

ONE HUNDRED SECOND LEGISLATURE - SECOND SESSION - 2012
COMMITTEE STATEMENT
LB1080

Hearing Date: Thursday February 02, 2012
Committee On: Revenue
Introducer: Cornett
One Liner: Provide a property tax exemption and a sales and use tax exemption relating to data centers

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye:	5	Senators Brasch, Cornett, Hadley, Loudon, Pirsch
Nay:	3	Senators Adams, Fischer, Schumacher
Absent:		
Present Not Voting:		

Proponents:

Sen. Abbie Cornett
Joe Young
Chuck Whitney

Representing:

Introducer
NE Chamber of Commerce
Yahoo, Inc.

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB 1080 would provide a tangible personal property tax exemption and a sales and use tax exemption for a person operating a data center in Nebraska if certain conditions are met.

Section 1: Would exempt from tangible personal property taxes any tangible personal property acquired by a person operating a data center that is located in Nebraska and that is assembled, engineered, processed, fabricated, manufactured into, attached to, or incorporated into other tangible personal property-both in component form or an assembled product-for the purpose of subsequent use solely outside Nebraska by the person operating a data center. The tangible personal property tax exemption applies to keeping, retaining, or exercising any right or power over such tangible personal property in Nebraska for the purpose of subsequently transporting it outside Nebraska for use thereafter solely outside Nebraska. [LB 1080, sec. 1, amending Neb. Rev. Stat. sec. 77-202 by adding new subsection (10).]

Section 2: Would make a coordinating change to existing statutory language and provides that sections 4 and 5 of LB 1080 are part of the Nebraska Revenue Act of 1967. [LB 1080, sec. 2, amending Neb. Rev. Stat. sec. 77-2701.]

Section 3: Would makes a coordinating change to existing statutory language governing definitions, for purposes of Neb. Rev. Stat. secs. 77-2701.04 to 77-2713 and for purposes of sections 4 and 5 of LB 1080. [LB 1080, sec. 3, amending Neb. Rev. Stat. sec. 77-2701.04.]

Section 4: Defines "data center" to mean "a group of computers, supporting equipment, and other organized assembly of hardware or software in one or more interrelated physical locations that is designed to centralize the storage,

management, or dissemination of data and information." [LB 1080, sec. 4.]

Section 5: Would provide a sales and use tax exemption for the sale, lease, or rental of and the storage, use, or other consumption of tangible personal property acquired by a person operating a data center located in Nebraska which property is assembled, engineered, processed, fabricated, manufactured into, attached to, or incorporated into other tangible personal property for the purpose of subsequent use solely outside Nebraska. The exemption applies to keeping, retaining, or exercising any right or power over such tangible personal property in Nebraska for the purpose of subsequently transporting it outside Nebraska for use thereafter solely outside Nebraska. [LB 1080, sec. 5.]

Section 6: LB 1080 would be operative January 1, 2013. [LB 1080, sec. 6.]

Section 7: Would repeal the current version of the statutes that LB 1080 seeks to amend. [LB 1080, sec. 7.]

Abbie Cornett, Chairperson