

AMENDMENTS TO LB432

(Amendments to Standing Committee amendments, AM774)

Introduced by Cavanaugh, M., 6.

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

3 Section 1. Section 77-2602, Revised Statutes Cumulative Supplement,
4 2020, is amended to read:

5 77-2602 (1) Every stamping agent engaged in distributing or selling
6 cigarettes at wholesale in this state shall pay to the Tax Commissioner
7 of this state a special privilege tax. This shall be in addition to all
8 other taxes. It shall be paid prior to or at the time of the sale, gift,
9 or delivery to the retail dealer in the several amounts as follows: On
10 each package of cigarettes containing not more than twenty cigarettes,
11 two dollars ~~sixty-four cents~~ per package; and on packages containing more
12 than twenty cigarettes, the same tax as provided on packages containing
13 not more than twenty cigarettes for the first twenty cigarettes in each
14 package and a tax of one-twentieth of the tax on the first twenty
15 cigarettes on each cigarette in excess of twenty cigarettes in each
16 package.

17 (2) Beginning October 1, 2004, the State Treasurer shall place the
18 equivalent of forty-nine cents of such tax in the General Fund. The State
19 Treasurer shall reduce the amount placed in the General Fund under this
20 subsection by the amount prescribed in subdivision (3)(d) of this
21 section. For purposes of this section, the equivalent of a specified
22 number of cents of the tax shall mean that portion of the proceeds of the
23 tax equal to the specified number divided by the tax rate per package of
24 cigarettes containing not more than twenty cigarettes.

25 (3) The State Treasurer shall distribute the remaining proceeds of
26 such tax in the following order:

1 (a) First, beginning July 1, 1980, the State Treasurer shall place
2 the equivalent of one cent of such tax in the Nebraska Outdoor Recreation
3 Development Cash Fund. For fiscal year distributions occurring after
4 FY1998-99, the distribution under this subdivision shall not be less than
5 the amount distributed under this subdivision for FY1997-98. Any money
6 needed to increase the amount distributed under this subdivision to the
7 FY1997-98 amount shall reduce the distribution to the General Fund;

8 (b) Second, beginning July 1, 1993, the State Treasurer shall place
9 the equivalent of three cents of such tax in the Health and Human
10 Services Cash Fund to carry out sections 81-637 to 81-640. For fiscal
11 year distributions occurring after FY1998-99, the distribution under this
12 subdivision shall not be less than the amount distributed under this
13 subdivision for FY1997-98. Any money needed to increase the amount
14 distributed under this subdivision to the FY1997-98 amount shall reduce
15 the distribution to the General Fund;

16 (c) Third, beginning October 1, 2002, and continuing until all the
17 purposes of the Deferred Building Renewal Act have been fulfilled, the
18 State Treasurer shall place the equivalent of seven cents of such tax in
19 the Building Renewal Allocation Fund. The distribution under this
20 subdivision shall not be less than the amount distributed under this
21 subdivision for FY1997-98. Any money needed to increase the amount
22 distributed under this subdivision to the FY1997-98 amount shall reduce
23 the distribution to the General Fund;

24 (d) Fourth, until July 1, 2009, the State Treasurer shall place in
25 the Municipal Infrastructure Redevelopment Fund the sum of five hundred
26 twenty thousand dollars each fiscal year to carry out the Municipal
27 Infrastructure Redevelopment Fund Act. The Legislature shall appropriate
28 the sum of five hundred twenty thousand dollars each year for fiscal year
29 2003-04 through fiscal year 2008-09;

30 (e) Fifth, beginning July 1, 2001, and continuing until June 30,
31 2008, the State Treasurer shall place the equivalent of two cents of such

1 tax in the Information Technology Infrastructure Fund. The distribution
2 under this subdivision shall not be less than two million fifty thousand
3 dollars. Any money needed to increase the amount distributed under this
4 subdivision to two million fifty thousand dollars shall reduce the
5 distribution to the General Fund;

6 (f) Sixth, beginning July 1, 2008, and continuing until June 30,
7 2009, the State Treasurer shall place the equivalent of two million fifty
8 thousand dollars of such tax in the Nebraska Public Safety Communication
9 System Cash Fund. Beginning July 1, 2009, and continuing until June 30,
10 2016, the State Treasurer shall place the equivalent of two million five
11 hundred seventy thousand dollars of such tax in the Nebraska Public
12 Safety Communication System Cash Fund. Beginning July 1, 2016, and every
13 fiscal year thereafter, the State Treasurer shall place the equivalent of
14 three million eight hundred twenty thousand dollars of such tax in the
15 Nebraska Public Safety Communication System Cash Fund. If necessary, the
16 State Treasurer shall reduce the distribution of tax proceeds to the
17 General Fund pursuant to subsection (2) of this section by such amount
18 required to fulfill the distribution pursuant to this subdivision; and

19 (g) Seventh, beginning July 1, 2021 ~~2016~~, and every fiscal year
20 thereafter, the State Treasurer shall place the equivalent of one dollar
21 and thirty-six cents of such tax plus an additional one million two
22 hundred fifty thousand dollars of such tax in the Nebraska Health Care
23 Cash Fund. If necessary, the State Treasurer shall reduce the
24 distribution of tax proceeds to the General Fund pursuant to subsection
25 (2) of this section by such amount required to fulfill the distribution
26 pursuant to this subdivision.

27 (4) If, after distributing the proceeds of such tax pursuant to
28 subsections (2) and (3) of this section, any proceeds of such tax remain,
29 the State Treasurer shall place such remainder in the Nebraska Capital
30 Construction Fund.

31 (5) The Legislature hereby finds and determines that the projects

1 funded from the Municipal Infrastructure Redevelopment Fund and the
2 Building Renewal Allocation Fund are of critical importance to the State
3 of Nebraska. It is the intent of the Legislature that the allocations and
4 appropriations made by the Legislature to such funds or, in the case of
5 allocations for the Municipal Infrastructure Redevelopment Fund, to the
6 particular municipality's account not be reduced until all contracts and
7 securities relating to the construction and financing of the projects or
8 portions of the projects funded from such funds or accounts of such funds
9 are completed or paid or, in the case of the Municipal Infrastructure
10 Redevelopment Fund, the earlier of such date or July 1, 2009, and that
11 until such time any reductions in the cigarette tax rate made by the
12 Legislature shall be simultaneously accompanied by equivalent reductions
13 in the amount dedicated to the General Fund from cigarette tax revenue.
14 Any provision made by the Legislature for distribution of the proceeds of
15 the cigarette tax for projects or programs other than those to (a) the
16 General Fund, (b) the Nebraska Outdoor Recreation Development Cash Fund,
17 (c) the Health and Human Services Cash Fund, (d) the Municipal
18 Infrastructure Redevelopment Fund, (e) the Building Renewal Allocation
19 Fund, (f) the Information Technology Infrastructure Fund, (g) the
20 Nebraska Public Safety Communication System Cash Fund, and (h) the
21 Nebraska Health Care Cash Fund shall not be made a higher priority than
22 or an equal priority to any of the programs or projects specified in
23 subdivisions (a) through (h) of this subsection.

24 Sec. 2. This act becomes operative on July 1, 2021.

25 Sec. 3. Original section 77-2602, Revised Statutes Cumulative
26 Supplement, 2020, is repealed.

27 Sec. 4. Since an emergency exists, this act takes effect when
28 passed and approved according to law.