

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 261

FINAL READING

Introduced by Gloor, 35.

Read first time January 14, 2015

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
2 13-519, 13-520, 77-115, 77-376, and 77-1248, Reissue Revised
3 Statutes of Nebraska, and sections 23-2306, 69-2708, 77-1342,
4 77-2604, 77-2604.01, 77-27,235, 77-2904, and 77-3442, Revised
5 Statutes Cumulative Supplement, 2014; to eliminate obsolete
6 provisions relating to transferring the assessment function to
7 counties; to change provisions relating to the sharing of tax
8 information; to change provisions relating to the valuation of
9 flight equipment of air carriers; to disallow interest on refunds
10 relating to certain tax credits; to harmonize provisions; to provide
11 operative dates; to repeal the original sections; to outright repeal
12 sections 77-1340.05 and 77-1340.06, Reissue Revised Statutes of
13 Nebraska, and section 77-1340.04, Revised Statutes Cumulative
14 Supplement, 2014; and to declare an emergency.
15 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-519, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 13-519 (1)(a) Subject to subdivision (1)(b) of this section, for all
4 fiscal years beginning on or after July 1, 1998, no governmental unit
5 shall adopt a budget containing a total of budgeted restricted funds more
6 than the last prior year's total of budgeted restricted funds plus
7 allowable growth plus the basic allowable growth percentage of the base
8 limitation established under section 77-3446. For the second fiscal year
9 in which a county will receive a full year of receipts from the tax
10 imposed in sections 77-27,223 to 77-27,227, the prior year's total of
11 restricted funds shall be the prior year's total of restricted funds plus
12 the total receipts from the tax imposed in sections 77-27,223 to
13 77-27,227 in the prior year. ~~For fiscal years 2010-11 through 2013-14 in~~
14 ~~which a county will reassume the assessment function pursuant to section~~
15 ~~77-1340 or 77-1340.04, the prior year's total of restricted funds shall~~
16 ~~be the prior year's total of restricted funds plus the total budgeted for~~
17 ~~the reassumption of the assessment function.~~ If a governmental unit
18 transfers the financial responsibility of providing a service financed in
19 whole or in part with restricted funds to another governmental unit or
20 the state, the amount of restricted funds associated with providing the
21 service shall be subtracted from the last prior year's total of budgeted
22 restricted funds for the previous provider and may be added to the last
23 prior year's total of restricted funds for the new provider. For
24 governmental units that have consolidated, the calculations made under
25 this section for consolidating units shall be made based on the combined
26 total of restricted funds, population, or full-time equivalent students
27 of each governmental unit.

28 (b) For all fiscal years beginning on or after July 1, 2008,
29 educational service units may exceed the limitations of subdivision (1)
30 (a) of this section to the extent that one hundred ten percent of the
31 needs for the educational service unit calculated pursuant to section

1 79-1241.03 exceeds the budgeted restricted funds allowed pursuant to
2 subdivision (1)(a) of this section.

3 (2) A governmental unit may exceed the limit provided in subdivision
4 (1)(a) of this section for a fiscal year by up to an additional one
5 percent upon the affirmative vote of at least seventy-five percent of the
6 governing body.

7 (3) A governmental unit may exceed the applicable allowable growth
8 percentage otherwise prescribed in this section by an amount approved by
9 a majority of legal voters voting on the issue at a special election
10 called for such purpose upon the recommendation of the governing body or
11 upon the receipt by the county clerk or election commissioner of a
12 petition requesting an election signed by at least five percent of the
13 legal voters of the governmental unit. The recommendation of the
14 governing body or the petition of the legal voters shall include the
15 amount and percentage by which the governing body would increase its
16 budgeted restricted funds for the ensuing year over and above the current
17 year's budgeted restricted funds. The county clerk or election
18 commissioner shall call for a special election on the issue within thirty
19 days after the receipt of such governing body recommendation or legal
20 voter petition. The election shall be held pursuant to the Election Act,
21 and all costs shall be paid by the governing body. The issue may be
22 approved on the same question as a vote to exceed the levy limits
23 provided in section 77-3444.

24 (4) In lieu of the election procedures in subsection (3) of this
25 section, any governmental unit may exceed the allowable growth percentage
26 otherwise prescribed in this section by an amount approved by a majority
27 of legal voters voting at a meeting of the residents of the governmental
28 unit, called after notice is published in a newspaper of general
29 circulation in the governmental unit at least twenty days prior to the
30 meeting. At least ten percent of the registered voters residing in the
31 governmental unit shall constitute a quorum for purposes of taking action

1 to exceed the allowable growth percentage. If a majority of the
2 registered voters present at the meeting vote in favor of exceeding the
3 allowable growth percentage, a copy of the record of that action shall be
4 forwarded to the Auditor of Public Accounts along with the budget
5 documents. The issue to exceed the allowable growth percentage may be
6 approved at the same meeting as a vote to exceed the limits or final levy
7 allocation provided in section 77-3444.

8 Sec. 2. Section 13-520, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 13-520 The limitations in section 13-519 shall not apply to (1)
11 restricted funds budgeted for capital improvements, (2) restricted funds
12 expended from a qualified sinking fund for acquisition or replacement of
13 tangible personal property with a useful life of five years or more, (3)
14 restricted funds pledged to retire bonded indebtedness, used by a public
15 airport to retire interest-free loans from the Department of Aeronautics
16 in lieu of bonded indebtedness at a lower cost to the public airport, or
17 used to pay other financial instruments that are approved and agreed to
18 before July 1, 1999, in the same manner as bonds by a governing body
19 created under section 35-501, (4) restricted funds budgeted in support of
20 a service which is the subject of an agreement or a modification of an
21 existing agreement whether operated by one of the parties to the
22 agreement or by an independent joint entity or joint public agency, (5)
23 restricted funds budgeted to pay for repairs to infrastructure damaged by
24 a natural disaster which is declared a disaster emergency pursuant to the
25 Emergency Management Act, (6) restricted funds budgeted to pay for
26 judgments, except judgments or orders from the Commission of Industrial
27 Relations, obtained against a governmental unit which require or obligate
28 a governmental unit to pay such judgment, to the extent such judgment is
29 not paid by liability insurance coverage of a governmental unit, or (7)
30 the dollar amount by which restricted funds budgeted by a natural
31 resources district to administer and implement ground water management

1 activities and integrated management activities under the Nebraska Ground
2 Water Management and Protection Act exceed its restricted funds budgeted
3 to administer and implement ground water management activities and
4 integrated management activities for FY2003-04, ~~or (8) restricted funds~~
5 ~~budgeted to pay for the reassumption of the assessment function pursuant~~
6 ~~to section 77-1340 or 77-1340.04 in fiscal years 2010-11 through 2013-14.~~

7 Sec. 3. Section 23-2306, Revised Statutes Cumulative Supplement,
8 2014, is amended to read:

9 23-2306 (1) The membership of the retirement system shall be
10 composed of all persons who are or were employed by member counties and
11 who maintain an account balance with the retirement system.

12 (2) The following employees of member counties are authorized to
13 participate in the retirement system: (a) All permanent full-time
14 employees shall begin participation in the retirement system upon
15 employment and full-time elected officials shall begin participation in
16 the retirement system upon taking office, (b) all permanent part-time
17 employees who have attained the age of eighteen years may exercise the
18 option to begin participation in the retirement system within the first
19 thirty days of employment, and (c) all part-time elected officials may
20 exercise the option to begin participation in the retirement system
21 within thirty days after taking office. An employee who exercises the
22 option to begin participation in the retirement system shall remain in
23 the system until termination or retirement, regardless of any change of
24 status as a permanent or temporary employee.

25 (3) On and after July 1, 2010, no employee of a member county shall
26 be authorized to participate in the retirement system provided for in the
27 County Employees Retirement Act unless the employee (a) is a United
28 States citizen or (b) is a qualified alien under the federal Immigration
29 and Nationality Act, 8 U.S.C. 1101 et seq., as such act existed on
30 January 1, 2009, and is lawfully present in the United States.

31 (4) On and after July 1, 2013, the board may determine that a

1 governmental entity currently participating in the retirement system no
2 longer qualifies under section 414(d) of the Internal Revenue Code as a
3 participating employer in a governmental plan. Upon such determination,
4 affected plan members shall be considered fully vested. The board shall
5 notify such entity within ten days after making a determination. Within
6 ninety days after the board's notice to such entity, affected plan
7 members shall become inactive. The board may adopt and promulgate rules
8 and regulations to carry out this subsection.

9 (5) Within the first one hundred eighty days of employment, a full-
10 time employee may apply to the board for vesting credit for years of
11 participation in another Nebraska governmental plan, as defined by
12 section 414(d) of the Internal Revenue Code. During the years of
13 participation in the other Nebraska governmental plan, the employee must
14 have been a full-time employee, as defined in the Nebraska governmental
15 plan in which the credit was earned. The board may adopt and promulgate
16 rules and regulations governing the assessment and granting of vesting
17 credit.

18 (6) Any employee who qualifies for membership in the retirement
19 system pursuant to this section may not be disqualified from membership
20 in the retirement system solely because such employee also maintains
21 separate employment which qualifies the employee for membership in
22 another public retirement system, nor may membership in this retirement
23 system disqualify such an employee from membership in another public
24 retirement system solely by reason of separate employment which qualifies
25 such employee for membership in this retirement system.

26 (7) A full-time or part-time employee of a city, village, or
27 township who becomes a county employee pursuant to a merger of services
28 shall receive vesting credit for his or her years of participation in a
29 Nebraska governmental plan, as defined by section 414(d) of the Internal
30 Revenue Code, of the city, village, or township.

31 (8) A full-time or part-time employee of a city, village, fire

1 protection district, or township who becomes a municipal county employee
2 shall receive credit for his or her years of employment with the city,
3 village, fire protection district, or township for purposes of the
4 vesting provisions of this section.

5 (9) A full-time or part-time employee of the state who becomes a
6 county employee pursuant to transfer of assessment function to a county
7 ~~under section 77-1340 or 77-1340.04~~ shall not be deemed to have
8 experienced a termination of employment and shall receive vesting credit
9 for his or her years of participation in the State Employees Retirement
10 System of the State of Nebraska.

11 (10) Counties shall ensure that employees authorized to participate
12 in the retirement system pursuant to this section shall enroll and make
13 required contributions to the retirement system immediately upon becoming
14 an employee. Information necessary to determine membership in the
15 retirement system shall be provided by the employer.

16 Sec. 4. Section 69-2708, Revised Statutes Cumulative Supplement,
17 2014, is amended to read:

18 69-2708 (1) Not later than fifteen days following the end of each
19 month, each stamping agent shall submit, in the manner directed by the
20 Tax Commissioner, such information as the Tax Commissioner requires to
21 facilitate compliance with sections 69-2704 to 69-2711, including, but
22 not limited to (a) a list by brand family of the total number of
23 cigarettes or, in the case of roll-your-own, the equivalent stick count
24 for which the stamping agent affixed stamps during the previous month or
25 otherwise paid the total due for such cigarettes, the total number of
26 cigarettes contained in the packages to which it affixed each respective
27 type of stamp, and by name and number of cigarettes, the tobacco product
28 manufacturers and brand families of the packages to which it affixed each
29 respective type of stamp or similar information for roll-your-own on
30 which tax was paid and (b) the total number of cigarettes acquired by the
31 stamping agent during that month for sale in or into the state or for

1 sale from this state into another state, sold in or into the state by the
2 stamping agent during that month and held in inventory in the state or
3 for sale into the state by the stamping agent as of the last business day
4 of that month, in each case identifying by name and number of cigarettes,
5 (i) the manufacturers of those cigarettes and (ii) the brand families of
6 those cigarettes. In the case of a stamping agent that is a retailer,
7 reports under subdivision (1)(a) of this section do not have to include
8 cigarettes contained in packages that bore a stamp required under section
9 77-2603 or 77-2603.01 at the time the stamping agent received them and
10 that the stamping agent then sold at retail. The stamping agent shall
11 also submit a certification stating that the information provided to the
12 Tax Commissioner is complete and accurate. The stamping agent shall
13 maintain, and make available to the Tax Commissioner, all invoices and
14 documentation of sales of all nonparticipating manufacturer cigarettes
15 and any other information relied upon in reporting to the Tax
16 Commissioner for a period of five years. ~~The Tax Commissioner may share~~
17 ~~the information reported under this section with the taxing or law~~
18 ~~enforcement authorities of this state or other states. The Tax~~
19 ~~Commissioner may also share with a nonparticipating manufacturer~~
20 ~~information reported under this section pertaining to such~~
21 ~~nonparticipating manufacturer's cigarettes.~~

22 (2) The Attorney General may require at any time from the
23 nonparticipating manufacturer proof, from the financial institution in
24 which such manufacturer has established a qualified escrow fund for the
25 purpose of compliance with section 69-2703, of the amount of money in
26 such fund, exclusive of interest, the amounts and dates of each deposit
27 to such fund, and the amounts and dates of each withdrawal from such
28 fund.

29 (3) In addition to the information required to be submitted pursuant
30 to subsection (1) of this section, the Tax Commissioner or Attorney
31 General may require a stamping agent, distributor, or tobacco product

1 manufacturer to submit any additional information, including, but not
2 limited to, samples of the packaging or labeling of each brand family, as
3 is necessary to enable the Tax Commissioner or Attorney General to
4 determine whether a tobacco product manufacturer is in compliance with
5 sections 69-2704 to 69-2711.

6 (4) The Tax Commissioner or the Attorney General may require
7 production of information sufficient to enable the Tax Commissioner or
8 Attorney General to determine the adequacy of the amount of a quarterly
9 escrow deposit under subdivision (2) of section 69-2703. The Tax
10 Commissioner may adopt and promulgate rules and regulations implementing
11 how tobacco product manufacturers subject to subdivision (2) of section
12 69-2703 make quarterly payments.

13 Sec. 5. Section 77-115, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 77-115 County assessor includes an elected or appointed county
16 assessor or a county clerk who is an ex officio county assessor.—~~In~~
17 ~~counties in which the state has assumed the assessment function, the~~
18 ~~Property Tax Administrator or his or her designee performs the duties and~~
19 ~~has the authority of the county assessor.~~

20 Sec. 6. Section 77-376, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 77-376 The Tax Commissioner may examine or cause to be examined in
23 his or her behalf, and make memoranda from, any of the financial records
24 of state and local subdivisions, persons, and corporations subject to the
25 tax laws of this state. No information shall be released that is not so
26 authorized by existing statutes. Unless otherwise prohibited by law, the
27 Tax Commissioner may share the information examined with the taxing or
28 law enforcement authorities of this state, other states, and the federal
29 government.

30 Sec. 7. Section 77-1248, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 77-1248 (1) The Property Tax Administrator shall ascertain from the
2 reports made and from any other information obtained by him or her the
3 taxable value of the flight equipment of air carriers and the proportion
4 allocated to this state for the purposes of taxation as provided in
5 section 77-1245.

6 (2)(a) In determining the taxable value of the flight equipment of
7 air carriers pursuant to subsection (1) of this section, the Property Tax
8 Administrator shall determine the following ratios:

9 (i) The ratio of the taxable value of all commercial and industrial
10 depreciable tangible personal property in the state actually subjected to
11 property tax to the market value of all commercial and industrial
12 depreciable tangible personal property in the state; and

13 (ii) The ratio of the taxable value of flight equipment of air
14 carriers to the market value of flight equipment of air carriers.

15 (b) If the ratio of the taxable value of flight equipment of air
16 carriers exceeds the ratio of the taxable value of commercial and
17 industrial depreciable tangible personal property by more than five
18 percent, the Property Tax Administrator may adjust the value of such
19 flight equipment of air carriers to the percentage of the taxable
20 commercial and industrial depreciable tangible personal property pursuant
21 to federal law applicable to air carrier transportation property or
22 Nebraska federal court decisions applicable thereto.

23 (c) For purposes of this subsection, commercial and industrial
24 depreciable tangible personal property means all personal property which
25 is devoted to commercial or industrial use other than flight equipment of
26 air carriers.

27 Sec. 8. Section 77-1342, Revised Statutes Cumulative Supplement,
28 2014, is amended to read:

29 77-1342 There is hereby created a fund to be known as the Department
30 of Revenue Property Assessment Division Cash Fund to which shall be
31 credited all money received by the Department of Revenue for services

1 performed for county and multicounty assessment districts, for charges
2 for publications, manuals, and lists, as an assessor's examination fee
3 authorized by section 77-421, and under the provisions of sections
4 60-3,202, 77-684, and 77-1250, ~~and 77-1340~~. The fund shall be used to
5 carry out any duties and responsibilities of the department, except that
6 transfers may be made from the fund to the General Fund at the direction
7 of the Legislature. The county or multicounty assessment district shall
8 be billed by the department for services rendered. Reimbursements to the
9 department shall be credited to the Department of Revenue Property
10 Assessment Division Cash Fund, and expenditures therefrom shall be made
11 only when such funds are available. The department shall only bill for
12 the actual amount expended in performing the service.

13 The fund shall not, at the close of each year, be lapsed to the
14 General Fund. Any money in the Department of Revenue Property Assessment
15 Division Cash Fund available for investment shall be invested by the
16 state investment officer pursuant to the Nebraska Capital Expansion Act
17 and the Nebraska State Funds Investment Act.

18 Sec. 9. Section 77-2604, Revised Statutes Cumulative Supplement,
19 2014, is amended to read:

20 77-2604 (1) Every stamping agent, wholesale dealer, and retail
21 dealer who is subject to sections 77-2601 to 77-2622 shall make and file
22 with the Tax Commissioner, on or before the fifteenth day of each
23 calendar month on blanks furnished by the Tax Commissioner, true,
24 correct, and sworn reports covering, for the last preceding calendar
25 month, the number of cigarettes purchased, from whom purchased, the
26 specific kinds and brands thereof, the manufacturer, if known, and such
27 other matters and in such detail as the Tax Commissioner may require.

28 (2)(a) Each manufacturer and importer that sells cigarettes in or
29 into the state shall, within fifteen days following the end of each
30 month, file a report on a form and in the manner prescribed by the Tax
31 Commissioner and certify to the state that the report is complete and

1 accurate.

2 (b) The report shall contain the following information: The total
3 number of cigarettes sold by that manufacturer or importer in or into the
4 state during that month and identifying by name and number of cigarettes,
5 (i) the manufacturers of those cigarettes, (ii) the brand families of
6 those cigarettes, and (iii) the purchasers of those cigarettes. A
7 manufacturer's or importer's report shall include cigarettes sold in or
8 into the state through its sales entity affiliate.

9 (c) The requirements of this subsection shall be satisfied and no
10 further report shall be required under this section with respect to
11 cigarettes if the manufacturer or importer timely submits to the Tax
12 Commissioner the report or reports required to be submitted by it with
13 respect to those cigarettes under 15 U.S.C. 376 to the Tax Commissioner
14 and certifies to the state that the reports are complete and accurate.

15 (d) Upon request by the Tax Commissioner, a manufacturer or importer
16 shall provide copies of all sales reports referenced in subdivisions (2)
17 (a) and (b) of this section that it filed in other states.

18 (e) Each manufacturer and importer that sells cigarettes in or into
19 the state shall either (i) submit its federal excise tax returns and all
20 monthly operational reports on Alcohol and Tobacco Tax and Trade Bureau
21 Form 5210.5 and all adjustments, changes, and amendments to such reports
22 to the Tax Commissioner no later than sixty days after the close of the
23 quarter in which the returns were filed or (ii) submit to the United
24 States Treasury a request or consent under section 6103(c) of the
25 Internal Revenue Code of 1986 as defined in section 49-801.01 authorizing
26 the federal Alcohol and Tobacco Tax and Trade Bureau and, in the case of
27 a foreign manufacturer or importer, the United States Customs Service to
28 disclose the manufacturer's or importer's federal returns to the Tax
29 Commissioner as of sixty days after the close of the quarter in which the
30 returns were filed.

31 ~~(3) The Tax Commissioner may share the information reported under~~

1 ~~this section with the taxing or law enforcement authorities of this state~~
2 ~~and other states.~~

3 Sec. 10. Section 77-2604.01, Revised Statutes Cumulative Supplement,
4 2014, is amended to read:

5 77-2604.01 (1) Any person that sells cigarettes from this state into
6 another state shall, within fifteen days following the end of each month,
7 file a report on a form and in the manner prescribed by the Tax
8 Commissioner and certify to the state that the report is complete and
9 accurate.

10 (2) The report shall contain the following information:

11 (a) The total number of cigarettes sold from this state into another
12 state by the person during that month, identifying by name and number of
13 cigarettes (i) the manufacturers of those cigarettes, (ii) the brand
14 families of those cigarettes, and (iii) the name and address of each
15 recipient of those cigarettes;

16 (b) The number of stamps of each other state the person affixed to
17 the packages containing those cigarettes during that month, the total
18 number of cigarettes contained in the packages to which it affixed each
19 respective other state's stamp and by name and number of cigarettes, and
20 the manufacturers and brand families of the packages to which it affixed
21 each respective other state's stamp; and

22 (c) If the person sold cigarettes during that month from this state
23 into another state in packages not bearing a stamp of the other state,
24 (i) the total number of cigarettes contained in such packages,
25 identifying by name and number of cigarettes, the manufacturers of those
26 cigarettes, the brand families of those cigarettes, and the name and
27 address of each recipient of those cigarettes, and (ii) the person's
28 basis for belief that such state permits the sale of the cigarettes to
29 consumers in a package not bearing a stamp, and the amount of excise,
30 use, or similar tax imposed on the cigarettes paid by the person to such
31 state on the cigarettes. Manufacturers and importers need include the

1 information described in subdivision (2)(c)(i) of this section only as to
2 cigarettes not sold to a person authorized by the law of the other state
3 to affix the stamp required by the other state.

4 (3) In the case of a manufacturer or importer, the report shall
5 include cigarettes sold from this state into another state through its
6 sales entity affiliate. A sales entity affiliate shall file a separate
7 report under this section only to the extent that it sold cigarettes from
8 this state into another state not separately reported under this section
9 by its affiliated manufacturer or importer.

10 ~~(4) The Tax Commissioner may share the information reported under~~
11 ~~this section with the taxing or law enforcement authorities of this state~~
12 ~~or other states.~~

13 Sec. 11. Section 77-27,235, Revised Statutes Cumulative Supplement,
14 2014, is amended to read:

15 77-27,235 (1) Any producer of electricity generated by a new
16 renewable electric generation facility shall earn a renewable energy tax
17 credit. For electricity generated on or after July 14, 2006, and before
18 October 1, 2007, the credit shall be .075 cent for each kilowatt-hour of
19 electricity generated by a new renewable electric generation facility.
20 For electricity generated on or after October 1, 2007, and before January
21 1, 2010, the credit shall be .1 cent for each kilowatt-hour of
22 electricity generated by a new renewable electric generation facility.
23 For electricity generated on or after January 1, 2010, and before January
24 1, 2013, the credit shall be .075 cent per kilowatt-hour for electricity
25 generated by a new renewable electric generation facility. For
26 electricity generated on or after January 1, 2013, the credit shall be .
27 05 cent per kilowatt-hour for electricity generated by a new renewable
28 electric generation facility. The credit may be earned for production of
29 electricity for ten years after the date that the facility is placed in
30 operation on or after July 14, 2006.

31 (2) For purposes of this section:

1 (a) Electricity generated by a new renewable electric generation
2 facility means electricity that is exclusively produced by a new
3 renewable electric generation facility;

4 (b) Eligible renewable resources means wind, moving water, solar,
5 geothermal, fuel cell, methane gas, or photovoltaic technology; and

6 (c) New renewable electric generation facility means an electrical
7 generating facility located in this state that is first placed into
8 service on or after July 14, 2006, which utilizes eligible renewable
9 resources as its fuel source.

10 (3) The credit allowed under this section may be used to reduce the
11 producer's Nebraska income tax liability or to obtain a refund of state
12 sales and use taxes paid by the producer of electricity generated by a
13 new renewable electric generation facility. A claim to use the credit for
14 refund of the state sales and use taxes paid, either directly or
15 indirectly, by the producer may be filed quarterly for electricity
16 generated during the previous quarter by the twentieth day of the month
17 following the end of the calendar quarter. The credit may be used to
18 obtain a refund of state sales and use taxes paid during the quarter
19 immediately preceding the quarter in which the claim for refund is made,
20 except that the amount refunded under this subsection shall not exceed
21 the amount of the state sales and use taxes paid during the quarter.

22 (4) The Department of Revenue may adopt and promulgate rules and
23 regulations to permit verification of the validity and timeliness of any
24 renewable energy tax credit claimed.

25 (5) The total amount of renewable energy tax credits that may be
26 used by all taxpayers shall be limited to fifty thousand dollars without
27 further authorization from the Legislature.

28 (6) The credit allowed under this section may not be claimed by a
29 producer who received a sales tax exemption under section 77-2704.57 for
30 the new renewable electric generation facility.

31 (7) Interest shall not be allowed on any refund paid under this

1 section.

2 Sec. 12. Section 77-2904, Revised Statutes Cumulative Supplement,
3 2014, is amended to read:

4 77-2904 (1) Any person incurring eligible expenditures may receive a
5 nonrefundable credit against any income tax imposed by the Nebraska
6 Revenue Act of 1967 or any tax imposed pursuant to sections 77-907 to
7 77-918 or 77-3801 to 77-3807 for the year the historically significant
8 real property is placed in service. The amount of the credit shall be
9 equal to twenty percent of eligible expenditures up to a maximum credit
10 of one million dollars.

11 (2) To claim the credit authorized under this section, a person must
12 first apply and receive an allocation of credits and application approval
13 under section 77-2905 and then request and receive final approval under
14 section 77-2906.

15 (3) Interest shall not be allowed on any refund paid under the
16 Nebraska Job Creation and Mainstreet Revitalization Act.

17 Sec. 13. Section 77-3442, Revised Statutes Cumulative Supplement,
18 2014, is amended to read:

19 77-3442 (1) Property tax levies for the support of local governments
20 for fiscal years beginning on or after July 1, 1998, shall be limited to
21 the amounts set forth in this section except as provided in section
22 77-3444.

23 (2)(a) Except as provided in subdivision (2)(e) of this section,
24 school districts and multiple-district school systems, except learning
25 communities and school districts that are members of learning
26 communities, may levy a maximum levy of one dollar and five cents per one
27 hundred dollars of taxable valuation of property subject to the levy.

28 (b) For each fiscal year, learning communities may levy a maximum
29 levy for the general fund budgets of member school districts of ninety-
30 five cents per one hundred dollars of taxable valuation of property
31 subject to the levy. The proceeds from the levy pursuant to this

1 subdivision shall be distributed pursuant to section 79-1073.

2 (c) Except as provided in subdivision (2)(e) of this section, for
3 each fiscal year, school districts that are members of learning
4 communities may levy for purposes of such districts' general fund budget
5 and special building funds a maximum combined levy of the difference of
6 one dollar and five cents on each one hundred dollars of taxable property
7 subject to the levy minus the learning community levies pursuant to
8 subdivisions (2)(b) and (2)(g) of this section for such learning
9 community.

10 (d) Excluded from the limitations in subdivisions (2)(a) and (2)(c)
11 of this section are amounts levied to pay for sums agreed to be paid by a
12 school district to certificated employees in exchange for a voluntary
13 termination of employment and amounts levied to pay for special building
14 funds and sinking funds established for projects commenced prior to April
15 1, 1996, for construction, expansion, or alteration of school district
16 buildings. For purposes of this subsection, commenced means any action
17 taken by the school board on the record which commits the board to expend
18 district funds in planning, constructing, or carrying out the project.

19 (e) Federal aid school districts may exceed the maximum levy
20 prescribed by subdivision (2)(a) or (2)(c) of this section only to the
21 extent necessary to qualify to receive federal aid pursuant to Title VIII
22 of Public Law 103-382, as such title existed on September 1, 2001. For
23 purposes of this subdivision, federal aid school district means any
24 school district which receives ten percent or more of the revenue for its
25 general fund budget from federal government sources pursuant to Title
26 VIII of Public Law 103-382, as such title existed on September 1, 2001.

27 (f) For school fiscal year 2002-03 through school fiscal year
28 2007-08, school districts and multiple-district school systems may, upon
29 a three-fourths majority vote of the school board of the school district,
30 the board of the unified system, or the school board of the high school
31 district of the multiple-district school system that is not a unified

1 system, exceed the maximum levy prescribed by subdivision (2)(a) of this
2 section in an amount equal to the net difference between the amount of
3 state aid that would have been provided under the Tax Equity and
4 Educational Opportunities Support Act without the temporary aid
5 adjustment factor as defined in section 79-1003 for the ensuing school
6 fiscal year for the school district or multiple-district school system
7 and the amount provided with the temporary aid adjustment factor. The
8 State Department of Education shall certify to the school districts and
9 multiple-district school systems the amount by which the maximum levy may
10 be exceeded for the next school fiscal year pursuant to this subdivision
11 (f) of this subsection on or before February 15 for school fiscal years
12 2004-05 through 2007-08.

13 (g) For each fiscal year, learning communities may levy a maximum
14 levy of two cents on each one hundred dollars of taxable property subject
15 to the levy for special building funds for member school districts. The
16 proceeds from the levy pursuant to this subdivision shall be distributed
17 pursuant to section 79-1073.01.

18 (h) For each fiscal year, learning communities may levy a maximum
19 levy of one-half cent on each one hundred dollars of taxable property
20 subject to the levy for elementary learning center facility leases, for
21 remodeling of leased elementary learning center facilities, and for up to
22 fifty percent of the estimated cost for focus school or program capital
23 projects approved by the learning community coordinating council pursuant
24 to section 79-2111.

25 (i) For each fiscal year, learning communities may levy a maximum
26 levy of one and one-half cents on each one hundred dollars of taxable
27 property subject to the levy for early childhood education programs for
28 children in poverty, for elementary learning center employees, for
29 contracts with other entities or individuals who are not employees of the
30 learning community for elementary learning center programs and services,
31 and for pilot projects, except that no more than ten percent of such levy

1 may be used for elementary learning center employees.

2 (3)(a) For fiscal years 2011-12 and 2012-13, community college areas
3 may levy a maximum of ten and one-quarter cents per one hundred dollars
4 of taxable valuation of property subject to the levy for operating
5 expenditures and may also levy the additional levies provided in
6 subdivisions (1)(b) and (c) of section 85-1517.

7 (b) For fiscal year 2013-14 and each fiscal year thereafter,
8 community college areas may levy the levies provided in subdivisions (2)
9 (a) through (c) of section 85-1517, in accordance with the provisions of
10 such subdivisions. A community college area may exceed the levy provided
11 in subdivision (2)(b) of section 85-1517 by the amount necessary to
12 retire general obligation bonds assumed by the community college area or
13 issued pursuant to section 85-1515 according to the terms of such bonds
14 or for any obligation pursuant to section 85-1535 entered into prior to
15 January 1, 1997.

16 (4)(a) Natural resources districts may levy a maximum levy of four
17 and one-half cents per one hundred dollars of taxable valuation of
18 property subject to the levy.

19 (b) Natural resources districts shall also have the power and
20 authority to levy a tax equal to the dollar amount by which their
21 restricted funds budgeted to administer and implement ground water
22 management activities and integrated management activities under the
23 Nebraska Ground Water Management and Protection Act exceed their
24 restricted funds budgeted to administer and implement ground water
25 management activities and integrated management activities for FY2003-04,
26 not to exceed one cent on each one hundred dollars of taxable valuation
27 annually on all of the taxable property within the district.

28 (c) In addition, natural resources districts located in a river
29 basin, subbasin, or reach that has been determined to be fully
30 appropriated pursuant to section 46-714 or designated as overappropriated
31 pursuant to section 46-713 by the Department of Natural Resources shall

1 also have the power and authority to levy a tax equal to the dollar
2 amount by which their restricted funds budgeted to administer and
3 implement ground water management activities and integrated management
4 activities under the Nebraska Ground Water Management and Protection Act
5 exceed their restricted funds budgeted to administer and implement ground
6 water management activities and integrated management activities for
7 FY2005-06, not to exceed three cents on each one hundred dollars of
8 taxable valuation on all of the taxable property within the district for
9 fiscal year 2006-07 and each fiscal year thereafter through fiscal year
10 2017-18.

11 (5) Any educational service unit authorized to levy a property tax
12 pursuant to section 79-1225 may levy a maximum levy of one and one-half
13 cents per one hundred dollars of taxable valuation of property subject to
14 the levy.

15 (6)(a) Incorporated cities and villages which are not within the
16 boundaries of a municipal county may levy a maximum levy of forty-five
17 cents per one hundred dollars of taxable valuation of property subject to
18 the levy plus an additional five cents per one hundred dollars of taxable
19 valuation to provide financing for the municipality's share of revenue
20 required under an agreement or agreements executed pursuant to the
21 Interlocal Cooperation Act or the Joint Public Agency Act. The maximum
22 levy shall include amounts levied to pay for sums to support a library
23 pursuant to section 51-201, museum pursuant to section 51-501, visiting
24 community nurse, home health nurse, or home health agency pursuant to
25 section 71-1637, or statue, memorial, or monument pursuant to section
26 80-202.

27 (b) Incorporated cities and villages which are within the boundaries
28 of a municipal county may levy a maximum levy of ninety cents per one
29 hundred dollars of taxable valuation of property subject to the levy. The
30 maximum levy shall include amounts paid to a municipal county for county
31 services, amounts levied to pay for sums to support a library pursuant to

1 section 51-201, a museum pursuant to section 51-501, a visiting community
2 nurse, home health nurse, or home health agency pursuant to section
3 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

4 (7) Sanitary and improvement districts which have been in existence
5 for more than five years may levy a maximum levy of forty cents per one
6 hundred dollars of taxable valuation of property subject to the levy, and
7 sanitary and improvement districts which have been in existence for five
8 years or less shall not have a maximum levy. Unconsolidated sanitary and
9 improvement districts which have been in existence for more than five
10 years and are located in a municipal county may levy a maximum of eighty-
11 five cents per hundred dollars of taxable valuation of property subject
12 to the levy.

13 (8) Counties may levy or authorize a maximum levy of fifty cents per
14 one hundred dollars of taxable valuation of property subject to the levy,
15 except that five cents per one hundred dollars of taxable valuation of
16 property subject to the levy may only be levied to provide financing for
17 the county's share of revenue required under an agreement or agreements
18 executed pursuant to the Interlocal Cooperation Act or the Joint Public
19 Agency Act. The maximum levy shall include amounts levied to pay for sums
20 to support a library pursuant to section 51-201 or museum pursuant to
21 section 51-501. The county may allocate up to fifteen cents of its
22 authority to other political subdivisions subject to allocation of
23 property tax authority under subsection (1) of section 77-3443 and not
24 specifically covered in this section to levy taxes as authorized by law
25 which do not collectively exceed fifteen cents per one hundred dollars of
26 taxable valuation on any parcel or item of taxable property. The county
27 may allocate to one or more other political subdivisions subject to
28 allocation of property tax authority by the county under subsection (1)
29 of section 77-3443 some or all of the county's five cents per one hundred
30 dollars of valuation authorized for support of an agreement or agreements
31 to be levied by the political subdivision for the purpose of supporting

1 that political subdivision's share of revenue required under an agreement
2 or agreements executed pursuant to the Interlocal Cooperation Act or the
3 Joint Public Agency Act. If an allocation by a county would cause another
4 county to exceed its levy authority under this section, the second county
5 may exceed the levy authority in order to levy the amount allocated.
6 ~~Property tax levies for costs of reassumption of the assessment function~~
7 ~~pursuant to section 77-1340 or 77-1340.04 are not included in the levy~~
8 ~~limits established in this subsection for fiscal years 2010-11 through~~
9 ~~2013-14.~~

10 (9) Municipal counties may levy or authorize a maximum levy of one
11 dollar per one hundred dollars of taxable valuation of property subject
12 to the levy. The municipal county may allocate levy authority to any
13 political subdivision or entity subject to allocation under section
14 77-3443.

15 (10) Property tax levies (a) for judgments, except judgments or
16 orders from the Commission of Industrial Relations, obtained against a
17 political subdivision which require or obligate a political subdivision
18 to pay such judgment, to the extent such judgment is not paid by
19 liability insurance coverage of a political subdivision, (b) for
20 preexisting lease-purchase contracts approved prior to July 1, 1998, (c)
21 for bonds as defined in section 10-134 approved according to law and
22 secured by a levy on property except as provided in section 44-4317 for
23 bonded indebtedness issued by educational service units and school
24 districts, and (d) for payments by a public airport to retire interest-
25 free loans from the Department of Aeronautics in lieu of bonded
26 indebtedness at a lower cost to the public airport are not included in
27 the levy limits established by this section.

28 (11) The limitations on tax levies provided in this section are to
29 include all other general or special levies provided by law.
30 Notwithstanding other provisions of law, the only exceptions to the
31 limits in this section are those provided by or authorized by sections

1 77-3442 to 77-3444.

2 (12) Tax levies in excess of the limitations in this section shall
3 be considered unauthorized levies under section 77-1606 unless approved
4 under section 77-3444.

5 (13) For purposes of sections 77-3442 to 77-3444, political
6 subdivision means a political subdivision of this state and a county
7 agricultural society.

8 (14) For school districts that file a binding resolution on or
9 before May 9, 2008, with the county assessors, county clerks, and county
10 treasurers for all counties in which the school district has territory
11 pursuant to subsection (7) of section 79-458, if the combined levies,
12 except levies for bonded indebtedness approved by the voters of the
13 school district and levies for the refinancing of such bonded
14 indebtedness, are in excess of the greater of (a) one dollar and twenty
15 cents per one hundred dollars of taxable valuation of property subject to
16 the levy or (b) the maximum levy authorized by a vote pursuant to section
17 77-3444, all school district levies, except levies for bonded
18 indebtedness approved by the voters of the school district and levies for
19 the refinancing of such bonded indebtedness, shall be considered
20 unauthorized levies under section 77-1606.

21 Sec. 14. Sections 1, 2, 3, 5, 8, 13, 17, and 18 of this act become
22 operative three calendar months after the adjournment of this legislative
23 session. Sections 7 and 15 of this act become operative on January 1,
24 2015. The other sections of this act become operative on their effective
25 date.

26 Sec. 15. Original section 77-1248, Reissue Revised Statutes of
27 Nebraska, is repealed.

28 Sec. 16. Original section 77-376, Reissue Revised Statutes of
29 Nebraska, and sections 69-2708, 77-2604, 77-2604.01, 77-27,235, and
30 77-2904, Revised Statutes Cumulative Supplement, 2014, are repealed.

31 Sec. 17. Original sections 13-519, 13-520, and 77-115, Reissue

1 Revised Statutes of Nebraska, and sections 23-2306, 77-1342, and 77-3442,
2 Revised Statutes Cumulative Supplement, 2014, are repealed.

3 Sec. 18. The following sections are outright repealed: Sections
4 77-1340.05 and 77-1340.06, Reissue Revised Statutes of Nebraska, and
5 section 77-1340.04, Revised Statutes Cumulative Supplement, 2014.

6 Sec. 19. Since an emergency exists, this act takes effect when
7 passed and approved according to law.