

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 77-202, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 77-202 (1) The following property shall be exempt from property
6 taxes:

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

10 (i) Property of the state and its governmental subdivisions means

11 (A) property held in fee title by the state or a governmental subdivision

12 or (B) property beneficially owned by the state or a governmental

13 subdivision in that it is used for a public purpose and is being acquired

14 under a lease-purchase agreement, financing lease, or other instrument

15 which provides for transfer of legal title to the property to the state

16 or a governmental subdivision upon payment of all amounts due thereunder.

17 If the property to be beneficially owned by a governmental subdivision

18 has a total acquisition cost that exceeds the threshold amount or will be

19 used as the site of a public building with a total estimated construction

20 cost that exceeds the threshold amount, then such property shall qualify

21 for an exemption under this section only if the question of acquiring

22 such property or constructing such public building has been submitted at

23 a primary, general, or special election held within the governmental

24 subdivision and has been approved by the voters of the governmental

25 subdivision. For purposes of this subdivision, threshold amount means the

26 greater of fifty thousand dollars or six-tenths of one percent of the

27 total actual value of real and personal property of the governmental

1 subdivision that will beneficially own the property as of the end of the
2 governmental subdivision's prior fiscal year; and

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

15 (b) Unleased property of the state or its governmental subdivisions
16 which is not being used or developed for use for a public purpose but
17 upon which a payment in lieu of taxes is paid for public safety, rescue,
18 and emergency services and road or street construction or maintenance
19 services to all governmental units providing such services to the
20 property. Except as provided in Article VIII, section 11, of the
21 Constitution of Nebraska, the payment in lieu of taxes shall be based on
22 the proportionate share of the cost of providing public safety, rescue,
23 or emergency services and road or street construction or maintenance
24 services unless a general policy is adopted by the governing body of the
25 governmental subdivision providing such services which provides for a
26 different method of determining the amount of the payment in lieu of
27 taxes. The governing body may adopt a general policy by ordinance or
28 resolution for determining the amount of payment in lieu of taxes by
29 majority vote after a hearing on the ordinance or resolution. Such
30 ordinance or resolution shall nevertheless result in an equitable
31 contribution for the cost of providing such services to the exempt

1 property;

2 (c) Property owned by and used exclusively for agricultural and
3 horticultural societies;

4 (d) Property owned by educational, religious, charitable, or
5 cemetery organizations, or any organization for the exclusive benefit of
6 any such educational, religious, charitable, or cemetery organization,
7 and used exclusively for educational, religious, charitable, or cemetery
8 purposes, when such property is not (i) owned or used for financial gain
9 or profit to either the owner or user, (ii) used for the sale of
10 alcoholic liquors for more than twenty hours per week, or (iii) owned or
11 used by an organization which discriminates in membership or employment
12 based on race, color, or national origin. For purposes of this
13 subdivision, educational organization means (A) an institution operated
14 exclusively for the purpose of offering regular courses with systematic
15 instruction in academic, vocational, or technical subjects or assisting
16 students through services relating to the origination, processing, or
17 guarantying of federally reinsured student loans for higher education or
18 (B) a museum or historical society operated exclusively for the benefit
19 and education of the public. For purposes of this subdivision, charitable
20 organization includes an organization operated exclusively for the
21 purpose of the mental, social, or physical benefit of the public or an
22 indefinite number of persons and a fraternal benefit society organized
23 and licensed under sections 44-1072 to 44-10,109; and

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

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

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

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

4 (5) Business and agricultural inventory shall be exempt from the
5 personal property tax. For purposes of this subsection, business
6 inventory includes personal property owned for purposes of leasing or
7 renting such property to others for financial gain only if the personal
8 property is of a type which in the ordinary course of business is leased
9 or rented thirty days or less and may be returned at the option of the
10 lessee or renter at any time and the personal property is of a type which
11 would be considered household goods or personal effects if owned by an
12 individual. All other personal property owned for purposes of leasing or
13 renting such property to others for financial gain shall not be
14 considered business inventory.

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

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

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

21 (9) Any depreciable tangible personal property used directly in the
22 generation of electricity using wind as the fuel source shall be exempt
23 from the property tax levied on depreciable tangible personal property.
24 Any depreciable tangible personal property used directly in the
25 generation of electricity using solar, biomass, or landfill gas as the
26 fuel source shall be exempt from the property tax levied on depreciable
27 tangible personal property if such depreciable tangible personal property
28 was installed on or after January 1, 2016, and has a nameplate capacity
29 of one hundred kilowatts or more. Depreciable tangible personal property
30 used directly in the generation of electricity using wind, solar,
31 biomass, or landfill gas as the fuel source includes, but is not limited

1 to, wind turbines, rotors and blades, towers, solar panels, trackers,
2 generating equipment, transmission components, substations, supporting
3 structures or racks, inverters, and other system components such as
4 wiring, control systems, switchgears, and generator step-up transformers.

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

23 (11) For tax years prior to tax year 2019, each person who owns
24 property required to be reported to the county assessor under section
25 77-1201, ~~there~~ shall be allowed an exemption amount as provided in the
26 Personal Property Tax Relief Act. For tax years prior to tax year 2019,
27 each person who owns property required to be valued by the state as
28 provided in section 77-601, 77-682, 77-801, or 77-1248, ~~there~~ shall be
29 allowed a compensating exemption factor as provided in the Personal
30 Property Tax Relief Act.

31 Sec. 2. Section 77-382, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 77-382 (1) The department shall prepare a tax expenditure report
3 describing (a) the basic provisions of the Nebraska tax laws, (b) the
4 actual or estimated revenue loss caused by the exemptions, deductions,
5 exclusions, deferrals, credits, and preferential rates in effect on July
6 1 of each year and allowed under Nebraska's tax structure and in the
7 property tax, (c) the actual or estimated revenue loss caused by failure
8 to impose sales and use tax on services purchased for nonbusiness use,
9 and (d) the elements which make up the tax base for state and local
10 income, including income, sales and use, property, and miscellaneous
11 taxes.

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

18 (a) Agriculture, which shall include a separate listing for the
19 following items: Agricultural machinery; agricultural chemicals; seeds
20 sold to commercial producers; water for irrigation and manufacturing;
21 commercial artificial insemination; mineral oil as dust suppressant;
22 animal grooming; oxygen for use in aquaculture; animal life whose
23 products constitute food for human consumption; and grains;

24 (b) Business across state lines, which shall include a separate
25 listing for the following items: Property shipped out-of-state;
26 fabrication labor for items to be shipped out-of-state; property to be
27 transported out-of-state; property purchased in other states to be used
28 in Nebraska; aircraft delivery to an out-of-state resident or business;
29 state reciprocal agreements for industrial machinery; and property taxed
30 in another state;

31 (c) Common carrier and logistics, which shall include a separate

1 listing for the following items: Railroad rolling stock and repair parts
2 and services; common or contract carriers and repair parts and services;
3 common or contract carrier accessories; and common or contract carrier
4 safety equipment;

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

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

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

18 (g) General business, which shall include a separate listing for the
19 following items: Component and ingredient parts; manufacturing machinery;
20 containers; film rentals; molds and dies; syndicated programming;
21 intercompany sales; intercompany leases; sale of a business or farm
22 machinery; and transfer of property in a change of business ownership;

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

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

29 (j) Nonprofits, governments, and exempt entities, which shall
30 include a separate listing for the following items: Purchases by
31 political subdivisions of the state; purchases by churches and nonprofit

1 colleges and medical facilities; purchasing agents for public real estate
2 construction improvements; contractor as purchasing agent for public
3 agencies; Nebraska lottery; admissions to school events; sales on Native
4 American Indian reservations; school-supporting fundraisers; fine art
5 purchases by a museum; purchases by the Nebraska State Fair Board;
6 purchases by the Nebraska Investment Finance Authority and licensees of
7 the State Racing Commission; purchases by the United States Government;
8 public records; and sales by religious organizations;

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

12 (l) Services purchased for nonbusiness use, which shall include a
13 separate listing for each such service, including, but not limited to,
14 the following items: ~~Legal Motor vehicle cleaning, maintenance, and~~
15 ~~repair services; cleaning and repair of clothing; cleaning, maintenance,~~
16 ~~and repair of other tangible personal property; maintenance, painting,~~
17 ~~and repair of real property; entertainment admissions; personal care~~
18 ~~services; lawn care, gardening, and landscaping services; pet-related~~
19 ~~services; storage and moving services; household utilities; other~~
20 ~~personal services; taxi, limousine, and other transportation services;~~
21 ~~legal~~ services; accounting services; other professional services; and
22 other real estate services; and

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

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

30 Sec. 3. Section 77-693, Reissue Revised Statutes of Nebraska, is
31 amended to read:

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

5 (a) The ratio of the taxable value of all commercial and industrial
6 personal property in the state actually subjected to property tax divided
7 by the market value of all commercial and industrial personal property in
8 the state;

9 (b) The ratio of the taxable value of all commercial and industrial
10 real property in the state actually subjected to property tax divided by
11 the market value of all commercial and industrial real property in the
12 state;

13 (c) The ratio of the taxable value of railroad personal property to
14 the market value of railroad personal property. The numerator of the
15 ratio shall be the taxable value of railroad personal property. The
16 denominator of the ratio shall be the railroad system value allocated to
17 Nebraska and multiplied by a factor representing the net book value of
18 rail transportation personal property divided by the net book value of
19 total rail transportation property;

20 (d) The ratio of the taxable value of railroad real property to the
21 market value of railroad real property. The numerator of the ratio shall
22 be the taxable value of railroad real property. The denominator of the
23 ratio shall be the railroad system value allocated to Nebraska and
24 multiplied by a factor representing the net book value of rail
25 transportation real property divided by the net book value of total rail
26 transportation property; and

27 (e) Similar calculations shall be made for car line taxable
28 properties.

29 (2) If the ratio of the taxable value of railroad and car line
30 personal or real property exceeds the ratio of the comparable taxable
31 commercial and industrial property by more than five percent, the

1 Property Tax Administrator may adjust the value of such railroad and car
2 line property to the percentage of the comparable taxable commercial and
3 industrial property pursuant to federal statute or Nebraska federal court
4 decisions applicable thereto.

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

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

14 Sec. 4. Section 77-801, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 77-801 (1) All public service entities shall, on or before April 15
17 of each year, furnish a statement specifying such information as may be
18 required by the Property Tax Administrator on forms prescribed by the Tax
19 Commissioner to determine and distribute the entity's total taxable value
20 including the franchise value. All information reported by the public
21 service entities, not available from any other public source, and any
22 memorandum thereof shall be confidential and available to taxing
23 officials only. For good cause shown, the Property Tax Administrator may
24 allow an extension of time in which to file such statement. Such
25 extension shall not exceed fifteen days after April 15.

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

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

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

11 Sec. 5. Section 77-1238, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 77-1238 (1) For tax years prior to tax year 2019, every Every person
14 who is required to list his or her taxable tangible personal property as
15 defined in section 77-105, as required under section 77-1229, shall
16 receive an exemption from taxation for the first ten thousand dollars of
17 valuation of his or her tangible personal property in each tax district
18 as defined in section 77-127 in which a personal property return is
19 required to be filed. Failure to report tangible personal property on the
20 personal property return required by section 77-1229 shall result in a
21 forfeiture of the exemption for any tangible personal property not timely
22 reported for that year.

23 (2) For tax years prior to tax year 2019, the The Property Tax
24 Administrator shall reduce the value of the tangible personal property
25 owned by each railroad, car line company, public service entity, and air
26 carrier by a compensating exemption factor to reflect the exemption
27 allowed in subsection (1) of this section for all other personal property
28 taxpayers. The compensating exemption factor is calculated by multiplying
29 the value of the tangible personal property of the railroad, car line
30 company, public service entity, or air carrier by a fraction, the
31 numerator of which is the total amount of locally assessed tangible

1 personal property that is actually subjected to property tax after the
2 exemption allowed in subsection (1) of this section, and the denominator
3 of which is the net book value of locally assessed tangible personal
4 property prior to the exemptions allowed in subsection (1) of this
5 section.

6 Sec. 6. Section 77-1239, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 77-1239 (1) For tax years prior to tax year 2019, reimbursement
9 ~~Reimbursement~~ to taxing subdivisions for tax revenue that will be lost
10 because of the personal property tax exemptions allowed in subsection (1)
11 of section 77-1238 shall be as provided in this subsection. The county
12 assessor and county treasurer shall, on or before November 30 of each
13 year, certify to the Tax Commissioner, on forms prescribed by the Tax
14 Commissioner, the total tax revenue that will be lost to all taxing
15 subdivisions within his or her county from taxes levied and assessed in
16 that year because of the personal property tax exemptions allowed in
17 subsection (1) of section 77-1238. The county assessor and county
18 treasurer may amend the certification to show any change or correction in
19 the total tax revenue that will be lost until May 30 of the next
20 succeeding year. The Tax Commissioner shall, on or before January 1 next
21 following the certification, notify the Director of Administrative
22 Services of the amount so certified to be reimbursed by the state.
23 Reimbursement of the tax revenue lost shall be made to each county
24 according to the certification and shall be distributed in two
25 approximately equal installments on the last business day of February and
26 the last business day of June. The State Treasurer shall, on the business
27 day preceding the last business day of February and the last business day
28 of June, notify the Director of Administrative Services of the amount of
29 funds available in the General Fund to pay the reimbursement. The
30 Director of Administrative Services shall, on the last business day of
31 February and the last business day of June, draw warrants against funds

1 appropriated. Out of the amount received, the county treasurer shall
2 distribute to each of the taxing subdivisions within his or her county
3 the full tax revenue lost by each subdivision, except that one percent of
4 such amount shall be deposited in the county general fund.

5 (2) For tax years prior to tax year 2019, reimbursement
6 ~~Reimbursement~~ to taxing subdivisions for tax revenue that will be lost
7 because of the compensating exemption factor in subsection (2) of section
8 77-1238 shall be as provided in this subsection. The Property Tax
9 Administrator shall establish the average tax rate that will be used for
10 purposes of reimbursing taxing subdivisions pursuant to this subsection.
11 The average tax rate shall be equal to the total property taxes levied in
12 the state divided by the total taxable value of all taxable property in
13 the state as certified pursuant to section 77-1613.01. The Tax
14 Commissioner shall certify, on or before January 30 of each year, to the
15 Director of Administrative Services the total valuation that will be lost
16 to all taxing subdivisions within each county because of the compensating
17 exemption factor in subsection (2) of section 77-1238. Such amount,
18 multiplied by the average tax rate calculated pursuant to this
19 subsection, shall be the tax revenue to be reimbursed to the taxing
20 subdivisions by the state. Reimbursement of the tax revenue lost for
21 public service entities shall be made to each county according to the
22 certification and shall be distributed among the taxing subdivisions
23 within each county in the same proportion as all public service entity
24 taxes levied by the taxing subdivisions. Reimbursement of the tax revenue
25 lost for railroads shall be made to each county according to the
26 certification and shall be distributed among the taxing subdivisions
27 within each county in the same proportion as all railroad taxes levied by
28 taxing subdivisions. Reimbursement of the tax revenue lost for car line
29 companies shall be distributed in the same manner as the taxes collected
30 pursuant to section 77-684. Reimbursement of the tax revenue lost for air
31 carriers shall be distributed in the same manner as the taxes collected

1 pursuant to section 77-1250.

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

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

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

11 77-1248 (1) The Property Tax Administrator shall ascertain from the
12 reports made and from any other information obtained by him or her the
13 taxable value of the flight equipment of air carriers and the proportion
14 allocated to this state for the purposes of taxation as provided in
15 section 77-1245.

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

19 (i) The ratio of the taxable value of all commercial and industrial
20 depreciable tangible personal property in the state actually subjected to
21 property tax to the market value of all commercial and industrial
22 depreciable tangible personal property in the state; and

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

25 (b) If the ratio of the taxable value of flight equipment of air
26 carriers exceeds the ratio of the taxable value of commercial and
27 industrial depreciable tangible personal property by more than five
28 percent, the Property Tax Administrator may adjust the value of such
29 flight equipment of air carriers to the percentage of the taxable
30 commercial and industrial depreciable tangible personal property pursuant
31 to federal law applicable to air carrier transportation property or

1 Nebraska federal court decisions applicable thereto.

2 (c) For purposes of this subsection, commercial and industrial
3 depreciable tangible personal property means all personal property which
4 is devoted to commercial or industrial use other than flight equipment of
5 air carriers.

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

9 Sec. 8. Section 77-1514, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 77-1514 (1) The county assessor shall prepare an abstract of the
12 property assessment rolls of locally assessed real property of his or her
13 county on forms prescribed and furnished by the Tax Commissioner. The
14 county assessor shall file the abstract with the Property Tax
15 Administrator on or before March 19, except beginning January 1, 2014, in
16 any county with a population of at least one hundred fifty thousand
17 inhabitants according to the most recent federal decennial census, the
18 real property abstract shall be filed on or before March 25. The abstract
19 shall show the taxable value of real property in the county as determined
20 by the county assessor and any other information as required by the
21 Property Tax Administrator. The Property Tax Administrator, upon written
22 request from the county assessor, may for good cause shown extend the
23 final filing due date for the abstract and the statutory deadlines
24 provided in section 77-5027. The Property Tax Administrator may extend
25 the statutory deadline in section 77-5028 for a county if the deadline is
26 extended for that county. Beginning January 1, 2014, in any county with a
27 population of at least one hundred fifty thousand inhabitants according
28 to the most recent federal decennial census, the county assessor shall
29 request an extension of the final filing due date by March 22.

30 (2) For tax years prior to tax year 2019, the ~~The~~ county assessor
31 shall prepare an abstract of the property assessment rolls of locally

1 assessed personal property of his or her county on forms prescribed and
2 furnished by the Tax Commissioner. The county assessor shall
3 electronically file the abstract with the Property Tax Administrator on
4 or before July 20.

5 Sec. 9. Section 77-2701.16, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 77-2701.16 (1) Gross receipts means the total amount of the sale or
8 lease or rental price, as the case may be, of the retail sales of
9 retailers.

10 (2) Gross receipts of every person engaged as a public utility
11 specified in this subsection, as a community antenna television service
12 operator, or as a satellite service operator or any person involved in
13 connecting and installing services defined in subdivision (2)(a), (b), or
14 (d) of this section means:

15 (a)(i) In the furnishing of telephone communication service, other
16 than mobile telecommunications service as described in section
17 77-2703.04, the gross income received from furnishing ancillary services,
18 except for conference bridging services, and intrastate
19 telecommunications services, except for value-added, nonvoice data
20 service.

21 (ii) In the furnishing of mobile telecommunications service as
22 described in section 77-2703.04, the gross income received from
23 furnishing mobile telecommunications service that originates and
24 terminates in the same state to a customer with a place of primary use in
25 Nebraska;

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

28 (c)(i) In the furnishing of gas, sewer, water, and electricity
29 service, other than electricity service to a customer-generator as
30 defined in section 70-2002, the gross income received from the furnishing
31 of such services upon billings or statements rendered to consumers for

1 such utility services.

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

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

10 (e) The gross income received from the provision, installation,
11 construction, servicing, or removal of property used in conjunction with
12 the furnishing, installing, or connecting of any public utility services
13 specified in subdivision (2)(a) or (b) of this section or community
14 antenna television service or satellite service specified in subdivision
15 (2)(d) of this section, except when acting as a subcontractor for a
16 public utility, this subdivision does not apply to the gross income
17 received by a contractor electing to be treated as a consumer of building
18 materials under subdivision (2) or (3) of section 77-2701.10 for any such
19 services performed on the customer's side of the utility demarcation
20 point.

21 (3) Gross receipts of every person engaged in selling, leasing, or
22 otherwise providing intellectual or entertainment property means:

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

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

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

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

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

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

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

13 (e) The gross income received for services of recreational vehicle
14 parks;

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

19 (g) The gross income received for animal specialty services except
20 (i) veterinary services performed on livestock as defined in section
21 54-183, (ii) specialty services performed on livestock as defined in
22 section 54-183, and (iii) animal grooming performed by a licensed
23 veterinarian or a licensed veterinary technician in conjunction with
24 medical treatment; ~~and~~

25 (h) The gross income received for detective services; ~~and~~

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

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

1 (k) The gross income received for clothes cleaning services,
2 including dry cleaning services and other laundry services. Cleaning
3 services does not include self-service coin-operated washing machines and
4 dryers;

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

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

12 (n) The gross income received for tattoo or other body modification
13 services;

14 (o) The gross income received for maintenance, painting, and repair
15 services performed with regard to single-family homes, including, but not
16 limited to (i) painting and wall covering services, (ii) poured concrete
17 foundation and structure services, (iii) framing services, (iv) glass and
18 glazing services, (v) roofing services, (vi) siding services, (vii)
19 electrical services, (viii) plumbing, heating, and air conditioning
20 services, (ix) drywall insulation services, (x) flooring services, and
21 (xi) carpentry services. This subdivision (o) shall not apply to fixed
22 price contracts executed prior to the operative date of this section;

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

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

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

29 (s) The gross income received for parking services provided for
30 motor vehicles as defined in section 60-123, including, but not limited
31 to, hourly, daily, or monthly services, valet parking services, parking

1 services provided by the state or any of its political subdivisions for a
2 charge, and parking services provided by a not-for-profit entity for a
3 charge. Contracts for parking services provided to the user free of
4 charge by a third party are subject to tax;

5 (t) The gross income received for swimming pool cleaning and
6 maintenance services;

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

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

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

10 (x) The gross income received for weight loss programs and services,
11 including, but not limited to, nonmedical group or individual counseling,
12 menu or exercise planning, and weight and body measurement monitoring;
13 and

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

15 (5) Gross receipts includes the sale of admissions. When an
16 admission to an activity or a membership constituting an admission is
17 combined with the solicitation of a contribution, the portion or the
18 amount charged representing the fair market price of the admission shall
19 be considered a retail sale subject to the tax imposed by section
20 77-2703. The organization conducting the activity shall determine the
21 amount properly attributable to the purchase of the privilege, benefit,
22 or other consideration in advance, and such amount shall be clearly
23 indicated on any ticket, receipt, or other evidence issued in connection
24 with the payment.

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

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

31 (8) Gross receipts includes the sale of and recharge of prepaid

1 calling service and prepaid wireless calling service.

2 (9) Gross receipts includes the retail sale of digital audio works,
3 digital audiovisual works, digital codes, and digital books delivered
4 electronically if the products are taxable when delivered on tangible
5 storage media. A sale includes the transfer of a permanent right of use,
6 the transfer of a right of use that terminates on some condition, and the
7 transfer of a right of use conditioned upon the receipt of continued
8 payments.

9 (10) Gross receipts does not include:

10 (a) The amount of any rebate granted by a motor vehicle or motorboat
11 manufacturer or dealer at the time of sale of the motor vehicle or
12 motorboat, which rebate functions as a discount from the sales price of
13 the motor vehicle or motorboat; or

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

16 Sec. 10. Section 77-2704.24, Reissue Revised Statutes of Nebraska,
17 is amended to read:

18 77-2704.24 (1) Sales and use taxes shall not be imposed on the gross
19 receipts from the sale, lease, or rental of and the storage, use, or
20 other consumption in this state of food or food ingredients except for
21 prepared food and food sold through vending machines.

22 (2) For purposes of this section:

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

26 (b) Bottled water means water that is placed in a safety sealed
27 container or package for human consumption. Bottled water is calorie free
28 and does not contain sweeteners or other additives except that it may
29 contain: (i) Antimicrobial agents; (ii) fluoride; (iii) carbonation; (iv)
30 vitamins, minerals, and electrolytes; (v) oxygen; (vi) preservatives; and
31 (vii) only those flavors, extracts, or essences derived from a spice or

1 fruit. Bottled water includes water that is delivered to the buyer in a
2 reusable container that is not sold with the water;

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

8 (d) ~~(b)~~ Dietary supplement means any product, other than tobacco,
9 intended to supplement the diet that contains one or more of the
10 following dietary ingredients: (i) A vitamin, (ii) a mineral, (iii) an
11 herb or other botanical, (iv) an amino acid, (v) a dietary substance for
12 use by humans to supplement the diet by increasing the total dietary
13 intake, or (vi) a concentrate, metabolite, constituent, extract, or
14 combination of any ingredients described in subdivisions ~~(2)(d)(i)~~ ~~(2)(b)~~
15 ~~(i)~~ through (v) of this section; that is intended for ingestion in
16 tablet, capsule, powder, softgel, gelcap, or liquid form or, if not
17 intended for ingestion in such a form, is not presented as conventional
18 food and is not represented for use as a sole item of a meal or of the
19 diet; and that is required to be labeled as a dietary supplement,
20 identifiable by the supplemental facts box found on the label and as
21 required pursuant to 21 C.F.R. 101.36, as such regulation existed on
22 January 1, 2003;

23 (e) ~~(c)~~ Food and food ingredients means substances, whether in
24 liquid, concentrated, solid, frozen, dried, or dehydrated form, that are
25 sold for ingestion or chewing by humans and are consumed for their taste
26 or nutritional value. Food and food ingredients does not include
27 alcoholic beverages, dietary supplements, ~~or~~ tobacco, bottled water,
28 candy, soft drinks, or ice;

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

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

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

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

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

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

12 (C) Food sold by a seller whose proper primary North American
13 Industry Classification System classification is manufacturing in sector
14 311, except subsector 3118, bakeries;

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

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

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

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

26 (i) ~~(f)~~ Tobacco means cigarettes, cigars, chewing or pipe tobacco,
27 or any other item that contains tobacco.

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

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

3 77-2715.07 (1) There shall be allowed to qualified resident
4 individuals as a nonrefundable credit against the income tax imposed by
5 the Nebraska Revenue Act of 1967:

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

8 (b) A credit for taxes paid to another state as provided in section
9 77-2730.

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

12 (a) For returns filed reporting federal adjusted gross incomes of
13 greater than twenty-nine thousand dollars, a nonrefundable credit equal
14 to twenty-five percent of the federal credit allowed under section 21 of
15 the Internal Revenue Code of 1986, as amended, except that for taxable
16 years beginning or deemed to begin on or after January 1, 2015, such
17 nonrefundable credit shall be allowed only if the individual would have
18 received the federal credit allowed under section 21 of the code after
19 adding back in any carryforward of a net operating loss that was deducted
20 pursuant to such section in determining eligibility for the federal
21 credit;

22 (b) For returns filed reporting federal adjusted gross income of
23 twenty-nine thousand dollars or less, a refundable credit equal to a
24 percentage of the federal credit allowable under section 21 of the
25 Internal Revenue Code of 1986, as amended, whether or not the federal
26 credit was limited by the federal tax liability. The percentage of the
27 federal credit shall be one hundred percent for incomes not greater than
28 twenty-two thousand dollars, and the percentage shall be reduced by ten
29 percent for each one thousand dollars, or fraction thereof, by which the
30 reported federal adjusted gross income exceeds twenty-two thousand
31 dollars, except that for taxable years beginning or deemed to begin on or

1 after January 1, 2015, such refundable credit shall be allowed only if
2 the individual would have received the federal credit allowed under
3 section 21 of the code after adding back in any carryforward of a net
4 operating loss that was deducted pursuant to such section in determining
5 eligibility for the federal credit;

6 (c) A refundable credit as provided in section 77-5209.01 for
7 individuals who qualify for an income tax credit as a qualified beginning
8 farmer or livestock producer under the Beginning Farmer Tax Credit Act
9 for all taxable years beginning or deemed to begin on or after January 1,
10 2006, under the Internal Revenue Code of 1986, as amended;

11 (d) A refundable credit for individuals who qualify for an income
12 tax credit under the Angel Investment Tax Credit Act, the Nebraska
13 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
14 and Development Act, or the Volunteer Emergency Responders Incentive Act;
15 and

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

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

20 (B) Thirteen percent of the federal credit allowed under section 32
21 of the Internal Revenue Code of 1986, as amended, for taxable years
22 beginning or deemed to begin on or after January 1, 2020.

23 (ii) ~~For except that for~~ taxable years beginning or deemed to begin
24 on or after January 1, 2015, the such refundable credit provided in
25 subdivision (2)(e)(i) of this section shall be allowed only if the
26 individual would have received the federal credit allowed under section
27 32 of the code after adding back in any carryforward of a net operating
28 loss that was deducted pursuant to such section in determining
29 eligibility for the federal credit.

30 (3) There shall be allowed to all individuals as a nonrefundable
31 credit against the income tax imposed by the Nebraska Revenue Act of

1 1967:

2 (a) A credit for personal exemptions allowed under section
3 77-2716.01;

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

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

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

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

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

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

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

21 (a) A credit to all resident estates and trusts for taxes paid to
22 another state as provided in section 77-2730;

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

26 (c) A refundable credit for individuals who qualify for an income
27 tax credit as an owner of agricultural assets under the Beginning Farmer
28 Tax Credit Act for all taxable years beginning or deemed to begin on or
29 after January 1, 2009, under the Internal Revenue Code of 1986, as
30 amended. The credit allowed for each partner, shareholder, member, or
31 beneficiary of a partnership, corporation, limited liability company, or

1 estate or trust qualifying for an income tax credit as an owner of
2 agricultural assets under the Beginning Farmer Tax Credit Act shall be
3 equal to the partner's, shareholder's, member's, or beneficiary's portion
4 of the amount of tax credit distributed pursuant to subsection (4) of
5 section 77-5211.

6 (5)(a) For all taxable years beginning on or after January 1, 2007,
7 and before January 1, 2009, under the Internal Revenue Code of 1986, as
8 amended, there shall be allowed to each partner, shareholder, member, or
9 beneficiary of a partnership, subchapter S corporation, limited liability
10 company, or estate or trust a nonrefundable credit against the income tax
11 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the
12 partner's, shareholder's, member's, or beneficiary's portion of the
13 amount of franchise tax paid to the state under sections 77-3801 to
14 77-3807 by a financial institution.

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

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

29 (6) There shall be allowed to all individuals nonrefundable credits
30 against the income tax imposed by the Nebraska Revenue Act of 1967 as
31 provided in section 77-3604 and refundable credits against the income tax

1 imposed by the Nebraska Revenue Act of 1967 as provided in section
2 77-3605.

3 Sec. 12. Section 77-27,132, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 77-27,132 (1) There is hereby created a fund to be designated the
6 Revenue Distribution Fund which shall be set apart and maintained by the
7 Tax Commissioner. Revenue not required to be credited to the General Fund
8 or any other specified fund may be credited to the Revenue Distribution
9 Fund. Credits and refunds of such revenue shall be paid from the Revenue
10 Distribution Fund. The balance of the amount credited, after credits and
11 refunds, shall be allocated as provided by the statutes creating such
12 revenue.

13 (2) The Tax Commissioner shall pay to a depository bank designated
14 by the State Treasurer all amounts collected under the Nebraska Revenue
15 Act of 1967. The Tax Commissioner shall present to the State Treasurer
16 bank receipts showing amounts so deposited in the bank, and of the
17 amounts so deposited the State Treasurer shall:

18 (a) For transactions occurring on or after October 1, 2014, and
19 before October 1, 2022, credit to the Game and Parks Commission Capital
20 Maintenance Fund all of the proceeds of the sales and use taxes imposed
21 pursuant to section 77-2703 on the sale or lease of motorboats as defined
22 in section 37-1204, personal watercraft as defined in section 37-1204.01,
23 all-terrain vehicles as defined in section 60-103, and utility-type
24 vehicles as defined in section 60-135.01;

25 (b) Credit to the Highway Trust Fund all of the proceeds of the
26 sales and use taxes derived from the sale or lease for periods of more
27 than thirty-one days of motor vehicles, trailers, and semitrailers,
28 except that the proceeds equal to any sales tax rate provided for in
29 section 77-2701.02 that is in excess of five percent derived from the
30 sale or lease for periods of more than thirty-one days of motor vehicles,
31 trailers, and semitrailers shall be credited to the Highway Allocation

1 Fund;

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

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

13 (e) Credit to the Property Tax Credit Cash Fund an amount equal to
14 the increase in state sales and use tax revenue received as a result of
15 the changes made by this legislative bill, minus any of such increased
16 sales and use tax revenue that is designated for the Highway Trust Fund,
17 and minus the state income tax revenue lost due to the changes made by
18 this legislative bill in subdivision (2)(e) of section 77-2715.07. The
19 amount to be credited under this subdivision shall be determined monthly
20 by the Tax Commissioner.

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

23 Sec. 13. Section 77-4212, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 77-4212 (1)(a) (1) For tax year 2007, the amount of relief granted
26 under the Property Tax Credit Act shall be one hundred five million
27 dollars. For tax year 2008, the amount of relief granted under the act
28 shall be one hundred fifteen million dollars. It is the intent of the
29 Legislature to fund the Property Tax Credit Act for tax years after tax
30 year 2008 using available revenue. For tax years year 2017 and 2018, the
31 amount of relief granted under the act shall be two hundred twenty-four

1 million dollars.

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

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

11 (2)(a) For tax years prior to tax year 2017, to determine the amount
12 of the property tax credit, the county treasurer shall multiply the
13 amount disbursed to the county under subdivision (4)(a) of this section
14 by the ratio of the real property valuation of the parcel to the total
15 real property valuation in the county. The amount determined shall be the
16 property tax credit for the property.

17 (b) Beginning with tax year 2017, to determine the amount of the
18 property tax credit, the county treasurer shall multiply the amount
19 disbursed to the county under subdivision (4)(b) of this section by the
20 ratio of the credit allocation valuation of the parcel to the total
21 credit allocation valuation in the county. The amount determined shall be
22 the property tax credit for the property.

23 (3) If the real property owner qualifies for a homestead exemption
24 under sections 77-3501 to 77-3529, the owner shall also be qualified for
25 the relief provided in the act to the extent of any remaining liability
26 after calculation of the relief provided by the homestead exemption. If
27 the credit results in a property tax liability on the homestead that is
28 less than zero, the amount of the credit which cannot be used by the
29 taxpayer shall be returned to the State Treasurer by July 1 of the year
30 the amount disbursed to the county was disbursed. The State Treasurer
31 shall immediately credit any funds returned under this subsection to the

1 Property Tax Credit Cash Fund. Upon the return of any funds under this
2 subsection, the county treasurer shall electronically file a report with
3 the Property Tax Administrator, on a form prescribed by the Tax
4 Commissioner, indicating the amount of funds distributed to each taxing
5 unit in the county in the year the funds were returned, any collection
6 fee retained by the county in such year, and the amount of unused credits
7 returned.

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

23 (b) Beginning with tax year 2017, the amount disbursed to each
24 county shall be equal to the amount available for disbursement determined
25 under subsection (1) of this section multiplied by the ratio of the
26 credit allocation valuation in the county to the credit allocation
27 valuation in the state. By September 15, the Property Tax Administrator
28 shall determine the amount to be disbursed under this subdivision to each
29 county and certify such amounts to the State Treasurer and to each
30 county. The disbursements to the counties shall occur in two equal
31 payments, the first on or before January 31 and the second on or before

1 April 1. After retaining one percent of the receipts for costs, the
2 county treasurer shall allocate the remaining receipts to each taxing
3 unit based on its share of the credits granted to all taxpayers in the
4 taxing unit.

5 (5) For purposes of this section, credit allocation valuation means
6 the taxable value for all real property except agricultural land and
7 horticultural land, one hundred twenty percent of taxable value for
8 agricultural land and horticultural land that is not subject to special
9 valuation, and one hundred twenty percent of taxable value for
10 agricultural land and horticultural land that is subject to special
11 valuation.

12 (6) The State Treasurer shall transfer from the General Fund to the
13 Property Tax Credit Cash Fund one hundred five million dollars by August
14 1, 2007, and one hundred fifteen million dollars by August 1, 2008.

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

17 Sec. 14. The State Treasurer shall transfer \$14,400,000 from the
18 General Fund to the Property Tax Credit Cash Fund on or before December
19 15, 2019, on such date as directed by the budget administrator of the
20 budget division of the Department of Administrative Services.

21 Sec. 15. The State Treasurer shall transfer \$14,800,000 from the
22 General Fund to the Property Tax Credit Cash Fund on or before December
23 15, 2020, on such date as directed by the budget administrator of the
24 budget division of the Department of Administrative Services.

25 Sec. 16. There is hereby appropriated (1) \$57,400,000 from the
26 Property Tax Credit Cash Fund for FY2019-20 and (2) \$97,800,000 from the
27 Property Tax Credit Cash Fund for FY2020-21 to the Department of Revenue,
28 for Program 132, to aid in carrying out the provisions of Legislative
29 Bill 183, One Hundred Sixth Legislature, First Session, 2019.

30 There is included in the appropriation to this program for FY2019-20
31 \$57,400,000 Cash Funds for state aid, which shall only be used for such

1 purpose. There is included in the appropriation to this program for
2 FY2020-21 \$97,800,000 Cash Funds for state aid, which shall only be used
3 for such purpose.

4 Sec. 17. There is hereby appropriated (1) \$179,900 from the General
5 Fund for FY2019-20 and (2) \$174,200 from the General Fund for FY2020-21
6 to the Department of Revenue, for Program 102, to aid in carrying out the
7 provisions of Legislative Bill 183, One Hundred Sixth Legislature, First
8 Session, 2019.

9 Total expenditures for permanent and temporary salaries and per
10 diems from funds appropriated in this section shall not exceed \$124,000
11 for FY2019-20 or \$131,000 for FY2020-21.

12 Sec. 18. Sections 2, 9, 10, 12, and 20 of this act become operative
13 on July 1, 2019. The other sections of this act become operative on their
14 effective date.

15 Sec. 19. Original sections 77-202, 77-693, 77-801, 77-1238,
16 77-1239, 77-1248, 77-1514, 77-2715.07, and 77-4212, Reissue Revised
17 Statutes of Nebraska, are repealed.

18 Sec. 20. Original sections 77-382, 77-2701.16, 77-2704.24, and
19 77-27,132, Reissue Revised Statutes of Nebraska, are repealed.

20 Sec. 21. The following section is outright repealed: Legislative
21 Bill 294, One Hundred Sixth Legislature, First Session, 2019, section 71.

22 Sec. 22. Since an emergency exists, this act takes effect when
23 passed and approved according to law.