

AMENDMENTS TO LB538  
(Amendments to AM1278)

Introduced by Lathrop, 12.

1           1. Insert the following new sections:

2           Sec. 4. No cash device shall be operated using a credit card,  
3 charge card, or debit card. No person under nineteen years of age shall  
4 play or participate in any way in the operation of a cash device. No  
5 operator or employee or agent of any operator shall knowingly permit any  
6 individual under nineteen years of age to play or participate in any way  
7 in the operation of a cash device.

8           Sec. 10. Section 77-5601, Reissue Revised Statutes of Nebraska, as  
9 amended by section 2, Legislative Bill 237, One Hundred Sixth  
10 Legislature, First Session, 2019, is amended to read:

11           77-5601 (1) From August 1, 2004, through October 31, 2004, there  
12 shall be conducted a tax amnesty program with regard to taxes due and  
13 owing that have not been reported to the Department of Revenue. Any  
14 person applying for tax amnesty shall pay all unreported taxes that were  
15 due on or before April 1, 2004. Any person that applies for tax amnesty  
16 and is accepted by the Tax Commissioner shall have any penalties and  
17 interest waived on unreported and delinquent taxes notwithstanding any  
18 other provisions of law to the contrary.

19           (2) To be eligible for the tax amnesty provided by this section, the  
20 person shall apply for amnesty within the amnesty period, file a return  
21 for each taxable period for which the amnesty is requested by December  
22 31, 2004, if no return has been filed, and pay in full all taxes for  
23 which amnesty is sought with the return or within thirty days after the  
24 application if a return was filed prior to the amnesty period. Tax  
25 amnesty shall not be available for any person that is under civil or  
26 criminal audit, investigation, or prosecution for unreported or

1 delinquent taxes by this state or the United States Government on or  
2 before April 16, 2004.

3 (3) The department shall not seek civil or criminal prosecution  
4 against any person for any taxable period for which amnesty has been  
5 granted. The Tax Commissioner shall develop forms for applying for the  
6 tax amnesty program, develop procedures for qualification for tax  
7 amnesty, and conduct a public awareness campaign publicizing the program.

8 (4) If a person elects to participate in the amnesty program, the  
9 election shall constitute an express and irrevocable relinquishment of  
10 all administrative and judicial rights to challenge the imposition of the  
11 tax or its amount. Nothing in this section shall prohibit the department  
12 from adjusting a return as a result of any state or federal audit.

13 (5)(a) Except for any local option sales tax collected and returned  
14 to the appropriate municipality and any motor vehicle fuel, diesel fuel,  
15 and compressed fuel taxes, which shall be deposited in the Highway Trust  
16 Fund or Highway Allocation Fund as provided by law, no less than eighty  
17 percent of all revenue received pursuant to the tax amnesty program shall  
18 be deposited in the General Fund; and ten percent, not to exceed five  
19 hundred thousand dollars, shall be deposited in the Department of Revenue  
20 Enforcement Fund; ~~and ten percent, not to exceed five hundred thousand~~  
21 ~~dollars, shall be deposited in the Department of Revenue Enforcement~~  
22 ~~Technology Fund.~~ Any amount that would otherwise be deposited in the  
23 Department of Revenue Enforcement Fund ~~or the Department of Revenue~~  
24 ~~Enforcement Technology Fund~~ that is in excess of the five-hundred-  
25 thousand-dollar limitation shall be deposited in the General Fund.

26 (b) For fiscal year 2005-06, all proceeds in the Department of  
27 Revenue Enforcement Fund shall be appropriated to the department for  
28 purposes of employing investigators, agents, and auditors and otherwise  
29 increasing personnel for enforcement of the Nebraska Revenue Act of 1967.  
30 ~~For fiscal year 2005-06, all proceeds in the Department of Revenue~~  
31 ~~Enforcement Technology Fund shall be appropriated to the department for~~

1 ~~the purposes of acquiring lists, software, programming, computer~~  
2 ~~equipment, and other technological methods for enforcing the act.~~

3 (c) For fiscal years after fiscal year 2005-06, twenty percent of  
4 all proceeds received during the previous calendar year due to the  
5 efforts of auditors and investigators hired pursuant to subdivision (5)  
6 (b) of this section, not to exceed seven hundred fifty thousand dollars,  
7 shall be deposited in the Department of Revenue Enforcement Fund for  
8 purposes of employing investigators and auditors or continuing such  
9 employment for purposes of increasing enforcement of the act.

10 (d) Ten percent of all proceeds received during each calendar year  
11 due to the contracts entered into pursuant to section 77-367 shall be  
12 deposited in the Department of Revenue Enforcement Fund for purposes of  
13 identifying nonfilers of returns, underreporters, nonpayers of taxes, and  
14 improper or fraudulent payments.

15 (6)(a) The department shall prepare a report by April 1, 2005, and  
16 by February 1 of each year thereafter detailing the results of the tax  
17 amnesty program and the subsequent enforcement efforts. For the report  
18 due April 1, 2005, the report shall include (i) the amount of revenue  
19 obtained as a result of the tax amnesty program broken down by tax  
20 program, (ii) the amount obtained from instate taxpayers and from out-of-  
21 state taxpayers, and (iii) the amount obtained from individual taxpayers  
22 and from business enterprises.

23 (b) For reports due in subsequent years, the report shall include  
24 (i) the number of personnel hired for purposes of subdivision (5)(b) of  
25 this section and their duties, (ii) a description of lists, software,  
26 programming, computer equipment, and other technological methods acquired  
27 ~~pursuant to such subdivision~~ and the purposes of each, and (iii) the  
28 amount of new revenue obtained as a result of the new personnel and  
29 acquisitions during the prior calendar year, broken down into the same  
30 categories as described in subdivision (6)(a) of this section.

31 (7) The Department of Revenue Enforcement Fund is ~~and the Department~~

1 ~~of Revenue Enforcement Technology Fund~~ are created. Transfers may be made  
2 from the Department of Revenue Enforcement Fund to the General Fund at  
3 the direction of the Legislature. The Department of Revenue Enforcement  
4 Fund may receive transfers from the Civic and Community Center Financing  
5 Fund at the direction of the Legislature for the purpose of administering  
6 the Sports Arena Facility Financing Assistance Act. The Department of  
7 Revenue Enforcement Fund shall include any money credited to the fund (a)  
8 under section 77-2703, and such money shall be used by the Department of  
9 Revenue to defray the costs incurred to implement Legislative Bill 237,  
10 One Hundred Sixth Legislature, First Session, 2019, and (b) under the  
11 Mechanical Amusement Device Tax Act, and such money shall be used by the  
12 department to defray the costs incurred to implement and enforce this  
13 legislative bill and any rules and regulations adopted and promulgated to  
14 carry out this legislative bill ~~this legislative bill~~. Any money in the  
15 Department of Revenue Enforcement Fund ~~and the Department of Revenue~~  
16 ~~Enforcement Technology Fund~~ available for investment shall be invested by  
17 the state investment officer pursuant to the Nebraska Capital Expansion  
18 Act and the Nebraska State Funds Investment Act. ~~The Department of~~  
19 ~~Revenue Enforcement Technology Fund shall terminate on July 1, 2006. Any~~  
20 ~~unobligated money in the fund at that time shall be deposited in the~~  
21 ~~General Fund.~~

22 (8) For purposes of this section, taxes mean any taxes collected by  
23 the department, including, but not limited to state and local sales and  
24 use taxes, individual and corporate income taxes, financial institutions  
25 deposit taxes, motor vehicle fuel, diesel fuel, and compressed fuel  
26 taxes, cigarette taxes, transfer taxes, and charitable gaming taxes.

27 2. On page 4, line 26, after the first "a" insert "cash".

28 3. On page 8, after line 17 insert the following new subdivision:

29 "(b) An owner or operator of a retail establishment shall operate no  
30 more than one cash device for each one thousand square feet of space at  
31 such establishment up to a maximum of fifteen cash devices."; and in

1 lines 16 and 18 strike "(b)" and insert "(c)".

2 4. On page 9, after line 6 insert the following new subsections:

3 "(10)(a) Before any rules and regulations adopted and promulgated to  
4 carry out this section become effective, any manufacturer, distributor,  
5 or owner may continue to manufacture, sell, transport, place, possess, or  
6 enter into a transaction involving (i) cash devices already in operation  
7 at an establishment as of May 1, 2019, or (ii) other cash devices that  
8 are functionally identical to those already in operation at an  
9 establishment as of May 1, 2019.

10 (b) After any rules and regulations adopted and promulgated to carry  
11 out this section become effective, until any determination of compliance  
12 or noncompliance by the department, any manufacturer, distributor, or  
13 owner may continue to manufacture, sell, transport, place, possess, or  
14 enter into a transaction involving cash devices described in subdivision  
15 (10)(a) of this section if, within ninety days after the date when any  
16 such rules and regulations become effective, the manufacturer or  
17 distributor files an application with the department for such a  
18 determination.

19 (c) If a manufacturer or distributor receives a determination from  
20 the department that a device described in subdivision (10)(a) of this  
21 section is not in compliance with the Mechanical Amusement Device Tax  
22 Act, such manufacturer or distributor shall have thirty days after the  
23 issuance of that determination to remove any such device from operation  
24 in Nebraska.

25 (11) Application fees collected under subsection (2) of this section  
26 and annual decal fees collected under subsection (8) of this section  
27 shall be remitted to the State Treasurer for credit to the Department of  
28 Revenue Enforcement Fund."

29 5. On page 10, line 15, strike "section 3" and insert "sections 3  
30 and 4"; and in line 19 after the last comma insert "and section 77-5601,  
31 Reissue Revised Statutes of Nebraska, as amended by section 2,

- 1 Legislative Bill 237, One Hundred Sixth Legislature, First Session,
- 2 2019".
- 3 6. Renumber the remaining sections accordingly.