LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 941

Introduced by Slama, 1.
Read first time January 10, 2022
Committee: Revenue

A BILL FOR AN ACT relating to revenue and taxation; to amend section 77-2704.36, Revised Statutes Supplement, 2021; to provide a sales and use tax exemption for net wrap as prescribed; to provide an operative date; and to repeal the original section.

Be it enacted by the people of the State of Nebraska,
Section 1. Section 77-2704.36, Revised Statutes Supplement, 2021, is amended to read:

77-2704.36 (1) Sales and use tax shall not be imposed on the gross receipts from the sale, lease, or rental of:

(a) Depreciable agricultural machinery and equipment purchased, leased, or rented on or after January 1, 1993, for use in commercial agriculture; or

(b) Net wrap purchased for use in commercial agriculture.

(2) For purposes of this section:

(a)(i) (a) Agricultural machinery and equipment means tangible personal property that is used directly in: (A) (i) cultivating or harvesting a crop, (B) (ii) raising or caring for animal life, (C) (iii) protecting the health and welfare of animal life, including fans, curtains, and climate control equipment within livestock buildings, or (D) (iv) collecting or processing an agricultural product on a farm or ranch, regardless of the degree of attachment to any real property; and

(ii) (b) Agricultural machinery and equipment includes, but is not limited to, header trailers, head haulers, header transports, and seed tender trailers and excludes any current tractor model as defined in section 2-2701.01 not permitted for sale in Nebraska pursuant to sections 2-2701 to 2-2711; and

(b) Net wrap means plastic wrap used in the baling of hay.

Sec. 2. This act becomes operative on October 1, 2022.

Sec. 3. Original section 77-2704.36, Revised Statutes Supplement, 2021, is repealed.