

AMENDMENTS TO LB183

Introduced by Briese, 41.

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

3           Section 1. Section 77-201, Reissue Revised Statutes of Nebraska, is  
4 amended to read:

5           77-201 (1) Except as provided in subsections (2) through (4) of this  
6 section, all real property in this state, not expressly exempt therefrom,  
7 shall be subject to taxation and shall be valued at its actual value.

8           (2) Agricultural land and horticultural land as defined in section  
9 77-1359 shall constitute a separate and distinct class of property for  
10 purposes of property taxation, shall be subject to taxation, unless  
11 expressly exempt from taxation, and shall be valued as follows: at  
12 seventy-five percent of its actual value.

13           (a) Prior to January 1, 2020, such agricultural land and  
14 horticultural land shall be valued at seventy-five percent of its actual  
15 value; and

16           (b) On and after January 1, 2020, such agricultural land and  
17 horticultural land shall be valued:

18           (i) At seventy-five percent of its actual value for all taxes other  
19 than those described in subdivision (2)(b)(ii) of this section; or

20           (ii) At fifty percent of its actual value for school district taxes  
21 levied to pay the principal and interest on bonds that are issued on or  
22 after the operative date of this section, excluding refunding bonds to  
23 refinance debt obligations originally incurred before the operative date  
24 of this section if there is no extension of the final maturity date of  
25 the indebtedness.

26           (3) Agricultural land and horticultural land actively devoted to  
27 agricultural or horticultural purposes which has value for purposes other

1 than agricultural or horticultural uses and which meets the  
2 qualifications for special valuation under section 77-1344 shall  
3 constitute a separate and distinct class of property for purposes of  
4 property taxation, shall be subject to taxation, and shall be valued for  
5 taxation as follows: at seventy-five percent of its special value as  
6 defined in section 77-1343.

7 (a) Prior to January 1, 2020, such agricultural land and  
8 horticultural land shall be valued at seventy-five percent of its special  
9 valuation as defined in section 77-1343; and

10 (b) On and after January 1, 2020, such agricultural land and  
11 horticultural land shall be valued:

12 (i) At seventy-five percent of its special valuation, as defined in  
13 section 77-1343, for all taxes other than those described in subdivision  
14 (3)(b)(ii) of this section; or

15 (ii) At fifty percent of its special valuation, as defined in  
16 section 77-1343, for school district taxes levied to pay the principal  
17 and interest on bonds that are issued on or after the operative date of  
18 this section, excluding refunding bonds to refinance debt obligations  
19 originally incurred before the operative date of this section if there is  
20 no extension of the final maturity date of the indebtedness.

21 (4) Historically significant real property which meets the  
22 qualifications for historic rehabilitation valuation under sections  
23 77-1385 to 77-1394 shall be valued for taxation as provided in such  
24 sections.

25 (5) Tangible personal property, not including motor vehicles,  
26 trailers, and semitrailers registered for operation on the highways of  
27 this state, shall constitute a separate and distinct class of property  
28 for purposes of property taxation, shall be subject to taxation, unless  
29 expressly exempt from taxation, and shall be valued at its net book  
30 value. Tangible personal property transferred as a gift or devise or as  
31 part of a transaction which is not a purchase shall be subject to

1 taxation based upon the date the property was acquired by the previous  
2 owner and at the previous owner's Nebraska adjusted basis. Tangible  
3 personal property acquired as replacement property for converted property  
4 shall be subject to taxation based upon the date the converted property  
5 was acquired and at the Nebraska adjusted basis of the converted property  
6 unless insurance proceeds are payable by reason of the conversion. For  
7 purposes of this subsection, (a) converted property means tangible  
8 personal property which is compulsorily or involuntarily converted as a  
9 result of its destruction in whole or in part, theft, seizure,  
10 requisition, or condemnation, or the threat or imminence thereof, and no  
11 gain or loss is recognized for federal or state income tax purposes by  
12 the holder of the property as a result of the conversion and (b)  
13 replacement property means tangible personal property acquired within two  
14 years after the close of the calendar year in which tangible personal  
15 property was converted and which is, except for date of construction or  
16 manufacture, substantially the same as the converted property.

17 Sec. 2. Section 77-202, Reissue Revised Statutes of Nebraska, is  
18 amended to read:

19 77-202 (1) The following property shall be exempt from property  
20 taxes:

21 (a) Property of the state and its governmental subdivisions to the  
22 extent used or being developed for use by the state or governmental  
23 subdivision for a public purpose. For purposes of this subdivision:

24 (i) Property of the state and its governmental subdivisions means  
25 (A) property held in fee title by the state or a governmental subdivision  
26 or (B) property beneficially owned by the state or a governmental  
27 subdivision in that it is used for a public purpose and is being acquired  
28 under a lease-purchase agreement, financing lease, or other instrument  
29 which provides for transfer of legal title to the property to the state  
30 or a governmental subdivision upon payment of all amounts due thereunder.  
31 If the property to be beneficially owned by a governmental subdivision

1 has a total acquisition cost that exceeds the threshold amount or will be  
2 used as the site of a public building with a total estimated construction  
3 cost that exceeds the threshold amount, then such property shall qualify  
4 for an exemption under this section only if the question of acquiring  
5 such property or constructing such public building has been submitted at  
6 a primary, general, or special election held within the governmental  
7 subdivision and has been approved by the voters of the governmental  
8 subdivision. For purposes of this subdivision, threshold amount means the  
9 greater of fifty thousand dollars or six-tenths of one percent of the  
10 total actual value of real and personal property of the governmental  
11 subdivision that will beneficially own the property as of the end of the  
12 governmental subdivision's prior fiscal year; and

13 (ii) Public purpose means use of the property (A) to provide public  
14 services with or without cost to the recipient, including the general  
15 operation of government, public education, public safety, transportation,  
16 public works, civil and criminal justice, public health and welfare,  
17 developments by a public housing authority, parks, culture, recreation,  
18 community development, and cemetery purposes, or (B) to carry out the  
19 duties and responsibilities conferred by law with or without  
20 consideration. Public purpose does not include leasing of property to a  
21 private party unless the lease of the property is at fair market value  
22 for a public purpose. Leases of property by a public housing authority to  
23 low-income individuals as a place of residence are for the authority's  
24 public purpose;

25 (b) Unleased property of the state or its governmental subdivisions  
26 which is not being used or developed for use for a public purpose but  
27 upon which a payment in lieu of taxes is paid for public safety, rescue,  
28 and emergency services and road or street construction or maintenance  
29 services to all governmental units providing such services to the  
30 property. Except as provided in Article VIII, section 11, of the  
31 Constitution of Nebraska, the payment in lieu of taxes shall be based on

1 the proportionate share of the cost of providing public safety, rescue,  
2 or emergency services and road or street construction or maintenance  
3 services unless a general policy is adopted by the governing body of the  
4 governmental subdivision providing such services which provides for a  
5 different method of determining the amount of the payment in lieu of  
6 taxes. The governing body may adopt a general policy by ordinance or  
7 resolution for determining the amount of payment in lieu of taxes by  
8 majority vote after a hearing on the ordinance or resolution. Such  
9 ordinance or resolution shall nevertheless result in an equitable  
10 contribution for the cost of providing such services to the exempt  
11 property;

12 (c) Property owned by and used exclusively for agricultural and  
13 horticultural societies;

14 (d) Property owned by educational, religious, charitable, or  
15 cemetery organizations, or any organization for the exclusive benefit of  
16 any such educational, religious, charitable, or cemetery organization,  
17 and used exclusively for educational, religious, charitable, or cemetery  
18 purposes, when such property is not (i) owned or used for financial gain  
19 or profit to either the owner or user, (ii) used for the sale of  
20 alcoholic liquors for more than twenty hours per week, or (iii) owned or  
21 used by an organization which discriminates in membership or employment  
22 based on race, color, or national origin. For purposes of this  
23 subdivision, educational organization means (A) an institution operated  
24 exclusively for the purpose of offering regular courses with systematic  
25 instruction in academic, vocational, or technical subjects or assisting  
26 students through services relating to the origination, processing, or  
27 guarantying of federally reinsured student loans for higher education or  
28 (B) a museum or historical society operated exclusively for the benefit  
29 and education of the public. For purposes of this subdivision, charitable  
30 organization includes an organization operated exclusively for the  
31 purpose of the mental, social, or physical benefit of the public or an

1 indefinite number of persons and a fraternal benefit society organized  
2 and licensed under sections 44-1072 to 44-10,109; and

3 (e) Household goods and personal effects not owned or used for  
4 financial gain or profit to either the owner or user.

5 (2) The increased value of land by reason of shade and ornamental  
6 trees planted along the highway shall not be taken into account in the  
7 valuation of land.

8 (3) Tangible personal property which is not depreciable tangible  
9 personal property as defined in section 77-119 shall be exempt from  
10 property tax.

11 (4) Motor vehicles, trailers, and semitrailers required to be  
12 registered for operation on the highways of this state shall be exempt  
13 from payment of property taxes.

14 (5) Business and agricultural inventory shall be exempt from the  
15 personal property tax. For purposes of this subsection, business  
16 inventory includes personal property owned for purposes of leasing or  
17 renting such property to others for financial gain only if the personal  
18 property is of a type which in the ordinary course of business is leased  
19 or rented thirty days or less and may be returned at the option of the  
20 lessee or renter at any time and the personal property is of a type which  
21 would be considered household goods or personal effects if owned by an  
22 individual. All other personal property owned for purposes of leasing or  
23 renting such property to others for financial gain shall not be  
24 considered business inventory.

25 (6) Any personal property exempt pursuant to subsection (2) of  
26 section 77-4105 or section 77-5209.02 shall be exempt from the personal  
27 property tax.

28 (7) Livestock shall be exempt from the personal property tax.

29 (8) Any personal property exempt pursuant to the Nebraska Advantage  
30 Act shall be exempt from the personal property tax.

31 (9) Any depreciable tangible personal property used directly in the

1 generation of electricity using wind as the fuel source shall be exempt  
2 from the property tax levied on depreciable tangible personal property.  
3 Any depreciable tangible personal property used directly in the  
4 generation of electricity using solar, biomass, or landfill gas as the  
5 fuel source shall be exempt from the property tax levied on depreciable  
6 tangible personal property if such depreciable tangible personal property  
7 was installed on or after January 1, 2016, and has a nameplate capacity  
8 of one hundred kilowatts or more. Depreciable tangible personal property  
9 used directly in the generation of electricity using wind, solar,  
10 biomass, or landfill gas as the fuel source includes, but is not limited  
11 to, wind turbines, rotors and blades, towers, solar panels, trackers,  
12 generating equipment, transmission components, substations, supporting  
13 structures or racks, inverters, and other system components such as  
14 wiring, control systems, switchgears, and generator step-up transformers.

15 (10) Any tangible personal property that is acquired by a person  
16 operating a data center located in this state, that is assembled,  
17 engineered, processed, fabricated, manufactured into, attached to, or  
18 incorporated into other tangible personal property, both in component  
19 form or that of an assembled product, for the purpose of subsequent use  
20 at a physical location outside this state by the person operating a data  
21 center shall be exempt from the personal property tax. Such exemption  
22 extends to keeping, retaining, or exercising any right or power over  
23 tangible personal property in this state for the purpose of subsequently  
24 transporting it outside this state for use thereafter outside this state.  
25 For purposes of this subsection, data center means computers, supporting  
26 equipment, and other organized assembly of hardware or software that are  
27 designed to centralize the storage, management, or dissemination of data  
28 and information, environmentally controlled structures or facilities or  
29 interrelated structures or facilities that provide the infrastructure for  
30 housing the equipment, such as raised flooring, electricity supply,  
31 communication and data lines, Internet access, cooling, security, and

1 fire suppression, and any building housing the foregoing.

2 (11) For tax years prior to tax year 2019, each person who owns  
3 property required to be reported to the county assessor under section  
4 77-1201, ~~there~~ shall be allowed an exemption amount as provided in the  
5 Personal Property Tax Relief Act. For tax years prior to tax year 2019,  
6 each person who owns property required to be valued by the state as  
7 provided in section 77-601, 77-682, 77-801, or 77-1248, ~~there~~ shall be  
8 allowed a compensating exemption factor as provided in the Personal  
9 Property Tax Relief Act.

10 Sec. 3. Section 77-382, Reissue Revised Statutes of Nebraska, is  
11 amended to read:

12 77-382 (1) The department shall prepare a tax expenditure report  
13 describing (a) the basic provisions of the Nebraska tax laws, (b) the  
14 actual or estimated revenue loss caused by the exemptions, deductions,  
15 exclusions, deferrals, credits, and preferential rates in effect on July  
16 1 of each year and allowed under Nebraska's tax structure and in the  
17 property tax, (c) the actual or estimated revenue loss caused by failure  
18 to impose sales and use tax on services purchased for nonbusiness use,  
19 and (d) the elements which make up the tax base for state and local  
20 income, including income, sales and use, property, and miscellaneous  
21 taxes.

22 (2) The department shall review the major tax exemptions for which  
23 state general funds are used to reduce the impact of revenue lost due to  
24 a tax expenditure. The report shall indicate an estimate of the amount of  
25 the reduction in revenue resulting from the operation of all tax  
26 expenditures. The report shall list each tax expenditure relating to  
27 sales and use tax under the following categories:

28 (a) Agriculture, which shall include a separate listing for the  
29 following items: Agricultural machinery; agricultural chemicals; seeds  
30 sold to commercial producers; water for irrigation and manufacturing;  
31 commercial artificial insemination; mineral oil as dust suppressant;



1 animal grooming; oxygen for use in aquaculture; animal life whose  
2 products constitute food for human consumption; and grains;

3 (b) Business across state lines, which shall include a separate  
4 listing for the following items: Property shipped out-of-state;  
5 fabrication labor for items to be shipped out-of-state; property to be  
6 transported out-of-state; property purchased in other states to be used  
7 in Nebraska; aircraft delivery to an out-of-state resident or business;  
8 state reciprocal agreements for industrial machinery; and property taxed  
9 in another state;

10 (c) Common carrier and logistics, which shall include a separate  
11 listing for the following items: Railroad rolling stock and repair parts  
12 and services; common or contract carriers and repair parts and services;  
13 common or contract carrier accessories; and common or contract carrier  
14 safety equipment;

15 (d) Consumer goods, which shall include a separate listing for the  
16 following items: Motor vehicles and motorboat trade-ins; merchandise  
17 trade-ins; certain medical equipment and medicine; newspapers;  
18 ~~laundromats; telefloral deliveries;~~ motor vehicle discounts for the  
19 disabled; and political campaign fundraisers;

20 (e) Energy, which shall include a separate listing for the following  
21 items: Motor fuels; energy used in industry; energy used in agriculture;  
22 aviation fuel; and minerals, oil, and gas severed from real property;

23 (f) Food, which shall include a separate listing for the following  
24 items: Food for home consumption; Supplemental Nutrition Assistance  
25 Program; school lunches; meals sold by hospitals; meals sold by  
26 institutions at a flat rate; food for the elderly, handicapped, and  
27 Supplemental Security Income recipients; and meals sold by churches;

28 (g) General business, which shall include a separate listing for the  
29 following items: Component and ingredient parts; manufacturing machinery;  
30 containers; film rentals; molds and dies; syndicated programming;  
31 intercompany sales; intercompany leases; sale of a business or farm

1 machinery; and transfer of property in a change of business ownership;

2 (h) Lodging and shelter, which shall include a separate listing for  
3 the following item: Room rentals by certain institutions;

4 (i) Miscellaneous, which shall include a separate listing for the  
5 following items: Cash discounts and coupons; separately stated finance  
6 charges; casual sales; lease-to-purchase agreements; and separately  
7 stated taxes;

8 (j) Nonprofits, governments, and exempt entities, which shall  
9 include a separate listing for the following items: Purchases by  
10 political subdivisions of the state; purchases by churches and nonprofit  
11 colleges and medical facilities; purchasing agents for public real estate  
12 construction improvements; contractor as purchasing agent for public  
13 agencies; Nebraska lottery; admissions to school events; sales on Native  
14 American Indian reservations; school-supporting fundraisers; fine art  
15 purchases by a museum; purchases by the Nebraska State Fair Board;  
16 purchases by the Nebraska Investment Finance Authority and licensees of  
17 the State Racing Commission; purchases by the United States Government;  
18 public records; and sales by religious organizations;

19 (k) Recent sales tax expenditures, which shall include a separate  
20 listing for each sales tax expenditure created by statute or rule and  
21 regulation after July 19, 2012;

22 (l) Services purchased for nonbusiness use, which shall include a  
23 separate listing for each such service, including, but not limited to,  
24 the following items: Legal ~~Motor vehicle cleaning, maintenance, and~~  
25 ~~repair services; cleaning and repair of clothing; cleaning, maintenance,~~  
26 ~~and repair of other tangible personal property; maintenance, painting,~~  
27 ~~and repair of real property; entertainment admissions; personal care~~  
28 ~~services; lawn care, gardening, and landscaping services; pet-related~~  
29 ~~services; storage and moving services; household utilities; other~~  
30 ~~personal services; taxi, limousine, and other transportation services;~~  
31 ~~legal~~ services; accounting services; other professional services; and

1 other real estate services; and

2 (m) Telecommunications, which shall include a separate listing for  
3 the following items: Telecommunications access charges; prepaid calling  
4 arrangements; conference bridging services; and nonvoice data services.

5 (3) It is the intent of the Legislature that nothing in the Tax  
6 Expenditure Reporting Act shall cause the valuation or assessment of any  
7 property exempt from taxation on the basis of its use exclusively for  
8 religious, educational, or charitable purposes.

9 Sec. 4. Section 77-693, Reissue Revised Statutes of Nebraska, is  
10 amended to read:

11 77-693 (1) The Property Tax Administrator in determining the taxable  
12 value of railroads and car lines shall determine the following ratios  
13 involving railroad and car line property and commercial and industrial  
14 property:

15 (a) The ratio of the taxable value of all commercial and industrial  
16 personal property in the state actually subjected to property tax divided  
17 by the market value of all commercial and industrial personal property in  
18 the state;

19 (b) The ratio of the taxable value of all commercial and industrial  
20 real property in the state actually subjected to property tax divided by  
21 the market value of all commercial and industrial real property in the  
22 state;

23 (c) The ratio of the taxable value of railroad personal property to  
24 the market value of railroad personal property. The numerator of the  
25 ratio shall be the taxable value of railroad personal property. The  
26 denominator of the ratio shall be the railroad system value allocated to  
27 Nebraska and multiplied by a factor representing the net book value of  
28 rail transportation personal property divided by the net book value of  
29 total rail transportation property;

30 (d) The ratio of the taxable value of railroad real property to the  
31 market value of railroad real property. The numerator of the ratio shall

1 be the taxable value of railroad real property. The denominator of the  
2 ratio shall be the railroad system value allocated to Nebraska and  
3 multiplied by a factor representing the net book value of rail  
4 transportation real property divided by the net book value of total rail  
5 transportation property; and

6 (e) Similar calculations shall be made for car line taxable  
7 properties.

8 (2) If the ratio of the taxable value of railroad and car line  
9 personal or real property exceeds the ratio of the comparable taxable  
10 commercial and industrial property by more than five percent, the  
11 Property Tax Administrator may adjust the value of such railroad and car  
12 line property to the percentage of the comparable taxable commercial and  
13 industrial property pursuant to federal statute or Nebraska federal court  
14 decisions applicable thereto.

15 (3) For purposes of this section, commercial and industrial property  
16 shall mean all real and personal property which is devoted to commercial  
17 or industrial use other than rail transportation property and land used  
18 primarily for agricultural purposes.

19 (4) For tax years prior to tax year 2019, after ~~After~~ the adjustment  
20 made pursuant to subsections (1) and (2) of this section, the Property  
21 Tax Administrator shall multiply the value of the tangible personal  
22 property of each railroad and car line by the compensating exemption  
23 factor calculated in section 77-1238.

24 Sec. 5. Section 77-801, Reissue Revised Statutes of Nebraska, is  
25 amended to read:

26 77-801 (1) All public service entities shall, on or before April 15  
27 of each year, furnish a statement specifying such information as may be  
28 required by the Property Tax Administrator on forms prescribed by the Tax  
29 Commissioner to determine and distribute the entity's total taxable value  
30 including the franchise value. All information reported by the public  
31 service entities, not available from any other public source, and any

1 memorandum thereof shall be confidential and available to taxing  
2 officials only. For good cause shown, the Property Tax Administrator may  
3 allow an extension of time in which to file such statement. Such  
4 extension shall not exceed fifteen days after April 15.

5 (2) The returns of public service entities shall not be held to be  
6 conclusive as to the taxable value of the property, but the Property Tax  
7 Administrator shall, from all the information which he or she is able to  
8 obtain, find the taxable value of all such property, including tangible  
9 property and franchises, and shall assess such property on the same basis  
10 as other property is required to be assessed.

11 (3) The county assessor shall assess all nonoperating property of  
12 any public service entity. A public service entity operating within the  
13 State of Nebraska shall, on or before January 1 of each year, report to  
14 the county assessor of each county in which it has situs all nonoperating  
15 property belonging to such entity which is not subject to assessment and  
16 assessed by the Property Tax Administrator under section 77-802.

17 (4) For tax years prior to tax year 2019, the The Property Tax  
18 Administrator shall multiply the value of the tangible personal property  
19 of each public service entity by the compensating exemption factor  
20 calculated in section 77-1238.

21 Sec. 6. Section 77-1238, Reissue Revised Statutes of Nebraska, is  
22 amended to read:

23 77-1238 (1) For tax years prior to tax year 2019, every Every person  
24 who is required to list his or her taxable tangible personal property as  
25 defined in section 77-105, as required under section 77-1229, shall  
26 receive an exemption from taxation for the first ten thousand dollars of  
27 valuation of his or her tangible personal property in each tax district  
28 as defined in section 77-127 in which a personal property return is  
29 required to be filed. Failure to report tangible personal property on the  
30 personal property return required by section 77-1229 shall result in a  
31 forfeiture of the exemption for any tangible personal property not timely

1 reported for that year.

2 (2) For tax years prior to tax year 2019, the The Property Tax  
3 Administrator shall reduce the value of the tangible personal property  
4 owned by each railroad, car line company, public service entity, and air  
5 carrier by a compensating exemption factor to reflect the exemption  
6 allowed in subsection (1) of this section for all other personal property  
7 taxpayers. The compensating exemption factor is calculated by multiplying  
8 the value of the tangible personal property of the railroad, car line  
9 company, public service entity, or air carrier by a fraction, the  
10 numerator of which is the total amount of locally assessed tangible  
11 personal property that is actually subjected to property tax after the  
12 exemption allowed in subsection (1) of this section, and the denominator  
13 of which is the net book value of locally assessed tangible personal  
14 property prior to the exemptions allowed in subsection (1) of this  
15 section.

16 Sec. 7. Section 77-1239, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18 77-1239 (1) For tax years prior to tax year 2019, reimbursement  
19 ~~Reimbursement~~ to taxing subdivisions for tax revenue that will be lost  
20 because of the personal property tax exemptions allowed in subsection (1)  
21 of section 77-1238 shall be as provided in this subsection. The county  
22 assessor and county treasurer shall, on or before November 30 of each  
23 year, certify to the Tax Commissioner, on forms prescribed by the Tax  
24 Commissioner, the total tax revenue that will be lost to all taxing  
25 subdivisions within his or her county from taxes levied and assessed in  
26 that year because of the personal property tax exemptions allowed in  
27 subsection (1) of section 77-1238. The county assessor and county  
28 treasurer may amend the certification to show any change or correction in  
29 the total tax revenue that will be lost until May 30 of the next  
30 succeeding year. The Tax Commissioner shall, on or before January 1 next  
31 following the certification, notify the Director of Administrative

1 Services of the amount so certified to be reimbursed by the state.  
2 Reimbursement of the tax revenue lost shall be made to each county  
3 according to the certification and shall be distributed in two  
4 approximately equal installments on the last business day of February and  
5 the last business day of June. The State Treasurer shall, on the business  
6 day preceding the last business day of February and the last business day  
7 of June, notify the Director of Administrative Services of the amount of  
8 funds available in the General Fund to pay the reimbursement. The  
9 Director of Administrative Services shall, on the last business day of  
10 February and the last business day of June, draw warrants against funds  
11 appropriated. Out of the amount received, the county treasurer shall  
12 distribute to each of the taxing subdivisions within his or her county  
13 the full tax revenue lost by each subdivision, except that one percent of  
14 such amount shall be deposited in the county general fund.

15 (2) For tax years prior to tax year 2019, reimbursement  
16 ~~Reimbursement~~ to taxing subdivisions for tax revenue that will be lost  
17 because of the compensating exemption factor in subsection (2) of section  
18 77-1238 shall be as provided in this subsection. The Property Tax  
19 Administrator shall establish the average tax rate that will be used for  
20 purposes of reimbursing taxing subdivisions pursuant to this subsection.  
21 The average tax rate shall be equal to the total property taxes levied in  
22 the state divided by the total taxable value of all taxable property in  
23 the state as certified pursuant to section 77-1613.01. The Tax  
24 Commissioner shall certify, on or before January 30 of each year, to the  
25 Director of Administrative Services the total valuation that will be lost  
26 to all taxing subdivisions within each county because of the compensating  
27 exemption factor in subsection (2) of section 77-1238. Such amount,  
28 multiplied by the average tax rate calculated pursuant to this  
29 subsection, shall be the tax revenue to be reimbursed to the taxing  
30 subdivisions by the state. Reimbursement of the tax revenue lost for  
31 public service entities shall be made to each county according to the

1 certification and shall be distributed among the taxing subdivisions  
2 within each county in the same proportion as all public service entity  
3 taxes levied by the taxing subdivisions. Reimbursement of the tax revenue  
4 lost for railroads shall be made to each county according to the  
5 certification and shall be distributed among the taxing subdivisions  
6 within each county in the same proportion as all railroad taxes levied by  
7 taxing subdivisions. Reimbursement of the tax revenue lost for car line  
8 companies shall be distributed in the same manner as the taxes collected  
9 pursuant to section 77-684. Reimbursement of the tax revenue lost for air  
10 carriers shall be distributed in the same manner as the taxes collected  
11 pursuant to section 77-1250.

12 (3) Each taxing subdivision shall, in preparing its annual or  
13 biennial budget, take into account the amounts to be received under this  
14 section.

15 (4) The fourteen million dollars saved due to the elimination of  
16 funding for the Personal Property Tax Relief Act shall be used to  
17 increase the appropriation from the General Fund to the Property Tax  
18 Credit Cash Fund for fiscal year 2019-20 and each fiscal year thereafter.

19 Sec. 8. Section 77-1248, Reissue Revised Statutes of Nebraska, is  
20 amended to read:

21 77-1248 (1) The Property Tax Administrator shall ascertain from the  
22 reports made and from any other information obtained by him or her the  
23 taxable value of the flight equipment of air carriers and the proportion  
24 allocated to this state for the purposes of taxation as provided in  
25 section 77-1245.

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

29 (i) The ratio of the taxable value of all commercial and industrial  
30 depreciable tangible personal property in the state actually subjected to  
31 property tax to the market value of all commercial and industrial



1 depreciable tangible personal property in the state; and

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

4 (b) If the ratio of the taxable value of flight equipment of air  
5 carriers exceeds the ratio of the taxable value of commercial and  
6 industrial depreciable tangible personal property by more than five  
7 percent, the Property Tax Administrator may adjust the value of such  
8 flight equipment of air carriers to the percentage of the taxable  
9 commercial and industrial depreciable tangible personal property pursuant  
10 to federal law applicable to air carrier transportation property or  
11 Nebraska federal court decisions applicable thereto.

12 (c) For purposes of this subsection, commercial and industrial  
13 depreciable tangible personal property means all personal property which  
14 is devoted to commercial or industrial use other than flight equipment of  
15 air carriers.

16 (3) For tax years prior to tax year 2019, the The Property Tax  
17 Administrator shall multiply the valuation of each air carrier by the  
18 compensating exemption factor calculated in section 77-1238.

19 Sec. 9. Section 77-1514, Reissue Revised Statutes of Nebraska, is  
20 amended to read:

21 77-1514 (1) The county assessor shall prepare an abstract of the  
22 property assessment rolls of locally assessed real property of his or her  
23 county on forms prescribed and furnished by the Tax Commissioner. The  
24 county assessor shall file the abstract with the Property Tax  
25 Administrator on or before March 19, except beginning January 1, 2014, in  
26 any county with a population of at least one hundred fifty thousand  
27 inhabitants according to the most recent federal decennial census, the  
28 real property abstract shall be filed on or before March 25. The abstract  
29 shall show the taxable value of real property in the county as determined  
30 by the county assessor and any other information as required by the  
31 Property Tax Administrator. The Property Tax Administrator, upon written

1 request from the county assessor, may for good cause shown extend the  
2 final filing due date for the abstract and the statutory deadlines  
3 provided in section 77-5027. The Property Tax Administrator may extend  
4 the statutory deadline in section 77-5028 for a county if the deadline is  
5 extended for that county. Beginning January 1, 2014, in any county with a  
6 population of at least one hundred fifty thousand inhabitants according  
7 to the most recent federal decennial census, the county assessor shall  
8 request an extension of the final filing due date by March 22.

9 (2) For tax years prior to tax year 2019, the ~~The~~ county assessor  
10 shall prepare an abstract of the property assessment rolls of locally  
11 assessed personal property of his or her county on forms prescribed and  
12 furnished by the Tax Commissioner. The county assessor shall  
13 electronically file the abstract with the Property Tax Administrator on  
14 or before July 20.

15 Sec. 10. Section 77-2701.16, Reissue Revised Statutes of Nebraska,  
16 is amended to read:

17 77-2701.16 (1) Gross receipts means the total amount of the sale or  
18 lease or rental price, as the case may be, of the retail sales of  
19 retailers.

20 (2) Gross receipts of every person engaged as a public utility  
21 specified in this subsection, as a community antenna television service  
22 operator, or as a satellite service operator or any person involved in  
23 connecting and installing services defined in subdivision (2)(a), (b), or  
24 (d) of this section means:

25 (a)(i) In the furnishing of telephone communication service, other  
26 than mobile telecommunications service as described in section  
27 77-2703.04, the gross income received from furnishing ancillary services,  
28 except for conference bridging services, and intrastate  
29 telecommunications services, except for value-added, nonvoice data  
30 service.

31 (ii) In the furnishing of mobile telecommunications service as

1 described in section 77-2703.04, the gross income received from  
2 furnishing mobile telecommunications service that originates and  
3 terminates in the same state to a customer with a place of primary use in  
4 Nebraska;

5 (b) In the furnishing of telegraph service, the gross income  
6 received from the furnishing of intrastate telegraph services;

7 (c)(i) In the furnishing of gas, sewer, water, and electricity  
8 service, other than electricity service to a customer-generator as  
9 defined in section 70-2002, the gross income received from the furnishing  
10 of such services upon billings or statements rendered to consumers for  
11 such utility services.

12 (ii) In the furnishing of electricity service to a customer-  
13 generator as defined in section 70-2002, the net energy use upon billings  
14 or statements rendered to customer-generators for such electricity  
15 service;

16 (d) In the furnishing of community antenna television service or  
17 satellite service, the gross income received from the furnishing of such  
18 community antenna television service as regulated under sections 18-2201  
19 to 18-2205 or 23-383 to 23-388 or satellite service; and

20 (e) The gross income received from the provision, installation,  
21 construction, servicing, or removal of property used in conjunction with  
22 the furnishing, installing, or connecting of any public utility services  
23 specified in subdivision (2)(a) or (b) of this section or community  
24 antenna television service or satellite service specified in subdivision  
25 (2)(d) of this section, except when acting as a subcontractor for a  
26 public utility, this subdivision does not apply to the gross income  
27 received by a contractor electing to be treated as a consumer of building  
28 materials under subdivision (2) or (3) of section 77-2701.10 for any such  
29 services performed on the customer's side of the utility demarcation  
30 point.

31 (3) Gross receipts of every person engaged in selling, leasing, or

1 otherwise providing intellectual or entertainment property means:

2 (a) In the furnishing of computer software, the gross income  
3 received, including the charges for coding, punching, or otherwise  
4 producing any computer software and the charges for the tapes, disks,  
5 punched cards, or other properties furnished by the seller; and

6 (b) In the furnishing of videotapes, movie film, satellite  
7 programming, satellite programming service, and satellite television  
8 signal descrambling or decoding devices, the gross income received from  
9 the license, franchise, or other method establishing the charge.

10 (4) Gross receipts for providing a service means:

11 (a) The gross income received for building cleaning and maintenance,  
12 pest control, and security;

13 (b) The gross income received for motor vehicle washing, waxing,  
14 towing, and painting;

15 (c) The gross income received for computer software training;

16 (d) The gross income received for installing and applying tangible  
17 personal property if the sale of the property is subject to tax. If any  
18 or all of the charge for installation is free to the customer and is paid  
19 by a third-party service provider to the installer, any tax due on that  
20 part of the activation commission, finder's fee, installation charge, or  
21 similar payment made by the third-party service provider shall be paid  
22 and remitted by the third-party service provider;

23 (e) The gross income received for services of recreational vehicle  
24 parks;

25 (f) The gross income received for labor for repair or maintenance  
26 services performed with regard to tangible personal property the sale of  
27 which would be subject to sales and use taxes, ~~excluding motor vehicles,~~  
28 except as otherwise provided in section 77-2704.26 or 77-2704.50;

29 (g) The gross income received for animal specialty services except  
30 (i) veterinary services performed on livestock as defined in section  
31 54-183, (ii) specialty services performed on livestock as defined in

1 section 54-183, and (iii) animal grooming performed by a licensed  
2 veterinarian or a licensed veterinary technician in conjunction with  
3 medical treatment;~~and~~

4 (h) The gross income received for detective services; -

5 (i) The gross income received for local or long-distance trucking of  
6 used household, used institutional, or used commercial furniture and  
7 equipment;

8 (j) The gross income received for storage services. For purposes of  
9 this subdivision, storage services means the leasing of mini-warehouses  
10 and self-storage units;

11 (k) The gross income received for clothes cleaning services,  
12 including dry cleaning services and other laundry services. Cleaning  
13 services does not include self-service coin-operated washing machines and  
14 dryers;

15 (l) The gross income received for transportation network company  
16 services which provide prearranged transportation services using an  
17 online-enabled application or platform to connect passengers with  
18 participating drivers using a personal vehicle;

19 (m) The gross income received for beauty and personal care services,  
20 including, but not limited to, hair care, nail services, skin care, and  
21 hair removal but excluding massage services;

22 (n) The gross income received for tattoo or other body modification  
23 services;

24 (o) The gross income received for maintenance, painting, and repair  
25 services performed with regard to single-family homes, including, but not  
26 limited to (i) painting and wall covering services, (ii) poured concrete  
27 foundation and structure services, (iii) framing services, (iv) glass and  
28 glazing services, (v) roofing services, (vi) siding services, (vii)  
29 electrical services, (viii) plumbing, heating, and air conditioning  
30 services, (ix) drywall insulation services, (x) flooring services, and  
31 (xi) carpentry services. This subdivision (o) shall not apply to fixed

1 price contracts executed prior to the operative date of this section;

2 (p) The gross income received for interior decoration services for  
3 single-family homes;

4 (q) The gross income received for limousine, taxi, and other  
5 transportation services;

6 (r) The gross income received for commercial lawn care, gardening,  
7 and landscaping services;

8 (s) The gross income received for parking services provided for  
9 motor vehicles as defined in section 60-123, including, but not limited  
10 to, hourly, daily, or monthly services, valet parking services, parking  
11 services provided by the state or any of its political subdivisions for a  
12 charge, and parking services provided by a not-for-profit entity for a  
13 charge. Contracts for parking services provided to the user free of  
14 charge by a third party are subject to tax;

15 (t) The gross income received for swimming pool cleaning and  
16 maintenance services;

17 (u) The gross income received for dating and social escort services;

18 (v) The gross income received for telefloral delivery services;

19 (w) The gross income received for wedding planning services;

20 (x) The gross income received for weight loss programs and services,  
21 including, but not limited to, nonmedical group or individual counseling,  
22 menu or exercise planning, and weight and body measurement monitoring;  
23 and

24 (y) The gross income received for personal training services.

25 (5) Gross receipts includes the sale of admissions. When an  
26 admission to an activity or a membership constituting an admission is  
27 combined with the solicitation of a contribution, the portion or the  
28 amount charged representing the fair market price of the admission shall  
29 be considered a retail sale subject to the tax imposed by section  
30 77-2703. The organization conducting the activity shall determine the  
31 amount properly attributable to the purchase of the privilege, benefit,

1 or other consideration in advance, and such amount shall be clearly  
2 indicated on any ticket, receipt, or other evidence issued in connection  
3 with the payment.

4 (6) Gross receipts includes the sale of live plants incorporated  
5 into real estate except when such incorporation is incidental to the  
6 transfer of an improvement upon real estate or the real estate.

7 (7) Gross receipts includes the sale of any building materials  
8 annexed to real estate by a person electing to be taxed as a retailer  
9 pursuant to subdivision (1) of section 77-2701.10.

10 (8) Gross receipts includes the sale of and recharge of prepaid  
11 calling service and prepaid wireless calling service.

12 (9) Gross receipts includes the retail sale of digital audio works,  
13 digital audiovisual works, digital codes, and digital books delivered  
14 electronically if the products are taxable when delivered on tangible  
15 storage media. A sale includes the transfer of a permanent right of use,  
16 the transfer of a right of use that terminates on some condition, and the  
17 transfer of a right of use conditioned upon the receipt of continued  
18 payments.

19 (10) Gross receipts does not include:

20 (a) The amount of any rebate granted by a motor vehicle or motorboat  
21 manufacturer or dealer at the time of sale of the motor vehicle or  
22 motorboat, which rebate functions as a discount from the sales price of  
23 the motor vehicle or motorboat; or

24 (b) The price of property or services returned or rejected by  
25 customers when the full sales price is refunded either in cash or credit.

26 Sec. 11. Section 77-2704.24, Reissue Revised Statutes of Nebraska,  
27 is amended to read:

28 77-2704.24 (1) Sales and use taxes shall not be imposed on the gross  
29 receipts from the sale, lease, or rental of and the storage, use, or  
30 other consumption in this state of food or food ingredients except for  
31 prepared food and food sold through vending machines.

1 (2) For purposes of this section:

2 (a) Alcoholic beverages means beverages that are suitable for human  
3 consumption and contain one-half of one percent or more of alcohol by  
4 volume;

5 (b) Bottled water means water that is placed in a safety sealed  
6 container or package for human consumption. Bottled water is calorie free  
7 and does not contain sweeteners or other additives except that it may  
8 contain: (i) Antimicrobial agents; (ii) fluoride; (iii) carbonation; (iv)  
9 vitamins, minerals, and electrolytes; (v) oxygen; (vi) preservatives; and  
10 (vii) only those flavors, extracts, or essences derived from a spice or  
11 fruit. Bottled water includes water that is delivered to the buyer in a  
12 reusable container that is not sold with the water;

13 (c) Candy means a preparation of sugar, honey, or other natural or  
14 artificial sweeteners in combination with chocolate, fruits, nuts, or  
15 other ingredients or flavorings in the form of bars, drops, or pieces.  
16 Candy shall not include any preparation containing flour and shall  
17 require no refrigeration;

18 (d) ~~(b)~~ Dietary supplement means any product, other than tobacco,  
19 intended to supplement the diet that contains one or more of the  
20 following dietary ingredients: (i) A vitamin, (ii) a mineral, (iii) an  
21 herb or other botanical, (iv) an amino acid, (v) a dietary substance for  
22 use by humans to supplement the diet by increasing the total dietary  
23 intake, or (vi) a concentrate, metabolite, constituent, extract, or  
24 combination of any ingredients described in subdivisions ~~(2)(d)(i)~~ ~~(2)(b)~~  
25 ~~(i)~~ through (v) of this section; that is intended for ingestion in  
26 tablet, capsule, powder, softgel, gelcap, or liquid form or, if not  
27 intended for ingestion in such a form, is not presented as conventional  
28 food and is not represented for use as a sole item of a meal or of the  
29 diet; and that is required to be labeled as a dietary supplement,  
30 identifiable by the supplemental facts box found on the label and as  
31 required pursuant to 21 C.F.R. 101.36, as such regulation existed on



1 January 1, 2003;

2 (e) ~~(e)~~ Food and food ingredients means substances, whether in  
3 liquid, concentrated, solid, frozen, dried, or dehydrated form, that are  
4 sold for ingestion or chewing by humans and are consumed for their taste  
5 or nutritional value. Food and food ingredients does not include  
6 alcoholic beverages, dietary supplements, ~~or~~ tobacco, bottled water,  
7 candy, soft drinks, or ice;

8 (f) ~~(d)~~ Food sold through vending machines means food that is  
9 dispensed from a machine or other mechanical device that accepts payment;

10 (g) ~~(e)~~ Prepared food means:

11 (i) Food sold with eating utensils provided by the seller, including  
12 plates, knives, forks, spoons, glasses, cups, napkins, or straws. A plate  
13 does not include a container or packaging used to transport the food; or

14 (ii) Two or more food ingredients mixed or combined by the seller  
15 for sale as a single item and food sold in a heated state or heated by  
16 the seller, except:

17 (A) Food that is only cut, repackaged, or pasteurized by the seller;

18 (B) Eggs, fish, meat, poultry, and foods containing these raw animal  
19 foods requiring cooking by the consumer as recommended by the federal  
20 Food and Drug Administration in chapter 3, part 401.11 of its Food Code,  
21 as it existed on January 1, 2003, so as to prevent food borne illnesses;

22 (C) Food sold by a seller whose proper primary North American  
23 Industry Classification System classification is manufacturing in sector  
24 311, except subsector 3118, bakeries;

25 (D) Food sold in an unheated state by weight or volume as a single  
26 item;

27 (E) Bakery items, including bread, rolls, buns, biscuits, bagels,  
28 croissants, pastries, donuts, danish, cakes, tortes, pies, tarts,  
29 muffins, bars, cookies, and tortillas; and

30 (F) Food that ordinarily requires additional cooking to finish the  
31 product to its desired final condition; ~~and~~

1           (h) Soft drinks means nonalcoholic beverages that contain natural or  
2           artificial sweeteners. Soft drinks do not include beverages that contain  
3           milk or milk products, soy, rice or similar milk substitutes, or greater  
4           than fifty percent of vegetable or fruit juice by volume; and

5           (i) (f) Tobacco means cigarettes, cigars, chewing or pipe tobacco,  
6           or any other item that contains tobacco.

7           (3) The Governor may stay the collection of sales and use taxes on  
8           bottled water for a period of sixty days in any area of the state  
9           affected by a disaster, emergency, or civil defense emergency as such  
10          terms are defined in section 81-829.39.

11          Sec. 12. Section 77-2715.07, Reissue Revised Statutes of Nebraska,  
12          is amended to read:

13          77-2715.07 (1) There shall be allowed to qualified resident  
14          individuals as a nonrefundable credit against the income tax imposed by  
15          the Nebraska Revenue Act of 1967:

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

18          (b) A credit for taxes paid to another state as provided in section  
19          77-2730.

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

22          (a) For returns filed reporting federal adjusted gross incomes of  
23          greater than twenty-nine thousand dollars, a nonrefundable credit equal  
24          to twenty-five percent of the federal credit allowed under section 21 of  
25          the Internal Revenue Code of 1986, as amended, except that for taxable  
26          years beginning or deemed to begin on or after January 1, 2015, such  
27          nonrefundable credit shall be allowed only if the individual would have  
28          received the federal credit allowed under section 21 of the code after  
29          adding back in any carryforward of a net operating loss that was deducted  
30          pursuant to such section in determining eligibility for the federal  
31          credit;

1 (b) For returns filed reporting federal adjusted gross income of  
2 twenty-nine thousand dollars or less, a refundable credit equal to a  
3 percentage of the federal credit allowable under section 21 of the  
4 Internal Revenue Code of 1986, as amended, whether or not the federal  
5 credit was limited by the federal tax liability. The percentage of the  
6 federal credit shall be one hundred percent for incomes not greater than  
7 twenty-two thousand dollars, and the percentage shall be reduced by ten  
8 percent for each one thousand dollars, or fraction thereof, by which the  
9 reported federal adjusted gross income exceeds twenty-two thousand  
10 dollars, except that for taxable years beginning or deemed to begin on or  
11 after January 1, 2015, such refundable credit shall be allowed only if  
12 the individual would have received the federal credit allowed under  
13 section 21 of the code after adding back in any carryforward of a net  
14 operating loss that was deducted pursuant to such section in determining  
15 eligibility for the federal credit;

16 (c) A refundable credit as provided in section 77-5209.01 for  
17 individuals who qualify for an income tax credit as a qualified beginning  
18 farmer or livestock producer under the Beginning Farmer Tax Credit Act  
19 for all taxable years beginning or deemed to begin on or after January 1,  
20 2006, under the Internal Revenue Code of 1986, as amended;

21 (d) A refundable credit for individuals who qualify for an income  
22 tax credit under the Angel Investment Tax Credit Act, the Nebraska  
23 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research  
24 and Development Act, or the Volunteer Emergency Responders Incentive Act;  
25 and

26 (e)(i) ~~(e)~~ A refundable credit equal to:

27 (A) Ten ~~ten~~ percent of the federal credit allowed under section 32  
28 of the Internal Revenue Code of 1986, as amended, for taxable years  
29 beginning or deemed to begin before January 1, 2020; and

30 (B) Thirteen percent of the federal credit allowed under section 32  
31 of the Internal Revenue Code of 1986, as amended, for taxable years

1 beginning or deemed to begin on or after January 1, 2020.

2 (ii) For ~~except that~~ for taxable years beginning or deemed to begin  
3 on or after January 1, 2015, the ~~such~~ refundable credit provided in  
4 subdivision (2)(e)(i) of this section shall be allowed only if the  
5 individual would have received the federal credit allowed under section  
6 32 of the code after adding back in any carryforward of a net operating  
7 loss that was deducted pursuant to such section in determining  
8 eligibility for the federal credit.

9 (3) There shall be allowed to all individuals as a nonrefundable  
10 credit against the income tax imposed by the Nebraska Revenue Act of  
11 1967:

12 (a) A credit for personal exemptions allowed under section  
13 77-2716.01;

14 (b) A credit for contributions to certified community betterment  
15 programs as provided in the Community Development Assistance Act. Each  
16 partner, each shareholder of an electing subchapter S corporation, each  
17 beneficiary of an estate or trust, or each member of a limited liability  
18 company shall report his or her share of the credit in the same manner  
19 and proportion as he or she reports the partnership, subchapter S  
20 corporation, estate, trust, or limited liability company income;

21 (c) A credit for investment in a biodiesel facility as provided in  
22 section 77-27,236;

23 (d) A credit as provided in the New Markets Job Growth Investment  
24 Act;

25 (e) A credit as provided in the Nebraska Job Creation and Mainstreet  
26 Revitalization Act;

27 (f) A credit to employers as provided in section 77-27,238; and

28 (g) A credit as provided in the Affordable Housing Tax Credit Act.

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

31 (a) A credit to all resident estates and trusts for taxes paid to

1 another state as provided in section 77-2730;

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

5 (c) A refundable credit for individuals who qualify for an income  
6 tax credit as an owner of agricultural assets under the Beginning Farmer  
7 Tax Credit Act for all taxable years beginning or deemed to begin on or  
8 after January 1, 2009, under the Internal Revenue Code of 1986, as  
9 amended. The credit allowed for each partner, shareholder, member, or  
10 beneficiary of a partnership, corporation, limited liability company, or  
11 estate or trust qualifying for an income tax credit as an owner of  
12 agricultural assets under the Beginning Farmer Tax Credit Act shall be  
13 equal to the partner's, shareholder's, member's, or beneficiary's portion  
14 of the amount of tax credit distributed pursuant to subsection (4) of  
15 section 77-5211.

16 (5)(a) For all taxable years beginning on or after January 1, 2007,  
17 and before January 1, 2009, under the Internal Revenue Code of 1986, as  
18 amended, there shall be allowed to each partner, shareholder, member, or  
19 beneficiary of a partnership, subchapter S corporation, limited liability  
20 company, or estate or trust a nonrefundable credit against the income tax  
21 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the  
22 partner's, shareholder's, member's, or beneficiary's portion of the  
23 amount of franchise tax paid to the state under sections 77-3801 to  
24 77-3807 by a financial institution.

25 (b) For all taxable years beginning on or after January 1, 2009,  
26 under the Internal Revenue Code of 1986, as amended, there shall be  
27 allowed to each partner, shareholder, member, or beneficiary of a  
28 partnership, subchapter S corporation, limited liability company, or  
29 estate or trust a nonrefundable credit against the income tax imposed by  
30 the Nebraska Revenue Act of 1967 equal to the partner's, shareholder's,  
31 member's, or beneficiary's portion of the amount of franchise tax paid to

1 the state under sections 77-3801 to 77-3807 by a financial institution.

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

8 (6) There shall be allowed to all individuals nonrefundable credits  
9 against the income tax imposed by the Nebraska Revenue Act of 1967 as  
10 provided in section 77-3604 and refundable credits against the income tax  
11 imposed by the Nebraska Revenue Act of 1967 as provided in section  
12 77-3605.

13 Sec. 13. Section 77-27,132, Reissue Revised Statutes of Nebraska, is  
14 amended to read:

15 77-27,132 (1) There is hereby created a fund to be designated the  
16 Revenue Distribution Fund which shall be set apart and maintained by the  
17 Tax Commissioner. Revenue not required to be credited to the General Fund  
18 or any other specified fund may be credited to the Revenue Distribution  
19 Fund. Credits and refunds of such revenue shall be paid from the Revenue  
20 Distribution Fund. The balance of the amount credited, after credits and  
21 refunds, shall be allocated as provided by the statutes creating such  
22 revenue.

23 (2) The Tax Commissioner shall pay to a depository bank designated  
24 by the State Treasurer all amounts collected under the Nebraska Revenue  
25 Act of 1967. The Tax Commissioner shall present to the State Treasurer  
26 bank receipts showing amounts so deposited in the bank, and of the  
27 amounts so deposited the State Treasurer shall:

28 (a) For transactions occurring on or after October 1, 2014, and  
29 before October 1, 2022, credit to the Game and Parks Commission Capital  
30 Maintenance Fund all of the proceeds of the sales and use taxes imposed  
31 pursuant to section 77-2703 on the sale or lease of motorboats as defined

1 in section 37-1204, personal watercraft as defined in section 37-1204.01,  
2 all-terrain vehicles as defined in section 60-103, and utility-type  
3 vehicles as defined in section 60-135.01;

4 (b) Credit to the Highway Trust Fund all of the proceeds of the  
5 sales and use taxes derived from the sale or lease for periods of more  
6 than thirty-one days of motor vehicles, trailers, and semitrailers,  
7 except that the proceeds equal to any sales tax rate provided for in  
8 section 77-2701.02 that is in excess of five percent derived from the  
9 sale or lease for periods of more than thirty-one days of motor vehicles,  
10 trailers, and semitrailers shall be credited to the Highway Allocation  
11 Fund;

12 (c) For transactions occurring on or after July 1, 2013, and before  
13 July 1, 2033, of the proceeds of the sales and use taxes derived from  
14 transactions other than those listed in subdivisions (2)(a) and (b) of  
15 this section from a sales tax rate of one-quarter of one percent, credit  
16 monthly eighty-five percent to the State Highway Capital Improvement Fund  
17 and fifteen percent to the Highway Allocation Fund;~~and~~

18 (d) Of the proceeds of the sales and use taxes derived from  
19 transactions other than those listed in subdivisions (2)(a) and (b) of  
20 this section, credit to the Property Tax Credit Cash Fund the amount  
21 certified under section 77-27,237, if any such certification is made;  
22 and -

23 (e) Credit to the Property Tax Credit Cash Fund an amount equal to  
24 the increase in state sales and use tax revenue received as a result of  
25 the changes made by this legislative bill. The amount to be credited  
26 under this subdivision shall be determined monthly by the Tax  
27 Commissioner.

28 The balance of all amounts collected under the Nebraska Revenue Act  
29 of 1967 shall be credited to the General Fund.

30 Sec. 14. Section 77-4212, Reissue Revised Statutes of Nebraska, is  
31 amended to read:

1           77-4212 ~~(1)(a) (1) For tax year 2007, the amount of relief granted~~  
2 ~~under the Property Tax Credit Act shall be one hundred five million~~  
3 ~~dollars. For tax year 2008, the amount of relief granted under the act~~  
4 ~~shall be one hundred fifteen million dollars. It is the intent of the~~  
5 ~~Legislature to fund the Property Tax Credit Act for tax years after tax~~  
6 ~~year 2008 using available revenue. For tax years year 2017 and 2018, the~~  
7 amount of relief granted under the act shall be two hundred twenty-four  
8 million dollars.

9           (b) For tax year 2019 and each tax year thereafter, the amount of  
10 relief granted under the act shall be at least equal to two hundred  
11 seventy-five million dollars plus the additional revenue generated for  
12 the Property Tax Credit Cash Fund as a result of the changes made by this  
13 legislative bill. This subdivision terminates when the annual amount of  
14 state appropriations to school districts in this state exceeds one  
15 hundred twenty percent of the prior year's amount.

16           (c) The relief shall be in the form of a property tax credit which  
17 appears on the property tax statement.

18           (2)(a) For tax years prior to tax year 2017, to determine the amount  
19 of the property tax credit, the county treasurer shall multiply the  
20 amount disbursed to the county under subdivision (4)(a) of this section  
21 by the ratio of the real property valuation of the parcel to the total  
22 real property valuation in the county. The amount determined shall be the  
23 property tax credit for the property.

24           (b) Beginning with tax year 2017, to determine the amount of the  
25 property tax credit, the county treasurer shall multiply the amount  
26 disbursed to the county under subdivision (4)(b) of this section by the  
27 ratio of the credit allocation valuation of the parcel to the total  
28 credit allocation valuation in the county. The amount determined shall be  
29 the property tax credit for the property.

30           (3) If the real property owner qualifies for a homestead exemption  
31 under sections 77-3501 to 77-3529, the owner shall also be qualified for



1 the relief provided in the act to the extent of any remaining liability  
2 after calculation of the relief provided by the homestead exemption. If  
3 the credit results in a property tax liability on the homestead that is  
4 less than zero, the amount of the credit which cannot be used by the  
5 taxpayer shall be returned to the State Treasurer by July 1 of the year  
6 the amount disbursed to the county was disbursed. The State Treasurer  
7 shall immediately credit any funds returned under this subsection to the  
8 Property Tax Credit Cash Fund. Upon the return of any funds under this  
9 subsection, the county treasurer shall electronically file a report with  
10 the Property Tax Administrator, on a form prescribed by the Tax  
11 Commissioner, indicating the amount of funds distributed to each taxing  
12 unit in the county in the year the funds were returned, any collection  
13 fee retained by the county in such year, and the amount of unused credits  
14 returned.

15 (4)(a) For tax years prior to tax year 2017, the amount disbursed to  
16 each county shall be equal to the amount available for disbursement  
17 determined under subsection (1) of this section multiplied by the ratio  
18 of the real property valuation in the county to the real property  
19 valuation in the state. By September 15, the Property Tax Administrator  
20 shall determine the amount to be disbursed under this subdivision to each  
21 county and certify such amounts to the State Treasurer and to each  
22 county. The disbursements to the counties shall occur in two equal  
23 payments, the first on or before January 31 and the second on or before  
24 April 1. After retaining one percent of the receipts for costs, the  
25 county treasurer shall allocate the remaining receipts to each taxing  
26 unit levying taxes on taxable property in the tax district in which the  
27 real property is located in the same proportion that the levy of such  
28 taxing unit bears to the total levy on taxable property of all the taxing  
29 units in the tax district in which the real property is located.

30 (b) Beginning with tax year 2017, the amount disbursed to each  
31 county shall be equal to the amount available for disbursement determined

1 under subsection (1) of this section multiplied by the ratio of the  
2 credit allocation valuation in the county to the credit allocation  
3 valuation in the state. By September 15, the Property Tax Administrator  
4 shall determine the amount to be disbursed under this subdivision to each  
5 county and certify such amounts to the State Treasurer and to each  
6 county. The disbursements to the counties shall occur in two equal  
7 payments, the first on or before January 31 and the second on or before  
8 April 1. After retaining one percent of the receipts for costs, the  
9 county treasurer shall allocate the remaining receipts to each taxing  
10 unit based on its share of the credits granted to all taxpayers in the  
11 taxing unit.

12 (5) For purposes of this section, credit allocation valuation means  
13 the taxable value for all real property except agricultural land and  
14 horticultural land, one hundred twenty percent of taxable value for  
15 agricultural land and horticultural land that is not subject to special  
16 valuation, and one hundred twenty percent of taxable value for  
17 agricultural land and horticultural land that is subject to special  
18 valuation.

19 (6) The State Treasurer shall transfer from the General Fund to the  
20 Property Tax Credit Cash Fund one hundred five million dollars by August  
21 1, 2007, and one hundred fifteen million dollars by August 1, 2008.

22 (7) The Legislature shall have the power to transfer funds from the  
23 Property Tax Credit Cash Fund to the General Fund.

24 Sec. 15. Section 77-5023, Reissue Revised Statutes of Nebraska, is  
25 amended to read:

26 77-5023 (1) Pursuant to section 77-5022, the commission shall have  
27 the power to increase or decrease the value of a class or subclass of  
28 real property in any county or taxing authority or of real property  
29 valued by the state so that all classes or subclasses of real property in  
30 all counties fall within an acceptable range.

31 (2) An acceptable range is the percentage of variation from a

1 standard for valuation as measured by an established indicator of central  
2 tendency of assessment. Acceptable ranges are:

3 (a) For agricultural land and horticultural land as defined in  
4 section 77-1359:

5 (i) Prior to January 1, 2020, sixty-nine to seventy-five percent of  
6 actual value; and

7 (ii) On and after January 1, 2020:

8 (A) Sixty-nine to seventy-five percent of actual value for all taxes  
9 other than those described in subdivision (2)(a)(ii)(B) of this section;  
10 or

11 (B) Forty-four to fifty percent of actual value for school district  
12 taxes levied to pay the principal and interest on bonds that are issued  
13 on or after the operative date of this section, excluding refunding bonds  
14 to refinance debt obligations originally incurred before the operative  
15 date of this section if there is no extension of the final maturity date  
16 of the indebtedness;

17 (b) For ~~for~~ lands receiving special valuation:

18 (i) Prior to January 1, 2020, sixty-nine to seventy-five percent of  
19 special valuation as defined in section 77-1343; and

20 (ii) On and after January 1, 2020:

21 (A) Sixty-nine to seventy-five percent of special valuation, as  
22 defined in section 77-1343, for all taxes other than those described in  
23 subdivision (2)(b)(ii)(B) of this section; or

24 (B) Forty-four to fifty percent of special valuation, as defined in  
25 section 77-1343, for school district taxes levied to pay the principal  
26 and interest on bonds that are issued on or after the operative date of  
27 this section, excluding refunding bonds to refinance debt obligations  
28 originally incurred before the operative date of this section if there is  
29 no extension of the final maturity date of the indebtedness; and

30 (c) For ~~for~~ all other real property, ninety-two to one hundred  
31 percent of actual value.

1           (3) Any increase or decrease shall cause the level of value  
2 determined by the commission to be at the midpoint of the applicable  
3 acceptable range.

4           (4) Any decrease or increase to a subclass of property shall also  
5 cause the level of value determined by the commission for the class from  
6 which the subclass is drawn to be within the applicable acceptable range.

7           (5) Whether or not the level of value determined by the commission  
8 falls within an acceptable range or at the midpoint of an acceptable  
9 range may be determined to a reasonable degree of certainty relying upon  
10 generally accepted mass appraisal techniques.

11           Sec. 16. Sections 3, 10, 11, 13, and 18 of this act become  
12 operative on July 1, 2019. The other sections of this act become  
13 operative on their effective date.

14           Sec. 17. Original sections 77-201, 77-202, 77-693, 77-801, 77-1238,  
15 77-1239, 77-1248, 77-1514, 77-2715.07, 77-4212, and 77-5023, Reissue  
16 Revised Statutes of Nebraska, are repealed.

17           Sec. 18. Original sections 77-382, 77-2701.16, 77-2704.24, and  
18 77-27,132, Reissue Revised Statutes of Nebraska, are repealed.

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