

**ONE HUNDRED NINTH LEGISLATURE - SECOND SESSION - 2026**  
**COMMITTEE STATEMENT**  
**LB1109**

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**Hearing Date:** Wednesday February 04, 2026  
**Committee On:** Revenue  
**Introducer:** von Gillern  
**One Liner:** Eliminate certain sales and use tax exemptions and a renewable energy tax credit and change provisions relating to the Nebraska Advantage Research and Development Act and the ImagiNE Nebraska Act

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**  
**Aye:** 8 Senators von Gillern, Bostar, Dungan, Ibach, Jacobson, Kauth, Murman, Sorrentino  
**Nay:**  
**Absent:**  
**Present Not Voting:**

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**Testimony:**

**Proponents:**

Senator R. Brad von Gillern  
Neil Sullivan

**Representing:**

Opening Presenter  
Department of Administrative Services, State Budget & Governor

**Opponents:**

Adam Feser  
Greg Osborn  
  
Joshua Vossler

**Representing:**

Nebraska Cooperative Council  
Wyuka Cemetery and Funeral Home, Wyuka Board of Trustees  
Wyuka Cemetery and Funeral Home

**Neutral:**

**Representing:**

\* ADA Accommodation Written Testimony

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**Summary of purpose and/or changes:**

LB 1109 removes several sales and use tax exemptions covering data center, biochips, cemeteries, game birds, community-based energy development (C-BED) projects, and mineral oil used as a dust suppressant. It also sunsets tax credits for renewable energy and makes such credits non-refundable. The operative date is the beginning of FY26-27 and the bill has an emergency clause.

Section-by-Section Summary:



Section 1: Amends section 77-382 to strike “mineral oil as dust suppressant” as a tax expenditure report listing under the Tax Expenditure Reporting Act.

Section 2: Amends section 77-2704.12 to strike any nonprofit organization's purchase of property for transfer to another nonprofit organization listed in the section, making such purchases subject to sales and use taxes.

Section 3: Amends section 77-2704.15 to strike cemeteries from sales and use tax exemption.

Section 4: Amends section 77-2704.46 to strike game birds subject to Game and Parks Commission regulations from sales and use tax exemption.

Section 5: Amends section 77-27,235 to sunset renewable energy tax credits effective July 1, 2026.

Section 6: Amends section 77-5804 to strike language allowing tax credits under section 77-5803 to be a refundable credit on the taxpayer's income tax return.

Section 7: Amends section 77-6818 to strike “waste treatment and disposal” from the list of qualified locations under the ImagiNE Nebraska Act.

Section 8: Operative date of July 1, 2026.

Section 9: Repealer.

Section 10: Outright repeals sections 77-2701.54, definition of data center; 77-2704.57, sales and use tax exemption for personal property used in C-BED project; 77-2704.60, sales and use tax exemption for mineral oil applied to grain as dust suppressant; 77-2704.61, sales and use tax exemption for biochips; 77-2704.62, sales and use tax exemption for data centers.

Section 11: Emergency Clause.

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**Explanation of amendments:**

AM 2105 simply strikes section 3 of LB 1109 and renumbers the remaining sections. The effect is that cemeteries continue to be exempt from sales and use taxes.

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R. Brad von Gillern, Chairperson

