

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FIFTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 911**

Introduced by Bolz, 29.

Read first time January 08, 2018

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to adopt the School
- 2 District Local Option Income Surtax Act.
- 3 Be it enacted by the people of the State of Nebraska,

1           Section 1. Sections 1 to 8 of this act shall be known and may be  
2 cited as the School District Local Option Income Surtax Act.

3           Sec. 2. For purposes of the School District Local Option Income  
4 Surtax Act:

5           (1) School board has the same meaning as in section 79-101; and

6           (2) School district has the same meaning as in section 79-101.

7           Sec. 3. (1) The school board of any school district may impose a  
8 local option income surtax for the following purposes:

9           (a) Property tax reduction; or

10           (b) Building construction, remodeling, and site acquisition.

11           (2) The local option income surtax shall be imposed upon individuals  
12 who reside in the school district. Such individuals shall be determined  
13 using the school district indicated on state income tax returns.

14           (3) The local option income surtax shall be equal to the  
15 individual's state income tax liability, less any amount of nonrefundable  
16 credits allowed to such individual under state law, multiplied by a rate  
17 determined by the school board, not to exceed twenty percent.

18           (4) The local option income surtax shall be collected at the same  
19 time and in the same manner as the state individual income tax. The Tax  
20 Commissioner shall prescribe withholding tables to be used in collecting  
21 the surtax and shall adjust income tax forms to include calculation of  
22 the surtax.

23           (5) No local option income surtax shall be imposed pursuant to this  
24 section until an election has been held and a majority of the registered  
25 voters in such school district have approved such surtax pursuant to  
26 section 4 of this act.

27           Sec. 4. (1) A school board may, by majority vote, pass a resolution  
28 to place the issue of enacting a local option income surtax before the  
29 registered voters of the school district at any primary, general, or  
30 special election.

31           (2) A school board may pass no more than one resolution calling for

1 an election pursuant to this section during any one calendar year.

2 (3) The school board shall deliver a copy of such resolution to the  
3 county clerk or election commissioner of every county that contains all  
4 or part of the school district.

5 (4) The resolution shall include:

6 (a) The local option income surtax rate which would be imposed, not  
7 to exceed twenty percent;

8 (b) The duration of the local option income surtax, not to exceed  
9 five years; and

10 (c) The purpose for which the local option income surtax revenue  
11 will be used. Such purpose may be one or both of the purposes allowed  
12 under subsection (1) of section 3 of this act.

13 (5) If the resolution calls for a vote at a primary or general  
14 election, the resolution shall be filed with the county clerk or election  
15 commissioner no later than thirty days prior to the date of the primary  
16 or general election and the time for publishing and providing a copy of  
17 the notice of election, as required in section 32-802, shall be no later  
18 than twenty days prior to the election. The county clerk or election  
19 commissioner shall place the issue on the ballot at the primary or  
20 general election called for in the resolution if such election is at  
21 least thirty days after the date that the county clerk or election  
22 commissioner received the resolution. The election shall be held pursuant  
23 to the Election Act.

24 (6) If the resolution calls for a vote at a special election, the  
25 resolution shall be filed with the county clerk or election commissioner  
26 no later than twenty days prior to the date of the special election and  
27 such special election shall be conducted in the same manner as described  
28 in section 10-703.01.

29 (7) The ballot question may include terms and conditions set forth  
30 in the resolution and shall include the following: "Shall (name of school  
31 district) be allowed to impose a local option income surtax of (rate set

1 by the school board) on the income tax liability of residents of the  
2 school district until (last year of the surtax) for purposes of (property  
3 tax reduction; building construction, remodeling, and site acquisition;  
4 or both property tax reduction and building construction, remodeling, and  
5 site acquisition)?".

6 (8) If a majority of the votes cast upon the ballot question are in  
7 favor of the local option income surtax, the local option income surtax  
8 shall be imposed and the school board shall notify the Tax Commissioner  
9 of such surtax. If a majority of those voting on the ballot question are  
10 opposed to the local option income surtax, the local option income surtax  
11 shall not be imposed.

12 Sec. 5. (1) The Tax Commissioner shall determine the total local  
13 option income surtax owed to each school district and shall distribute  
14 such amounts to the applicable school districts on or before July 1 of  
15 each year.

16 (2) School districts shall notify the Tax Commissioner by August 1  
17 of each year of the school district's local option income surtax rate to  
18 be imposed for the following tax year.

19 Sec. 6. (1) If a local option income surtax is imposed in any  
20 school district pursuant to the School District Local Option Income  
21 Surtax Act, the surtax shall not increase the school district's budget  
22 authority for the general fund budget of expenditures as prescribed in  
23 section 79-1023.

24 (2) If the purpose of a local option income surtax is property tax  
25 reduction, the proceeds from the surtax shall be deposited in the school  
26 district's general fund.

27 (3) If the purpose of a local option income surtax is building  
28 construction, remodeling, and site acquisition, the proceeds from the  
29 surtax shall be deposited in a special building fund of the school  
30 district.

31 Sec. 7. (1) The school board of a school district may rescind or

1 modify a previously approved local option income surtax prior to its  
2 expiration if such rescission or modification is approved by a majority  
3 of registered voters voting on the issue in a primary, general, or  
4 special election.

5 (2) The school board may call for the submission of the issue to the  
6 voters by passing a resolution calling for the rescission or modification  
7 by a majority vote of the members of the school board and delivering a  
8 copy of the resolution to the county clerk or election commissioner of  
9 every county which contains all or part of the school district.

10 (3) The resolution shall include the rate, duration, and purpose of  
11 the previously approved local option income surtax and a statement that  
12 either such surtax will be rescinded or such surtax will be modified. If  
13 the surtax will be modified, the type and duration of the modification  
14 shall be stated. The modification shall not have a duration of greater  
15 than five years.

16 (4) If the resolution calls for a vote at a primary or general  
17 election, the resolution shall be filed with the county clerk or election  
18 commissioner no later than thirty days prior to the date of the primary  
19 or general election and the time for publishing and providing a copy of  
20 the notice of election, as required in section 32-802, shall be no later  
21 than twenty days prior to the election. The county clerk or election  
22 commissioner shall place the issue on the ballot at the primary or  
23 general election called for in the resolution if such election is at  
24 least thirty days after the date that the county clerk or election  
25 commissioner received the resolution. The election shall be held pursuant  
26 to the Election Act.

27 (5) If the resolution calls for a vote at a special election, the  
28 resolution shall be filed with the county clerk or election commissioner  
29 no later than twenty days prior to the date of the special election and  
30 such special election shall be conducted in the same manner as described  
31 in section 10-703.01.

1           Sec. 8.   The department may adopt and promulgate rules and  
2 regulations to carry out the School District Local Option Income Surtax  
3 Act.