited to, the following conditions designed to protect
18 the fund and ensure completion of the project: (a) Mechanics of
19 funding disbursement; (b) any bidding requirements; (c) completion
20 timelines for any deliverables; (d) record-keeping and reporting
21 requirements; (e) security interest and insurance requirements on
22 equipment; (f) forfeiture and repayment of funds; and (g) other
23 conditions necessary or desirable to carry out this section.

24 (8) The council shall adopt and promulgate rules and
25 regulations to carry out the Waste Reduction and Recycling
26 Incentive Act.

27 Sec. 16. Section 81-15,165, Revised Statutes Cumulative

1 Supplement, 2010, is amended to read:

2 81-15,165 (1) The Tax Commissioner shall deduct and
3 withhold from the fees collected pursuant to sections 81-15,159
4 to 81-15,165 a fee sufficient to reimburse himself or herself
5 for the actual cost of collecting and administering such fees
6 and shall credit such collection fee to the Waste Reduction and
7 Recycling Incentive Fees Collection Fund which is hereby created.
8 The Legislature shall appropriate money from the fund to the
9 Department of Revenue to cover the actual costs of the department
10 in administering the Waste Reduction and Recycling Incentive Act.
11 Transfers may be made from the fund to the General Fund at the
12 direction of the Legislature. Any money in the Waste Reduction and
13 Recycling Incentive Fees Collection Fund available for investment
14 shall be invested by the state investment officer pursuant to
15 the Nebraska Capital Expansion Act and the Nebraska State Funds
16 Investment Act.

17 (2) The Tax Commissioner shall remit the balance of the
18 fees collected pursuant to sections 81-15,159 to 81-15,165 to the
19 Department of Environmental Quality. The department shall allocate
20 the balance of the fee collections in the following manner: (a)
21 Ninety percent shall be deposited in the Waste Reduction and
22 Recycling Incentive Fund; and (b) ten percent shall be deposited
23 in the Recovered Resource Income Tax Credit Fund, such ten-percent
24 allocation to be made proportionately from the fees collected
25 pursuant to sections 81-15,159 to 81-15,165. After December 31,
26 2016, the department shall allocate the entire balance of the fees
27 collected pursuant to sections 81-15,159 to 81-15,165 to the Waste

1 Reduction and Recycling Incentive Fund.

2 Sec. 17. Original sections 77-2734.03, 81-1561, 81-1565,
3 and 81-15,161, Reissue Revised Statutes of Nebraska, section
4 81-15,165, Revised Statutes Cumulative Supplement, 2010, and
5 sections 77-2715.07 and 77-2717, Revised Statutes Supplement, 2011,
6 are repealed.