

AMENDMENTS TO LB170

Introduced by Brandt, 32.

1           1. Strike original section 2 and insert the following new sections:

2           **Section 1.** Section 53-160, Reissue Revised Statutes of Nebraska, is  
3 amended to read:

4           53-160 (1)(a) ~~(1)~~ For the purpose of raising revenue, a tax is  
5 imposed upon the privilege of engaging in business as a manufacturer or a  
6 wholesaler at a rate of:

7           (i) Thirty-one cents per gallon on all beer manufactured and sold by  
8 such manufacturer or shipped for sale in this state by such wholesaler in  
9 the course of such business;

10          (ii) Ninety-five cents per gallon for wine manufactured and sold by  
11 such manufacturer or shipped for sale in this state by such wholesaler in  
12 the course of such business, except for wines produced and released from  
13 bond in farm wineries;

14          (iii) Six cents per gallon for wine produced and released from bond  
15 in farm wineries and manufactured and sold by such manufacturer or  
16 shipped for sale in this state by such wholesaler in the course of such  
17 business;

18          (iv) Two dollars and seventy-five cents per gallon on alcohol and  
19 spirits that are manufactured by a manufacturer that either manufactures  
20 and sells in this state, or ships in this state via a wholesaler in the  
21 course of such business, one hundred thousand gallons of alcohol or  
22 spirits or less within such calendar year; and

23          (v) Four dollars and fifty cents per gallon on alcohol and spirits  
24 that are manufactured by a manufacturer that either manufactures and  
25 sells in this state, or ships in this state via a wholesaler in the  
26 course of such business, more than one hundred thousand gallons of  
27 alcohol or spirits within such calendar year.

1       ~~thirty-one cents per gallon on all beer; ninety-five cents per~~  
2 ~~gallon for wine, except for wines produced and released from bond in farm~~  
3 ~~wineries; six cents per gallon for wine produced and released from bond~~  
4 ~~in farm wineries; and three dollars and seventy-five cents per gallon on~~  
5 ~~alcohol and spirits manufactured and sold by such manufacturer or shipped~~  
6 ~~for sale in this state by such wholesaler in the course of such business.~~

7       (b) The gallonage tax imposed by this subsection shall be imposed  
8 only on alcoholic liquor upon which a federal excise tax is imposed.

9       (2) Manufacturers or wholesalers of alcoholic liquor shall be exempt  
10 from the payment of the gallonage tax on such alcoholic liquor upon  
11 satisfactory proof, including bills of lading furnished to the commission  
12 by affidavit or otherwise as the commission may require, that such  
13 alcoholic liquor was manufactured in this state but shipped out of the  
14 state for sale and consumption outside this state.

15       (3) Dry wines or fortified wines manufactured or shipped into this  
16 state solely and exclusively for sacramental purposes and uses shall not  
17 be subject to the gallonage tax.

18       (4) The gallonage tax shall not be imposed upon any alcoholic  
19 liquor, whether manufactured in or shipped into this state, when sold to  
20 a licensed nonbeverage user for use in the manufacture of any of the  
21 following when such products are unfit for beverage purposes: Patent and  
22 proprietary medicines and medicinal, antiseptic, and toilet preparations;  
23 flavoring extracts, syrups, food products, and confections or candy;  
24 scientific, industrial, and chemical products, except denatured alcohol;  
25 or products for scientific, chemical, experimental, or mechanical  
26 purposes.

27       (5) The gallonage tax shall not be imposed upon the privilege of  
28 engaging in any business in interstate commerce or otherwise, which  
29 business may not, under the Constitution and statutes of the United  
30 States, be made the subject of taxation by this state.

31       (6) The gallonage tax shall be in addition to all other occupation

1 or privilege taxes imposed by this state or by any municipal corporation  
2 or political subdivision thereof.

3 (7) The commission shall collect the gallonage tax and shall account  
4 for and remit to the State Treasurer at least once each week all money  
5 collected pursuant to this section. If any alcoholic liquor manufactured  
6 in or shipped into this state is sold to a licensed manufacturer or  
7 wholesaler of this state to be used solely as an ingredient in the  
8 manufacture of any beverage for human consumption, the tax imposed upon  
9 such manufacturer or wholesaler shall be reduced by the amount of the  
10 taxes which have been paid as to such alcoholic liquor so used under the  
11 Nebraska Liquor Control Act. The net proceeds of all revenue arising  
12 under this section shall be credited to the General Fund.

13 **Sec. 2.** Section 77-2602, Revised Statutes Cumulative Supplement,  
14 2024, is amended to read:

15 77-2602 (1) Every stamping agent engaged in distributing or selling  
16 cigarettes at wholesale in this state shall pay to the Tax Commissioner  
17 of this state a special privilege tax. This shall be in addition to all  
18 other taxes. It shall be paid prior to or at the time of the sale, gift,  
19 or delivery to the retail dealer in the several amounts as follows:

20 (a) On each package of cigarettes intended to be burned which  
21 contains ~~containing~~ not more than twenty cigarettes, one dollar and  
22 thirty-six ~~sixty-four~~ cents per package; and on packages containing more  
23 than twenty cigarettes, the same tax as provided on packages containing  
24 not more than twenty cigarettes for the first twenty cigarettes in each  
25 package and a tax of one-twentieth of the tax on the first twenty  
26 cigarettes on each cigarette in excess of twenty cigarettes in each  
27 package; or -

28 (b) On each package of cigarettes intended to be heated which  
29 contains not more than twenty cigarettes, thirty-two cents per package;  
30 and on packages containing more than twenty cigarettes, the same tax as  
31 provided on packages containing not more than twenty cigarettes for the

1 first twenty cigarettes in each package and a tax of one-twentieth of the  
2 tax on the first twenty cigarettes on each cigarette in excess of twenty  
3 cigarettes in each package.

4 (2) Beginning July 1, 2025 ~~October 1, 2004~~, the State Treasurer  
5 shall place the equivalent of one dollar and twenty-one ~~forty-nine~~ cents  
6 of ~~the such~~ tax imposed under subdivision (1)(a) of this section in the  
7 General Fund. For purposes of this section, the equivalent of a specified  
8 number of cents of the tax imposed under subdivision (1)(a) of this  
9 section shall mean that portion of the proceeds of the tax equal to the  
10 specified number divided by the tax rate per package of cigarettes  
11 containing not more than twenty cigarettes.

12 (3) The State Treasurer shall distribute the remaining proceeds of  
13 ~~the such~~ tax imposed under subdivision (1)(a) of this section as follows:

14 (a) Beginning July 1, 1980, the State Treasurer shall place the  
15 equivalent of one cent of such tax in the Nebraska Outdoor Recreation  
16 Development Cash Fund. For fiscal year distributions occurring after  
17 FY1998-99, the distribution under this subdivision shall not be less than  
18 the amount distributed under this subdivision for FY1997-98. Any money  
19 needed to increase the amount distributed under this subdivision to the  
20 FY1997-98 amount shall reduce the distribution to the General Fund;

21 (b) Beginning July 1, 1993, the State Treasurer shall place the  
22 equivalent of three cents of such tax in the Health and Human Services  
23 Cash Fund to carry out sections 81-637 to 81-640. For fiscal year  
24 distributions occurring after FY1998-99, the distribution under this  
25 subdivision shall not be less than the amount distributed under this  
26 subdivision for FY1997-98. Any money needed to increase the amount  
27 distributed under this subdivision to the FY1997-98 amount shall reduce  
28 the distribution to the General Fund;

29 (c) Beginning October 1, 2002, and continuing until all the purposes  
30 of the Deferred Building Renewal Act have been fulfilled, the State  
31 Treasurer shall place the equivalent of seven cents of such tax in the

1 Building Renewal Allocation Fund. The distribution under this subdivision  
2 shall not be less than the amount distributed under this subdivision for  
3 FY1997-98. Any money needed to increase the amount distributed under this  
4 subdivision to the FY1997-98 amount shall reduce the distribution to the  
5 General Fund;

6 (d) Beginning July 1, 2016, and every fiscal year thereafter, the  
7 State Treasurer shall place the equivalent of three million eight hundred  
8 twenty thousand dollars of such tax in the Nebraska Public Safety  
9 Communication System Cash Fund. If necessary, the State Treasurer shall  
10 reduce the distribution of tax proceeds to the General Fund pursuant to  
11 subsection (2) of this section by such amount required to fulfill the  
12 distribution pursuant to this subdivision; and

13 (e) Beginning July 1, 2016, and every fiscal year thereafter, the  
14 State Treasurer shall place the equivalent of one million two hundred  
15 fifty thousand dollars of such tax in the Nebraska Health Care Cash Fund.  
16 If necessary, the State Treasurer shall reduce the distribution of tax  
17 proceeds to the General Fund pursuant to subsection (2) of this section  
18 by such amount required to fulfill the distribution pursuant to this  
19 subdivision.

20 (4) If, after distributing the proceeds of the such tax imposed  
21 under subdivision (1)(a) of this section pursuant to subsections (2) and  
22 (3) of this section, any proceeds of such tax remain, the State Treasurer  
23 shall place such remainder in the Nebraska Capital Construction Fund.

24 (5) The Legislature hereby finds and determines that the projects  
25 funded from the Building Renewal Allocation Fund are of critical  
26 importance to the State of Nebraska. It is the intent of the Legislature  
27 that the allocations and appropriations made by the Legislature to such  
28 fund not be reduced until all contracts and securities relating to the  
29 construction and financing of the projects or portions of the projects  
30 funded from such fund are completed or paid, and that until such time any  
31 reductions in the cigarette tax rate imposed under subdivision (1)(a) of

1 this section that are made by the Legislature shall be simultaneously  
2 accompanied by equivalent reductions in the amount dedicated to the  
3 General Fund from such cigarette tax revenue. Any provision made by the  
4 Legislature for distribution of the proceeds of the cigarette tax imposed  
5 under subdivision (1)(a) of this section for projects or programs other  
6 than those to (a) the General Fund, (b) the Nebraska Outdoor Recreation  
7 Development Cash Fund, (c) the Health and Human Services Cash Fund, (d)  
8 the Building Renewal Allocation Fund, (e) the Nebraska Public Safety  
9 Communication System Cash Fund, and (f) the Nebraska Health Care Cash  
10 Fund shall not be made a higher priority than or an equal priority to any  
11 of the programs or projects specified in subdivisions (a) through (f) of  
12 this subsection.

13 (6) Beginning July 1, 2025, the State Treasurer shall place all of  
14 the cigarette tax revenue received pursuant to subdivision (1)(b) of this  
15 section in the General Fund.

16 **Sec. 4.** Section 81-638, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18 81-638 (1) Subject to subsection (4) of this section, the  
19 Legislature shall appropriate for each year from the Health and Human  
20 Services Cash Fund to the department an amount derived from one cent of  
21 the cigarette tax imposed under subdivision (1)(a) of ~~by~~ section 77-2602,  
22 less any amount appropriated from the fund specifically to the University  
23 of Nebraska Eppley Institute for Research in Cancer and Allied Diseases.  
24 The department shall, after deducting expenses incurred in the  
25 administration of such funds, distribute such funds exclusively for  
26 grants and contracts for research of cancer and smoking diseases, for  
27 funding the cancer registry prescribed in sections 81-642 to 81-650, and  
28 for associated expenses due to the establishment and maintenance of such  
29 cancer registry. Not more than two hundred thousand dollars shall be  
30 appropriated for funding the cancer registry and associated expenses. The  
31 University of Nebraska may receive such grants and contracts, and other

1 postsecondary institutions having colleges of medicine located in the  
2 State of Nebraska may receive such contracts.

3 (2) Subject to subsection (4) of this section, the Legislature shall  
4 appropriate for each year from the Health and Human Services Cash Fund to  
5 the department for cancer research an amount derived from two cents of  
6 the cigarette tax imposed under subdivision (1)(a) of ~~by~~ section 77-2602  
7 to be used exclusively for grants and contracts for research on cancer  
8 and smoking diseases. No amount shall be appropriated or used pursuant to  
9 this subsection for the operation and associated expenses of the cancer  
10 registry. Not more than one-half of the funds appropriated pursuant to  
11 this subsection shall be distributed to the University of Nebraska  
12 Medical Center for research in cancer and allied diseases and the  
13 University of Nebraska Eppley Institute for Research in Cancer and Allied  
14 Diseases. The remaining funds available pursuant to this subsection shall  
15 be distributed for contracts with other postsecondary educational  
16 institutions having colleges of medicine located in Nebraska which have  
17 cancer research programs for the purpose of conducting research in cancer  
18 and allied diseases.

19 (3) Any contract between the department and another postsecondary  
20 educational institution for cancer research under subsection (2) of this  
21 section shall provide that:

22 (a) Any money appropriated for such contract shall only be used for  
23 cancer research and shall not be used to support any other program in the  
24 institution;

25 (b) Full and detailed reporting of the expenditure of all funds  
26 under the contract is required. The report shall include, but not be  
27 limited to, separate accounting for personal services, equipment  
28 purchases or leases, and supplies. Such reports shall be made available  
29 electronically to the Legislature; and

30 (c) No money appropriated for such contract shall be spent for  
31 travel, building construction, or any other purpose not directly related

1 to the research that is the subject of the contract.

2 (4) The State Treasurer shall transfer seven million dollars from  
3 the Health and Human Services Cash Fund to the General Fund on or before  
4 June 30, 2018, on such dates and in such amounts as directed by the  
5 budget administrator of the budget division of the Department of  
6 Administrative Services. It is the intent of the Legislature that the  
7 transfer to the General Fund in this subsection be from funds credited to  
8 the Cancer Research subfund of the Health and Human Services Cash Fund  
9 which were in excess of appropriations established in subsections (1) and  
10 (2) of this section.

11 **Sec. 5.** This act becomes operative on July 1, 2025.

12 **Sec. 7.** Since an emergency exists, this act takes effect when  
13 passed and approved according to law.

14 2. Renumber the remaining sections and correct the repealer  
15 accordingly.