

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 650

FINAL READING

Introduced by von Gillern, 4; at the request of the Governor.

Read first time January 22, 2025

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
2 18-3417, 60-3,185, 77-202.23, 77-202.24, 77-1804, 77-1806, 77-1815,
3 77-1816, 77-1819, 77-1823, 77-1825, 77-1829, 77-1836, 77-1856,
4 77-1902, 77-1909, and 81-1201.12, Reissue Revised Statutes of
5 Nebraska, and sections 77-908, 77-1632, 77-1633, 77-1802, 77-1807,
6 77-1818, 77-1831, 77-1832, 77-1833, 77-1837, 77-1838, 77-2701.16,
7 77-2703, 77-2706.02, 77-2708, 77-2711, 77-2715.07, 77-2734.03,
8 77-27,187.02, 77-27,188, 77-27,241, 77-3110, 77-3120, 77-3126,
9 77-3136, 77-3169, 77-3806, 77-4602, 77-6605, 77-6919, 77-7012,
10 77-7304, and 77-7305, Revised Statutes Cumulative Supplement, 2024;
11 to adopt the Community Development Assistance Act; to change
12 provisions relating to land banks; to change a motor vehicle tax
13 exemption and a property tax exemption relating to certain disabled
14 veterans; to change provisions relating to community colleges; to
15 change provisions relating to real property sold for delinquent
16 taxes and certain tax-related foreclosure actions; to change
17 provisions relating to a sales tax exemption for the lease or use of
18 certain towers; to change sales tax collection fees; to change
19 provisions relating to purchasing agents; to provide for an audit by
20 the Auditor of Public Accounts for suspected tax reporting
21 irregularities or discrepancies; to create an exception to the
22 disclosure of confidential tax information by municipalities; to

1 change provisions relating to the Nebraska Advantage Rural
2 Development Act, a food donation tax credit, the Relocation
3 Incentive Act, the Creating High Impact Economic Futures Act, the
4 Cast and Crew Nebraska Act, the Nebraska Shortline Rail
5 Modernization Act, the Reverse Osmosis System Tax Credit Act,
6 certain transfers of General Fund net receipts, the Renewable
7 Chemical Production Tax Credit Act, the Urban Redevelopment Act, the
8 Nebraska Biodiesel Tax Credit Act, and the School District Property
9 Tax Relief Act; to harmonize provisions; to provide operative dates;
10 to repeal the original sections; and to declare an emergency.
11 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Sections 1 to 8 of this act shall be known and may be
2 cited as the Community Development Assistance Act.

3 **Sec. 2.** The Legislature hereby finds that areas of chronic economic
4 distress in the State of Nebraska are a detriment to the economic well-
5 being, health, and safety of the citizens of Nebraska. The Legislature
6 further contends that current governmental solutions have not been able
7 to completely resolve certain problems such as overcrowding,
8 unemployment, and poor health and sanitary conditions in a community
9 which lead to further deterioration. Such problems cannot be remedied by
10 the government alone, but can be alleviated through a partnership between
11 the government and private enterprise. It is therefore declared to be
12 public policy in this state to encourage contributions by business firms
13 and individuals that offer and provide community and neighborhood
14 assistance and community services.

15 **Sec. 3.** For purposes of the Community Development Assistance Act,
16 unless the context otherwise requires:

17 (1) Area of chronic economic distress means an area of the state
18 which meets any of the following conditions:

19 (a) An unemployment rate which exceeds the statewide average
20 unemployment rate;

21 (b) A per capita income below the statewide average per capita
22 income; or

23 (c) A population loss between the two most recent federal decennial
24 censuses;

25 (2) Business firm means any business entity, including a
26 corporation, a fiduciary, a sole proprietorship, a partnership, a limited
27 liability company, a corporation having an election in effect under
28 Chapter 1, subchapter S, of the Internal Revenue Code, subject to the
29 state income tax imposed by section 77-2715 or 77-2734.02, an insurance
30 company paying premium or related retaliatory taxes in this state
31 pursuant to section 44-150 or 77-908, or a financial institution paying

1 the tax imposed pursuant to sections 77-3801 to 77-3807;

2 (3) Community assistance means furnishing financial assistance,
3 labor, material, or technical advice to aid in the physical improvement
4 of any part or all of a community development area;

5 (4) Community betterment organization means (a) any organization
6 performing community services or offering community assistance in a
7 community development area and to which contributions are tax deductible
8 under the provisions of the Internal Revenue Service of the United States
9 Department of the Treasury and (b) a county, city, or village performing
10 community services or offering community assistance in a community
11 development area;

12 (5) Community development area means any village, city, county,
13 unincorporated area of a county, or census tract which has been
14 designated by the department as an area of chronic economic distress;

15 (6) Community services means any type of the following in a
16 community development area: (a) Employment training; (b) human services;
17 (c) medical services; (d) physical facility and neighborhood development
18 services; (e) recreational services or activities; (f) educational
19 services; or (g) crime prevention activities, including, but not limited
20 to, (i) the instruction of any individual in the community development
21 area that enables him or her to acquire vocational skills, (ii)
22 counseling and advice, (iii) emergency services, (iv) community, youth,
23 day care, and senior citizen centers, (v) in-home services, (vi) home
24 improvement services and programs, and (vii) any legal enterprise which
25 aids in the prevention or reduction of crime;

26 (7) Department means the Department of Economic Development; and

27 (8) Director means the Director of Economic Development.

28 **Sec. 4.** Any community betterment organization which provides
29 community assistance or community services in a community development
30 area may apply any time during the fiscal year to the department to have
31 one or more programs certified for tax credit status as provided in

1 sections 5 to 8 of this act. The proposal shall set forth the program to
2 be conducted, the community development area, the estimated amount to be
3 required for completion of the program or the annual estimated amount
4 required for an ongoing program, the plans for implementing the program,
5 and the amount of contributions committed or anticipated for such
6 activities or services.

7 **Sec. 5.** If the subdivision of local government has adopted a
8 community development plan for an area which includes the area in which
9 the community betterment organization is providing community assistance
10 or community services, the organization shall submit a copy of the
11 program proposal to the chief executive officer of such subdivision. If
12 the program proposal is consistent with the adopted community development
13 plan, the chief executive officer shall so certify to the department for
14 the department's approval or disapproval. If the program proposal is not
15 consistent with the adopted community development plan of the local
16 subdivision, the chief executive officer shall so indicate and the
17 proposal shall not be approved by the department. If the proposed
18 activities are consistent with the adopted community development plan,
19 but for other reasons they are not viewed as appropriate by the local
20 subdivision, the chief executive officer shall so indicate and the
21 department shall review the program proposal and approve or disapprove
22 it. The local subdivision shall review the proposal within forty-five
23 days from the date of receipt for review. If the subdivision does not
24 issue its finding concerning the proposal within forty-five days after
25 receipt, the proposal shall be deemed approved. The department shall
26 approve or disapprove a program proposal submitted pursuant to section 4
27 of this act within forty-five days of receipt by the department.

28 **Sec. 6.** (1) The director shall adopt and promulgate rules and
29 regulations for the approval or disapproval of the program proposals
30 submitted pursuant to section 5 of this act taking into account the
31 economic need level and the geographic distribution of the population of

1 the community development area. The director shall also adopt and
2 promulgate rules and regulations concerning the amount of the tax credit
3 for which a program shall be certified. The tax credits shall be
4 available for contributions to a certified program which may qualify as a
5 charitable contribution deduction on the federal income tax return filed
6 by the business firm or individual making such contribution. The decision
7 of the department to approve or disapprove all or any portion of a
8 proposal shall be in writing. If the proposal is approved, the maximum
9 tax credit allowance for the certified program shall be stated along with
10 the approval. The maximum tax credit allowance approved by the department
11 shall be final for the fiscal year in which the program is certified. A
12 copy of all decisions shall be transmitted to the Tax Commissioner. A
13 copy of all credits allowed to business firms under sections 44-150 and
14 77-908 shall be transmitted to the Director of Insurance.

15 (2) For all business firms and individuals eligible for the credit
16 allowed by section 7 of this act, except for insurance companies paying
17 premium and related retaliatory taxes in this state pursuant to section
18 44-150 or 77-908, the Tax Commissioner shall provide for the manner in
19 which the credit allowed by section 7 of this act shall be taken and the
20 forms on which such credit shall be allowed. The Tax Commissioner shall
21 adopt and promulgate rules and regulations for the method of providing
22 tax credits. The Director of Insurance shall provide for the manner in
23 which the credit allowed by section 7 of this act to insurance companies
24 paying premium and related retaliatory taxes in this state pursuant to
25 sections 44-150 and 77-908 shall be taken and the forms on which such
26 credit shall be allowed. The Director of Insurance may adopt and
27 promulgate rules and regulations for the method of providing the tax
28 credit. The Tax Commissioner shall allow against any income tax due from
29 the insurance companies paying premium and related retaliatory taxes in
30 this state pursuant to section 44-150 or 77-908 a credit for the credit
31 provided by section 7 of this act and allowed by the Director of

1 Insurance.

2 **Sec. 7.** (1) Any business firm or individual which plans to or which
3 has contributed to a certified program of a community betterment
4 organization may apply to the department for authorization for a tax
5 credit for the contribution to the certified program in an amount up to
6 but not exceeding the maximum tax credit allowed by the department. The
7 maximum tax credit allowed by the department for each approved business
8 firm or individual shall be in an amount which does not exceed forty
9 percent of the total amount contributed by the business firm or
10 individual during its taxable year to any programs certified pursuant to
11 section 5 of this act. The director shall send a copy of the approved
12 application which includes the amount of the tax credit to be allowed and
13 a certification by the department that the contribution has been paid as
14 proposed by the business firm or individual to the Tax Commissioner who
15 shall grant a tax credit against any tax due under sections 77-2715,
16 77-2734.02, and 77-3801 to 77-3807 and to the Director of Insurance who
17 shall grant a tax credit against any premium and related retaliatory
18 taxes due under sections 44-150 and 77-908.

19 (2) No tax credit shall be granted to any business firm or
20 individual in this state pursuant to the Community Development Assistance
21 Act for activities that are a part of its normal course of business. Any
22 tax credit balance may be carried over and applied against the business
23 firm's or individual's tax liability for the next five years immediately
24 succeeding the tax year in which the credit was first allowed.

25 **Sec. 8.** The total amount of tax credit granted for programs
26 approved and certified under the Community Development Assistance Act by
27 the department for any fiscal year shall not exceed three hundred fifty
28 thousand dollars.

29 **Sec. 9.** Section 18-3417, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 18-3417 (1)(a) At any sale of real property for the nonpayment of

1 taxes conducted pursuant to sections 77-1801 to 77-1863, a land bank may:

2 (i) Bid on such real property in an amount equal to the total amount
3 of taxes, interest, and costs due on the real property. If a bid is given
4 pursuant to this subdivision, the bid shall not receive any special
5 treatment by the county treasurer and shall be accepted or rejected in
6 the same manner as any other bid on such real property; or

7 (ii) If a land bank is created by a city of the metropolitan class
8 that borders a county in which at least three cities of the first class
9 are located and if approved by a two-thirds vote of the board, give an
10 automatically accepted bid on such real property in an amount equal to
11 the total amount of taxes, interest, and costs due on the real property.
12 If an automatically accepted bid is given, it shall be accepted by the
13 county treasurer regardless of any other bids on such real property. An
14 automatically accepted bid may be given only if the conditions for making
15 such a bid prescribed by the board pursuant to subsection (11) of section
16 18-3405 have been met.

17 (b) If a land bank's bid pursuant to subdivision (1)(a) of this
18 section is accepted by the county treasurer, the land bank shall pay the
19 county treasurer and shall be entitled to a tax sale certificate for such
20 real property.

21 (2) If a county holds a tax sale certificate pursuant to section
22 77-1809, a land bank may purchase such tax sale certificate from the
23 county by paying the county treasurer the amount expressed on the face of
24 the certificate and interest thereon at the rate specified in section
25 45-104.01, as such rate may from time to time be adjusted by the
26 Legislature, from the date the tax sale certificate was first issued to
27 the county to the date such certificate was purchased by the land bank.

28 ~~(3)(a) Subdivision (b) of this subsection applies until January 1,~~
29 ~~2015. Subdivision (c) of this subsection applies beginning January 1,~~
30 ~~2015.~~

31 ~~(b) Within six months after the expiration of three years from the~~

1 ~~date of sale of real property for the nonpayment of taxes pursuant to~~
2 ~~sections 77-1801 to 77-1863, a land bank that has acquired a tax sale~~
3 ~~certificate for such real property under this section may:~~

4 ~~(i) Apply to the county treasurer for a tax deed for the real~~
5 ~~property described in the tax sale certificate. A land bank applying for~~
6 ~~a tax deed shall comply with all the requirements of sections 77-1801 to~~
7 ~~77-1863 relating to such tax deed; or~~

8 ~~(ii) Foreclose the lien represented by the tax sale certificate as~~
9 ~~authorized in section 77-1902.~~

10 ~~(3) A (c) Within nine months after the expiration of three years~~
11 ~~from the date of sale of real property for the nonpayment of taxes~~
12 ~~pursuant to sections 77-1801 to 77-1863, a land bank that has acquired a~~
13 ~~tax sale certificate for such real property under this section may:~~

14 ~~(a) (i) Apply to the county treasurer for a tax deed for the real~~
15 ~~property described in the tax sale certificate. The land bank shall apply~~
16 ~~for such tax deed within the time period prescribed in subdivision (1)(a)~~
17 ~~or (b) of section 77-1837, whichever is applicable, and A land bank~~
18 ~~applying for a tax deed shall comply with all the requirements of~~
19 ~~sections 77-1801 to 77-1863 relating to such tax deed; or~~

20 ~~(b) (ii) Foreclose the lien represented by the tax sale certificate~~
21 ~~as authorized in section 77-1902. The land bank shall foreclose such lien~~
22 ~~within the time period prescribed in subdivision (2)(a) or (b) of section~~
23 ~~77-1902, whichever is applicable.~~

24 **Sec. 10.** Section 60-3,185, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 60-3,185 A motor vehicle tax is imposed on motor vehicles registered
27 for operation upon the highways of this state, except:

28 (1) Motor vehicles exempt from the registration fee in section
29 60-3,160;

30 (2) One motor vehicle owned and used for his or her personal
31 transportation by a disabled veteran or blind veteran of the United

1 States Armed Forces as defined in section 77-202.23 whose disability or
2 blindness is recognized by the United States Department of Veterans
3 Affairs and who was discharged or otherwise separated with a
4 characterization of honorable if an application for the exemption has
5 been approved under subsection (1) of section 60-3,189;

6 (3) Motor vehicles owned by Indians who are members of an Indian
7 tribe;

8 (4) Motor vehicles owned by a member of the United States Armed
9 Forces serving in this state in compliance with military or naval orders
10 or his or her spouse if such servicemember or spouse is a resident of a
11 state other than Nebraska;

12 (5) Motor vehicles owned by the state and its governmental
13 subdivisions and exempt as provided in subdivision (1)(a) or (b) of
14 section 77-202;

15 (6) Motor vehicles owned and used exclusively by an organization or
16 society qualified for a tax exemption provided in subdivision (1)(c) or
17 (d) of section 77-202 if an application for the exemption provided in
18 this subdivision has been approved under subsection (2) of section
19 60-3,189; and

20 (7) Trucks, trailers, or combinations thereof registered under
21 section 60-3,198.

22 **Sec. 11.** Section 77-202.23, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 77-202.23 As used in sections 77-202.23 and 77-202.24, unless the
25 context otherwise requires:

26 (1) Disabled veteran has the same meaning as in 5 U.S.C. 2108, as
27 such section existed on January 1, 2025 ~~person shall mean a veteran who~~
28 ~~has lost the use of or has undergone amputation of two or more~~
29 ~~extremities or has undergone amputation of one or more extremities and~~
30 ~~has lost the use of one or more extremities; and~~

31 (2) Blind veteran means ~~shall mean~~ a veteran whose sight is so

1 defective as to seriously limit such veteran's ~~his~~ ability to engage in
2 the ordinary vocations and activities of life.

3 **Sec. 12.** Section 77-202.24, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 77-202.24 A mobile home shall be exempt from taxation if it is owned
6 and occupied by a disabled veteran or blind veteran of the United States
7 Armed Forces whose disability or blindness is recognized by the United
8 States Department of Veterans Affairs as service connected and who was
9 discharged or otherwise separated with a characterization of honorable or
10 general (under honorable conditions).

11 **Sec. 13.** Section 77-908, Revised Statutes Cumulative Supplement,
12 2024, is amended to read:

13 77-908 Every insurance company organized under the stock, mutual,
14 assessment, or reciprocal plan, except fraternal benefit societies, which
15 is transacting business in this state shall, on or before March 1 of each
16 year, pay a tax to the director of one percent of the gross amount of
17 direct writing premiums received by it during the preceding calendar year
18 for business done in this state, except that (1) for group sickness and
19 accident insurance the rate of such tax shall be five-tenths of one
20 percent and (2) for property and casualty insurance, excluding individual
21 sickness and accident insurance, the rate of such tax shall be one
22 percent. A captive insurer authorized under the Captive Insurers Act that
23 is transacting business in this state shall, on or before March 1 of each
24 year, pay to the director a tax of one-fourth of one percent of the gross
25 amount of direct writing premiums received by such insurer during the
26 preceding calendar year for business transacted in the state. The taxable
27 premiums shall include premiums paid on the lives of persons residing in
28 this state and premiums paid for risks located in this state whether the
29 insurance was written in this state or not, including that portion of a
30 group premium paid which represents the premium for insurance on Nebraska
31 residents or risks located in Nebraska included within the group when the

1 number of lives in the group exceeds five hundred. The tax shall also
2 apply to premiums received by domestic companies for insurance written on
3 individuals residing outside this state or risks located outside this
4 state if no comparable tax is paid by the direct writing domestic company
5 to any other appropriate taxing authority. Companies whose scheme of
6 operation contemplates the return of a portion of premiums to
7 policyholders, without such policyholders being claimants under the terms
8 of their policies, may deduct such return premiums or dividends from
9 their gross premiums for the purpose of tax calculations. Any such
10 insurance company shall receive a credit on the tax imposed as provided
11 in the Community Development Assistance Act, the Creating High Impact
12 Economic Futures Act, the Nebraska Job Creation and Mainstreet
13 Revitalization Act, the New Markets Job Growth Investment Act, the
14 Nebraska Higher Blend Tax Credit Act, the Relocation Incentive Act, the
15 Sustainable Aviation Fuel Tax Credit Act, the Nebraska Shortline Rail
16 Modernization Act, and the Affordable Housing Tax Credit Act.

17 **Sec. 14.** Section 77-1632, Revised Statutes Cumulative Supplement,
18 2024, is amended to read:

19 77-1632 (1) If the annual assessment of property would result in an
20 increase in the total property taxes levied by a county, city, village,
21 school district, learning community, sanitary and improvement district,
22 natural resources district, educational service unit, or community
23 college, as determined using the previous year's rate of levy, such
24 political subdivision's property tax request for the current year shall
25 be no more than its property tax request in the prior year, and the
26 political subdivision's rate of levy for the current year shall be
27 decreased accordingly when such rate is set by the county board of
28 equalization pursuant to section 77-1601. The governing body of the
29 political subdivision shall pass a resolution or ordinance to set the
30 amount of its property tax request after holding the public hearing
31 required in subsection (3) of this section. If the governing body of a

1 political subdivision seeks to set its property tax request at an amount
2 that exceeds its property tax request in the prior year, it may do so,
3 subject to the limitations provided in the School District Property Tax
4 Limitation Act and the Property Tax Growth Limitation Act, after holding
5 the public hearing required in subsection (3) of this section and by
6 passing a resolution or ordinance that complies with subsection (4) of
7 this section. If any county, city, or school district ~~, or community~~
8 ~~college~~ seeks to increase its property tax request by more than the
9 allowable growth percentage, such political subdivision shall comply with
10 the requirements of section 77-1633 in lieu of the requirements in
11 subsections (3) and (4) of this section.

12 (2) If the annual assessment of property would result in no change
13 or a decrease in the total property taxes levied by a county, city,
14 village, school district, learning community, sanitary and improvement
15 district, natural resources district, educational service unit, or
16 community college, as determined using the previous year's rate of levy,
17 such political subdivision's property tax request for the current year
18 shall be no more than its property tax request in the prior year, and the
19 political subdivision's rate of levy for the current year shall be
20 adjusted accordingly when such rate is set by the county board of
21 equalization pursuant to section 77-1601. The governing body of the
22 political subdivision shall pass a resolution or ordinance to set the
23 amount of its property tax request after holding the public hearing
24 required in subsection (3) of this section. If the governing body of a
25 political subdivision seeks to set its property tax request at an amount
26 that exceeds its property tax request in the prior year, it may do so,
27 subject to the limitations provided in the School District Property Tax
28 Limitation Act and the Property Tax Growth Limitation Act, after holding
29 the public hearing required in subsection (3) of this section and by
30 passing a resolution or ordinance that complies with subsection (4) of
31 this section. If any county, city, or school district ~~, or community~~

1 college seeks to increase its property tax request by more than the
2 allowable growth percentage, such political subdivision shall comply with
3 the requirements of section 77-1633 in lieu of the requirements in
4 subsections (3) and (4) of this section.

5 (3) The resolution or ordinance required under this section shall
6 only be passed after a special public hearing called for such purpose is
7 held and after notice is published in a newspaper of general circulation
8 in the area of the political subdivision at least four calendar days
9 prior to the hearing. For purposes of such notice, the four calendar days
10 shall include the day of publication but not the day of hearing. If the
11 political subdivision's total operating budget, not including reserves,
12 does not exceed ten thousand dollars per year or twenty thousand dollars
13 per biennial period, the notice may be posted at the governing body's
14 principal headquarters. The hearing notice shall contain the following
15 information: The certified taxable valuation under section 13-509 for the
16 prior year, the certified taxable valuation under section 13-509 for the
17 current year, and the percentage increase or decrease in such valuations
18 from the prior year to the current year; the dollar amount of the prior
19 year's tax request and the property tax rate that was necessary to fund
20 that tax request; the property tax rate that would be necessary to fund
21 last year's tax request if applied to the current year's valuation; the
22 proposed dollar amount of the tax request for the current year and the
23 property tax rate that will be necessary to fund that tax request; the
24 percentage increase or decrease in the property tax rate from the prior
25 year to the current year; and the percentage increase or decrease in the
26 total operating budget from the prior year to the current year.

27 (4) Any resolution or ordinance setting a political subdivision's
28 property tax request under this section at an amount that exceeds the
29 political subdivision's property tax request in the prior year shall
30 include, but not be limited to, the following information:

31 (a) The name of the political subdivision;

1 (b) The amount of the property tax request;

2 (c) The following statements:

3 (i) The total assessed value of property differs from last year's
4 total assessed value by percent;

5 (ii) The tax rate which would levy the same amount of property taxes
6 as last year, when multiplied by the new total assessed value of
7 property, would be \$..... per \$100 of assessed value;

8 (iii) The (name of political subdivision) proposes to adopt a
9 property tax request that will cause its tax rate to be \$..... per \$100
10 of assessed value; and

11 (iv) Based on the proposed property tax request and changes in other
12 revenue, the total operating budget of (name of political subdivision)
13 will (increase or decrease) last year's budget by percent; and

14 (d) The record vote of the governing body in passing such resolution
15 or ordinance.

16 (5) Any resolution or ordinance setting a property tax request under
17 this section shall be certified and forwarded to the county clerk on or
18 before October 15 of the year for which the tax request is to apply.

19 **Sec. 15.** Section 77-1633, Revised Statutes Cumulative Supplement,
20 2024, is amended to read:

21 77-1633 (1) For purposes of this section, political subdivision
22 means any county, city, or school district ~~, or community college.~~

23 (2) If any political subdivision seeks to increase its property tax
24 request by more than the allowable growth percentage, such political
25 subdivision may do so, subject to the limitations provided in the School
26 District Property Tax Limitation Act and the Property Tax Growth
27 Limitation Act, if the following requirements are met:

28 (a) A public hearing is held and notice of such hearing is provided
29 in compliance with subsection (3) of this section; and

30 (b) The governing body of such political subdivision passes a
31 resolution or an ordinance that complies with subsection (4) of this

1 section.

2 (3)(a) Each political subdivision within a county that seeks to
3 increase its property tax request by more than the allowable growth
4 percentage shall participate in a joint public hearing. Each such
5 political subdivision shall designate one representative to attend the
6 joint public hearing on behalf of the political subdivision. If a
7 political subdivision includes area in more than one county, the
8 political subdivision shall be deemed to be within the county in which
9 the political subdivision's principal headquarters are located. At such
10 hearing, there shall be no items on the agenda other than discussion on
11 each political subdivision's intent to increase its property tax request
12 by more than the allowable growth percentage.

13 (b) At least one elected official from each participating political
14 subdivision shall attend the joint public hearing. An elected official
15 may be the designated representative from a participating political
16 subdivision. The presence of a quorum or the participation of elected
17 officials at the joint public hearing does not constitute a meeting as
18 defined by section 84-1409 of the Open Meetings Act.

19 (c) The joint public hearing shall be held on or after September 14
20 and prior to September 24 and before any of the participating political
21 subdivisions file their adopted budget statement pursuant to section
22 13-508.

23 (d) The joint public hearing shall be held after 6 p.m. local time
24 on the relevant date.

25 (e) The joint public hearing shall be organized by the county clerk
26 or his or her designee. At the joint public hearing, the designated
27 representative of each political subdivision shall give a brief
28 presentation on the political subdivision's intent to increase its
29 property tax request by more than the allowable growth percentage and the
30 effect of such request on the political subdivision's budget. The
31 presentation shall include:

1 (i) The name of the political subdivision;

2 (ii) The amount of the property tax request; and

3 (iii) The following statements:

4 (A) The total assessed value of property differs from last year's
5 total assessed value by percent;

6 (B) The tax rate which would levy the same amount of property taxes
7 as last year, when multiplied by the new total assessed value of
8 property, would be \$..... per \$100 of assessed value;

9 (C) The (name of political subdivision) proposes to adopt a property
10 tax request that will cause its tax rate to be \$..... per \$100 of
11 assessed value;

12 (D) Based on the proposed property tax request and changes in other
13 revenue, the total operating budget of (name of political subdivision)
14 will exceed last year's by percent; and

15 (E) To obtain more information regarding the increase in the
16 property tax request, citizens may contact the (name of political
17 subdivision) at (telephone number and email address of political
18 subdivision).

19 (f) Any member of the public shall be allowed to speak at the joint
20 public hearing and shall be given a reasonable amount of time to do so.

21 (g) Notice of the joint public hearing shall be provided:

22 (i) By sending a postcard to all affected property taxpayers. The
23 postcard shall be sent to the name and address to which the property tax
24 statement is mailed;

25 (ii) By posting notice of the hearing on the home page of the
26 relevant county's website, except that this requirement shall only apply
27 if the county has a population of more than ten thousand inhabitants; and

28 (iii) By publishing notice of the hearing in a legal newspaper in or
29 of general circulation in the relevant county.

30 (h) Each political subdivision that participates in the joint public
31 hearing shall electronically send the information prescribed in

1 subdivision (3)(i) of this section to the county assessor by September 4.
2 The county clerk shall notify the county assessor of the date, time, and
3 location of the joint public hearing no later than September 4. The
4 county clerk shall notify each participating political subdivision of the
5 date, time, and location of the joint public hearing. The county assessor
6 shall send the information required to be included on the postcards
7 pursuant to subdivision (3)(i) of this section to a printing service
8 designated by the county board. The initial cost for printing the
9 postcards shall be paid from the county general fund. Such postcards
10 shall be mailed at least seven calendar days before the joint public
11 hearing. The cost of creating and mailing the postcards, including staff
12 time, materials, and postage, shall be charged proportionately to the
13 political subdivisions participating in the joint public hearing based on
14 the total number of parcels in each participating political subdivision.
15 Each participating political subdivision shall also maintain a
16 prominently displayed and easily accessible link on the home page of the
17 political subdivision's website to the political subdivision's proposed
18 budget, except that this requirement shall not apply if the political
19 subdivision is a county with a population of less than ten thousand
20 inhabitants, a city with a population of less than one thousand
21 inhabitants, or, for joint public hearings prior to January 1, 2024, a
22 school district.

23 (i) The postcard sent under this subsection and the notice posted on
24 the county's website, if required under subdivision (3)(g)(ii) of this
25 section, and published in the newspaper shall include the date, time, and
26 location for the joint public hearing, a listing of and telephone number
27 for each political subdivision that will be participating in the joint
28 public hearing, and the amount of each participating political
29 subdivision's property tax request. The postcard shall also contain the
30 following information:

31 (i) The following words in capitalized type at the top of the

1 postcard: NOTICE OF PROPOSED TAX INCREASE;

2 (ii) The name of the county that will hold the joint public hearing,
3 which shall appear directly underneath the capitalized words described in
4 subdivision (3)(i)(i) of this section;

5 (iii) The following statement: The following political subdivisions
6 are proposing a revenue increase which would result in an overall
7 increase in property taxes in (insert current tax year). THE ACTUAL TAX
8 ON YOUR PROPERTY MAY INCREASE OR DECREASE. This notice contains estimates
9 of the tax on your property as a result of this revenue increase. These
10 estimates are calculated on the basis of the proposed (insert current tax
11 year) data. The actual tax on your property may vary from these
12 estimates.

13 (iv) The parcel number for the property;

14 (v) The name of the property owner and the address of the property;

15 (vi) The property's assessed value in the previous tax year;

16 (vii) The amount of property taxes due in the previous tax year for
17 each participating political subdivision;

18 (viii) The property's assessed value for the current tax year;

19 (ix) The amount of property taxes due for the current tax year for
20 each participating political subdivision;

21 (x) The change in the amount of property taxes due for each
22 participating political subdivision from the previous tax year to the
23 current tax year; and

24 (xi) The following statement: To obtain more information regarding
25 the tax increase, citizens may contact the political subdivision at the
26 telephone number provided in this notice.

27 (4) After the joint public hearing required in subsection (3) of
28 this section, the governing body of each participating political
29 subdivision shall pass an ordinance or resolution to set such political
30 subdivision's property tax request. If the political subdivision is
31 increasing its property tax request over the amount from the prior year,

1 including any increase in excess of the allowable growth percentage, then
2 such ordinance or resolution shall include, but not be limited to, the
3 following information:

4 (a) The name of the political subdivision;

5 (b) The amount of the property tax request;

6 (c) The following statements:

7 (i) The total assessed value of property differs from last year's
8 total assessed value by percent;

9 (ii) The tax rate which would levy the same amount of property taxes
10 as last year, when multiplied by the new total assessed value of
11 property, would be \$..... per \$100 of assessed value;

12 (iii) The (name of political subdivision) proposes to adopt a
13 property tax request that will cause its tax rate to be \$..... per \$100
14 of assessed value; and

15 (iv) Based on the proposed property tax request and changes in other
16 revenue, the total operating budget of (name of political subdivision)
17 will exceed last year's by percent; and

18 (d) The record vote of the governing body in passing such resolution
19 or ordinance.

20 (5) Any resolution or ordinance setting a property tax request under
21 this section shall be certified and forwarded to the county clerk on or
22 before October 15 of the year for which the tax request is to apply.

23 (6) The county clerk, or his or her designee, shall prepare a report
24 which shall include:

25 (a) The names of the designated representatives of the political
26 subdivisions participating in the joint public hearing;

27 (b) The name and address of each individual who spoke at the joint
28 public hearing, unless the address requirement is waived to protect the
29 security of the individual, and the name of any organization represented
30 by each such individual;

31 (c) The name of each political subdivision that participated in the

1 joint public hearing;

2 (d) The real growth value and real growth percentage for each
3 participating political subdivision;

4 (e) The amount each participating political subdivision seeks to
5 increase its property tax request in excess of the allowable growth
6 percentage; and

7 (f) The number of individuals who signed in to attend the joint
8 public hearing.

9 Such report shall be delivered to the political subdivisions
10 participating in the joint public hearing within ten days after such
11 hearing.

12 **Sec. 16.** Section 77-1802, Revised Statutes Cumulative Supplement,
13 2024, is amended to read:

14 77-1802 The county treasurer shall, not less than four nor more than
15 six weeks prior to the first Monday of March in each year, make out a
16 list of all real property subject to sale and the amount of all
17 delinquent taxes against each item with an accompanying notice stating
18 that so much of such property described in the list as may be necessary
19 for that purpose will, on the first Monday of March next thereafter, be
20 sold by such county treasurer at public auction at his or her office or
21 other designated location for the taxes, interest, and costs thereon. In
22 making such list, the county treasurer shall describe the property as it
23 is described on the tax list and shall include the name of the owner of
24 record of the property as shown on the most current certified tax roll,
25 the property's parcel number, if any, and the property's street address,
26 if any.

27 **Sec. 17.** Section 77-1804, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 77-1804 (1) The county treasurer shall cause the list of real
30 property subject to sale and accompanying notice to be published once a
31 week for three consecutive weeks prior to the date of sale, commencing

1 the first week in February, in a legal newspaper and, in counties having
2 more than two hundred fifty thousand inhabitants, in a daily legal
3 newspaper of general circulation, published in the English language in
4 the county, and designated by the county board. The county treasurer
5 shall also cause to be posted in some conspicuous place in his or her
6 office a copy of such notice. The treasurer shall assess against each
7 description the sum of twenty five dollars to defray the expenses of
8 advertising, which sum shall be added to the total amount due on such
9 real property and be collected in the same manner as taxes are collected.

10 (2) The county treasurer shall also forward an electronic copy of
11 the list of real property subject to sale to the Property Tax
12 Administrator who shall compile a list for all counties and publish the
13 compiled list on the website of the Department of Revenue.

14 (3) It is the intent of the Legislature to examine the twenty-dollar
15 fee provided in subsection (1) of this section at least once every five
16 years beginning in 2030 in order to determine whether such fee should be
17 adjusted.

18 **Sec. 18.** Section 77-1806, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 77-1806 On the day designated in the notice of sale, the county
21 treasurer or his or her designee shall commence the sale of the real
22 property on which the taxes and charges have not been paid and shall
23 continue the sale from day to day, Sundays and holidays excepted, until
24 each item of real property or so much thereof as is sufficient to pay the
25 taxes and charges thereon, including the cost of advertising, has been
26 sold or offered for sale.

27 **Sec. 19.** Section 77-1807, Revised Statutes Cumulative Supplement,
28 2024, is amended to read:

29 77-1807 (1)(a) This subsection applies until January 1, 2015.

30 (b) Except as otherwise provided in subdivision (c) of this
31 subsection, the person who offers to pay the amount of taxes due on any

1 real property for the smallest portion of the same shall be the
2 purchaser, and when such person designates the smallest portion of the
3 real property for which he or she will pay the amount of taxes assessed
4 against any such property, the portion thus designated shall be
5 considered an undivided portion.

6 (c) If a land bank gives an automatically accepted bid for the real
7 property pursuant to section 18-3417, the land bank shall be the
8 purchaser, regardless of the bid of any other person.

9 (d) If no person bids for a less quantity than the whole and no land
10 bank has given an automatically accepted bid pursuant to section 18-3417,
11 the treasurer may sell any real property to any one who will take the
12 whole and pay the taxes and charges thereon.

13 (e) If the homestead is listed separately as a homestead, it shall
14 be sold only for the taxes delinquent thereon.

15 (2)(a) This subsection applies beginning January 1, 2015.

16 (b) If a land bank gives an automatically accepted bid for real
17 property pursuant to section 18-3417, the land bank shall be the
18 purchaser and no public or private auction shall be held under sections
19 77-1801 to 77-1863.

20 (c) If no land bank has given an automatically accepted bid pursuant
21 to section 18-3417, the person who offers to pay the amount of taxes,
22 delinquent interest, and costs due on any real property shall be the
23 purchaser.

24 (d) The county treasurer or his or her designee shall announce
25 bidding rules at the beginning of the public auction, and such rules
26 shall apply to all bidders throughout the public auction.

27 (e) The sale, if conducted in a round-robin format, shall be
28 conducted in the following manner:

29 (i) At the commencement of the sale, a count shall be taken of the
30 number of registered bidders present who want to be eligible to purchase
31 property. Each registered bidder shall only be counted once. If

1 additional registered bidders appear at the sale after the commencement
2 of a round, such registered bidders shall have the opportunity to
3 participate at the end of the next following round, if any, as provided
4 in subdivision (v) of this subdivision;

5 (ii) Sequentially enumerated tickets shall be placed in a
6 receptacle. The number of tickets in the receptacle for the first round
7 shall equal the count taken in subdivision (i) of this subdivision, and
8 the number of tickets in the receptacle for each subsequent round shall
9 equal the number of the count taken in subdivision (i) of this
10 subdivision plus additional registered bidders as provided in subdivision
11 (v) of this subdivision;

12 (iii) In a manner determined by the county treasurer or his or her
13 designee, tickets shall be selected from the receptacle by hand for each
14 registered bidder whereby each ticket has an equal chance of being
15 selected. Tickets shall be selected until there are no tickets remaining
16 in the receptacle;

17 (iv) The number on the ticket selected for a registered bidder shall
18 represent the order in which a registered bidder may purchase property
19 consisting of one parcel subject to sale from the list per round; and

20 (v) If property listed remains unsold at the end of a round, a new
21 round shall commence until all property listed is either sold or, if any
22 property listed remains unsold, each registered bidder has consecutively
23 passed on the opportunity to make a purchase. Registered bidders who are
24 not present when it is their turn to purchase property shall be
25 considered to have passed on the opportunity to make a purchase. At the
26 beginning of the second and any subsequent rounds, the county treasurer
27 or his or her designee shall inquire whether there are additional
28 registered bidders. If additional registered bidders are present, tickets
29 for each such bidder shall be placed in a receptacle and selected as
30 provided in subdivisions (ii) through (iv) of this subdivision. The
31 second and any subsequent rounds shall proceed in the same manner and

1 purchase order as the last preceding round, except that any additional
2 registered bidders shall be given the opportunity to purchase at the end
3 of the round in the order designated on their ticket.

4 (f) Any property remaining unsold upon completion of the public
5 auction shall be sold at a private sale pursuant to section 77-1814.

6 (g) A bidder shall (i) register with the county treasurer or his or
7 her designee prior to participating in the sale, (ii) provide proof that
8 it maintains a registered agent for service of process with the Secretary
9 of State if the bidder is a foreign corporation, and (iii) pay a twenty-
10 five-dollar registration fee. The fee is not refundable upon redemption.

11 **Sec. 20.** Section 77-1815, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 77-1815 If any treasurer fails to attend any sale of real property
14 as required by sections 77-1801 to 77-1814, either in person or by
15 designee ~~deputy~~, he or she shall be liable to a fine of not less than
16 fifty nor more than three hundred dollars to be recovered by an action in
17 the district court in the name of the county against the treasurer and
18 the person issuing the treasurer's bond.

19 **Sec. 21.** Section 77-1816, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 77-1816 If any treasurer or designee ~~deputy~~ shall sell or assist in
22 selling any real property, knowing the same to be not subject to
23 taxation, or that the taxes for which the same is sold have been paid, or
24 shall knowingly and willfully sell, or assist in selling, any real
25 property for the payment of taxes to defraud the owner of such real
26 property, or shall knowingly execute a deed for property so sold, he
27 shall be deemed guilty of a Class I misdemeanor and shall be liable to
28 pay the injured party all damages sustained by such wrongful act, and all
29 such sales shall be void.

30 **Sec. 22.** Section 77-1818, Revised Statutes Cumulative Supplement,
31 2024, is amended to read:

1 77-1818 (1) The purchaser of any real property sold by the county
2 treasurer or his or her designee for taxes shall be entitled to a
3 certificate ~~in writing~~, describing the real property so purchased, the
4 sum paid, the date when the purchaser will be entitled to a deed for real
5 property determined to be vacant and abandoned pursuant to section
6 77-1837, and the date ~~time~~ when the purchaser will be entitled to a deed
7 for any other real property, which certificate shall be signed by the
8 county treasurer in his or her official capacity and shall be presumptive
9 evidence of the regularity of all prior proceedings. The certificate may
10 be provided to the purchaser by hand delivery, mail, or electronic means.
11 Each tax lien shall be shown on a single certificate. The purchaser
12 acquires a perpetual lien of the tax on the real property, and if after
13 the taxes become delinquent he or she subsequently pays any taxes levied
14 on the property, whether levied for any year or years previous or
15 subsequent to such sale, he or she shall have the same lien for them and
16 may add them to the amount paid by him or her in the purchase.

17 (2) Upon issuance of the certificate, the purchaser shall notify, by
18 personal or residence service, and if unsuccessful, by certified mail
19 service, the property owner of the real property that was sold for taxes
20 at the address listed for such owner in the records of the county
21 assessor. The notice shall (a) state that a certificate has been issued,
22 (b) include a brief description of the property owner's legal rights to
23 redeem the real property, (c) identify the real property by the street
24 address listed in the records of the county assessor, (d) include the
25 total amount of taxes, interest, and costs for which the property was
26 sold and a recitation that interest and fees may accrue, ~~and~~ (e) include
27 the purchaser's name, and (f) include a prominent warning that failure to
28 act may result in forfeiture of the property. Upon the issuance of the
29 certificate, an administrative fee of one hundred fifty dollars shall be
30 charged to the property owner. The ~~after three years. The purchaser shall~~
31 ~~prove such service of notice by affidavit, and such affidavit shall be~~

1 ~~filed with the application for the tax deed pursuant to section 77-1837.~~
2 ~~An administrative fee shall be allowed for any service of notice under~~
3 ~~this subsection. The administrative fee shall be equal to the greater of~~
4 ~~one hundred dollars or the actual cost incurred by the purchaser for such~~
5 ~~service of notice. The amount of such fee shall be noted by the county~~
6 ~~treasurer in the record opposite the real property described in the~~
7 ~~notice and shall be collected by the county treasurer in case of~~
8 ~~redemption for the benefit of the holder of the certificate. The~~
9 ~~purchaser shall notify the county treasurer of the amount of such fee~~
10 ~~within thirty days after completion of the service of notice.~~

11 (3) Personal or residence service under subsection (2) of this
12 section is not required on certificates purchased by or issued to
13 counties pursuant to sections 77-1809 and 77-1918.

14 **Sec. 23.** Section 77-1819, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 77-1819 The certificate shall be substantially in the following
17 form: COUNTY TREASURER'S CERTIFICATE OF TAX SALE. State of
18 Nebraska County, ss: I, treasurer of the
19 county of, in the State of Nebraska, do hereby certify
20 that the following described real estate in such county and state:
21 (describe the same) was, on the day of 20...., duly
22 sold by me in the manner provided by law for the delinquent taxes for the
23 years(list years)..... thereon, amounting to dollars,
24 including interest thereon, and costs allowed by law, to for
25 the sum of dollars. I further certify that unless redemption
26 is made of such real estate in the manner provided by law,
27 the, heirs or assigns will be entitled to a deed therefor ~~on~~
28 ~~and after the day of A.D. 20....,~~ on surrender of
29 this certificate, and compliance with the provisions required by law, on
30 and after the day of A.D. 20...., for real property
31 determined to be vacant and abandoned pursuant to section 77-1837, or on

1 and after the day of A.D. 20...., for any other
2 real property.

3 In witness whereof, I have hereunto set my hand this day
4 of A.D. 20.... .

5 (L.S.), Treasurer.

6 **Sec. 24.** Section 77-1823, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 77-1823 The county treasurer shall charge a twenty-five-dollar
9 ~~twenty-dollar~~ issuance fee for each deed or certificate made by him or
10 her for a sale of real property for taxes ~~together with the fee of the~~
11 ~~notary public or other officer acknowledging the deed.~~ The issuance fee
12 shall not be required if the tax sale certificate is issued in the name
13 of the county, but the issuance fee is due from the purchaser when the
14 county assigns the certificate to another person. The fee is not
15 refundable upon redemption. ~~Whenever the county treasurer makes a deed to~~
16 ~~any real property sold for taxes, he or she shall enter an account~~
17 ~~thereof in the record opposite the description of the real property~~
18 ~~conveyed.~~

19 **Sec. 25.** Section 77-1825, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 77-1825 The county treasurer shall enter a memorandum of redemption
22 of real property in the record and shall give a receipt therefor to the
23 person redeeming the same, ~~for which the county treasurer may charge a~~
24 ~~fee of two dollars.~~ The county treasurer shall send written notice of
25 redemption to the holder of the county treasurer's certificate of tax
26 sale by first-class mail if the post office address of the holder of the
27 certificate is filed in the office of the county treasurer or by
28 electronic means if previously agreed to by the parties. The redemption
29 money shall be paid to or upon the order of the holder on return of the
30 certificate.

31 **Sec. 26.** Section 77-1829, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 77-1829 If any purchaser of real property sold for taxes under
3 sections 77-1801 to 77-1860 suffers the same to be again sold for taxes
4 before the expiration of the last day of the second annual sale
5 thereafter, such purchaser shall not be entitled to a deed for such real
6 property until the expiration of a like term from the date of the second
7 sale, during which time the real property shall be subject to redemption
8 upon the terms and conditions prescribed by law. This section shall not
9 apply to real property determined to be vacant and abandoned pursuant to
10 section 77-1837.

11 **Sec. 27.** Section 77-1831, Revised Statutes Cumulative Supplement,
12 2024, is amended to read:

13 77-1831 No purchaser at any sale for taxes or his or her assignees
14 shall be entitled to a tax deed from the county treasurer for the real
15 property so purchased unless such purchaser or assignee, at least three
16 months before applying for the tax deed, serves or causes to be served a
17 notice that states, after the expiration of at least three months from
18 the date of service of such notice, the tax deed will be applied for.

19 The notice shall include:

20 (1) The following statement in sixteen-point type: UNLESS YOU ACT
21 YOU WILL LOSE THIS PROPERTY;

22 (2) The date when the purchaser purchased the real property sold by
23 the county for taxes;

24 (3) The description of the real property;

25 (4) In whose name the real property was assessed;

26 (5) The amount of taxes represented by the tax sale certificate, the
27 year the taxes were levied or assessed, and a statement that subsequent
28 taxes may have been paid and interest and fees may have accrued as of the
29 date the notice is signed by the purchaser; and

30 (6) The following statements:

31 (a) That the issuance of a tax deed is subject to the right of

1 redemption under sections 77-1824 to 77-1830;

2 (b) The right of redemption requires payment to the county
3 treasurer, for the use of such purchaser, or his or her heirs or assigns,
4 the amount of taxes represented by the tax sale certificate for the year
5 the taxes were levied or assessed and any subsequent taxes paid and
6 interest accrued as of the date payment is made to the county treasurer;
7 and

8 (c) The right of redemption expires at the close of business on the
9 date of application for the tax deed, and a deed may be applied for after
10 the expiration of three months from the date of service of this notice.

11 **Sec. 28.** Section 77-1832, Revised Statutes Cumulative Supplement,
12 2024, is amended to read:

13 77-1832 (1) Service of the notice provided by section 77-1831 shall
14 be made by:

15 (a) Personal or residence service as described in section 25-505.01
16 upon a person in actual possession or occupancy of the real property and
17 upon the person in whose name the title to the real property appears of
18 record who can be found in this state. If a person in actual possession
19 or occupancy of the real property cannot be served by personal or
20 residence service, service of the notice shall be made upon such person
21 by certified mail service or designated delivery service as described in
22 section 25-505.01, and the notice shall be sent to the address of the
23 property. If the person in whose name the title to the real property
24 appears of record cannot be found in this state or if such person cannot
25 be served by personal or residence service, service of the notice shall
26 be made upon such person by certified mail service or designated delivery
27 service as described in section 25-505.01, and the notice shall be sent
28 to the name and address to which the property tax statement was mailed.
29 If the real property has been determined to be vacant and abandoned
30 pursuant to section 77-1837, then certified mail service or designated
31 delivery service shall not be used to serve any person with notice under

1 this subdivision until three unsuccessful attempts at personal or
2 residence service have been made; and

3 (b) Certified mail or designated delivery service as described in
4 section 25-505.01 upon every encumbrancer of record found by the title
5 search required in section 77-1833. The notice shall be sent to the
6 encumbrancer's name and address appearing of record as shown in the
7 encumbrance filed with the register of deeds.

8 (2) Personal or residence service shall be made by the county
9 sheriff of the county where service is made or by a person authorized by
10 section 25-507. The sheriff or other person serving the notice shall be
11 entitled to the statutory fee prescribed in section 33-117.

12 **Sec. 29.** Section 77-1833, Revised Statutes Cumulative Supplement,
13 2024, is amended to read:

14 77-1833 The service of notice provided by section 77-1832 shall be
15 proved by affidavit. The purchaser or assignee shall also affirm in the
16 affidavit that a title search was conducted by a registered abstractor to
17 determine those persons entitled to notice pursuant to such section. If
18 personal or residence service is used, the receipt or returns provided by
19 the person authorized in subsection (2) of section 77-1832 to carry out
20 such service shall be filed with and accompany the affidavit. If
21 certified mail or designated delivery service is used, the certified mail
22 return receipt or a copy of the signed delivery receipt shall be filed
23 with and accompany the affidavit. The affidavit, a copy of the notice,
24 and a copy of such title search shall be filed with the application for
25 the tax deed pursuant to section 77-1837. ~~For each service of such~~
26 ~~notice, a fee of one dollar shall be allowed. The amount of such fees~~
27 ~~shall be noted by the county treasurer in the record opposite the real~~
28 ~~property described in the notice and shall be collected by the county~~
29 ~~treasurer in case of redemption for the benefit of the holder of the~~
30 ~~certificate.~~

31 **Sec. 30.** Section 77-1836, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 77-1836 If any person is compelled to publish notice in a newspaper
3 as provided in sections 77-1834 and 77-1835, then before any person who
4 may have a right to redeem such real property from such sale is permitted
5 to redeem, he or she shall pay the officer or person who by law is
6 authorized to receive such redemption money the amount paid for
7 publishing such notice, for the use of the person compelled to publish
8 the notice. The fee for such publication shall not exceed twenty five
9 dollars for each item of real property contained in such notice. The cost
10 of making such publication shall be noted by the county treasurer in the
11 record opposite the real property described in the notice.

12 **Sec. 31.** Section 77-1837, Revised Statutes Cumulative Supplement,
13 2024, is amended to read:

14 77-1837 (1) ~~The At any time within nine months after the expiration~~
15 ~~of three years after the date of sale of any real estate for taxes or~~
16 ~~special assessments, if such real estate has not been redeemed and the~~
17 ~~requirements of subsection (2) of this section have been met, the~~
18 ~~purchaser of real estate sold for taxes or his or her assignee may apply~~
19 ~~to the county treasurer for a tax deed for the real estate described in~~
20 ~~such purchaser's or assignee's tax sale certificate if such real estate~~
21 ~~has not been redeemed and if the requirements of subsection (3) of this~~
22 ~~section have been met. Such purchaser or assignee shall apply within~~
23 ~~whichever of the following two timeframes is applicable:~~

24 (a) For real estate determined to be vacant and abandoned pursuant
25 to subsection (5) of this section, the purchaser or assignee shall apply
26 at any time within nine months after the expiration of two years after
27 the date of sale of the real estate for taxes or special assessments; or

28 (b) For any other real estate, the purchaser or assignee shall apply
29 at any time within nine months after the expiration of three years after
30 the date of sale of the real estate for taxes or special assessments.

31 (2) The county treasurer shall execute and deliver a deed of

1 conveyance for the real estate described in the ~~such~~ tax sale certificate
2 if he or she has received the following:

3 (a) The tax sale certificate;

4 (b) The issuance fee for the tax deed ~~and the fee of the notary~~
5 ~~public or other officer acknowledging the tax deed,~~ as required under
6 section 77-1823;

7 ~~(c) The affidavit proving personal service of the notice required in~~
8 ~~subsection (2) of section 77-1818;~~

9 (c) ~~(d)~~ For any notice provided pursuant to section 77-1832, the
10 affidavit proving service of notice, the copy of the notice, and the copy
11 of the title search required under section 77-1833; ~~and~~

12 (d) ~~(e)~~ For any notice provided by publication pursuant to section
13 77-1834, the affidavit of the publisher, manager, or other employee of
14 the newspaper, the copy of the notice, the affidavit of the purchaser or
15 assignee, and the copy of the title search required under section
16 77-1835; ~~and~~

17 (e) An affidavit of the purchaser or his or her assignee that the
18 value of the property complies with subsection (3) of this section; and

19 (f) For any real estate determined to be vacant and abandoned
20 pursuant to subsection (5) of this section, the affidavit of the
21 purchaser or assignee affirming that the real estate is vacant and
22 abandoned.

23 (3) ~~(2)~~ The purchaser or his or her assignee may apply for a tax
24 deed under this section if one hundred ten percent of the assessed value
25 of the real estate described in the tax sale certificate as reflected in
26 the records of the county assessor at the time of the application for the
27 tax deed, less the amount that would be needed to redeem such real
28 estate, is twenty-five thousand dollars or less. If such requirement is
29 not met, the purchaser or his or her assignee shall foreclose the lien
30 represented by the tax sale certificate pursuant to section 77-1902.

31 (4) ~~(3)~~ The failure of the county treasurer to issue the deed of

1 conveyance if requested within the applicable timeframe provided in
2 subsection (1) of this section shall not impair the validity of such deed
3 if there has otherwise been compliance with sections 77-1801 to 77-1863.

4 (5)(a) For purposes of this section, real estate may be considered
5 vacant and abandoned if:

6 (i) The purchaser or assignee in question is a land bank as defined
7 in section 18-3403; and

8 (ii) Such property substantially meets more than two of the
9 following criteria:

10 (A) The property is not occupied by the owner or any lessee or
11 licensee of the owner;

12 (B) Utility service to the property, including, but not limited to,
13 gas, electric, or water service, has been disconnected or delinquent for
14 over one year;

15 (C) A building on the property has been deemed unfit for human
16 habitation, occupancy, or use by local housing officials;

17 (D) A building on the property is open and unprotected and in
18 reasonable danger of significant damage resulting from exposure to the
19 elements or vandalism;

20 (E) A building on the property is unsecure due to multiple windows
21 and doors being boarded up or closed off, smashed through, broken off or
22 unhinged, or continuously unlocked;

23 (F) The property has been stripped of copper or other materials or
24 interior fixtures to the property have been removed;

25 (G) There have not been any recent efforts made to restore the
26 property to productive use;

27 (H) There is a presence of vermin, uncut vegetation, or debris
28 accumulation on the property;

29 (I) There have been past actions by the applicable municipality or
30 county to maintain the grounds or a building on the property;

31 (J) The property has been out of compliance with orders of local

1 housing officials; or

2 (K) Any other condition or circumstance reasonably indicating that
3 the property is vacant and abandoned.

4 (b) The purchaser or assignee shall determine whether or not real
5 estate is vacant and abandoned two years after the date of the sale of
6 such real estate for taxes or special assessments.

7 (c) If the real estate is registered as vacant and abandoned
8 pursuant to a vacant property registration ordinance adopted by a
9 municipality, it shall be conclusive proof that such real estate is
10 vacant and abandoned. If the real estate is not registered as vacant and
11 abandoned pursuant to such an ordinance, the purchaser or assignee shall
12 not be obligated to proceed under subdivision (1)(a) of this section, but
13 may instead choose to proceed under subdivision (1)(b) of this section,
14 and no tax deed subsequently issued to such purchaser or assignee shall
15 be deemed invalid due to noncompliance with subdivision (1)(a) of this
16 section. No action taken by a purchaser or assignee under subdivision (1)
17 (a) of this section shall prohibit a subsequent action under subdivision
18 (1)(b) of this section on the same real estate should it be determined
19 that such real estate is not vacant and abandoned.

20 (d) If the purchaser or assignee determines real estate to be vacant
21 and abandoned pursuant to this subsection, the purchaser or assignee
22 shall submit an affidavit to the county treasurer affirming that the real
23 estate is vacant and abandoned.

24 **Sec. 32.** Section 77-1838, Revised Statutes Cumulative Supplement,
25 2024, is amended to read:

26 77-1838 (1) The deed made by the county treasurer shall be under the
27 official seal of office and acknowledged by the county treasurer before
28 some officer authorized to take the acknowledgment of deeds. When so
29 executed and acknowledged, it shall be recorded in the same manner as
30 other conveyances of real estate. When recorded it shall vest in the
31 grantee and his or her heirs and assigns the title of the property

1 described in the deed, subject to any lien on real estate for special
2 assessments levied by a sanitary and improvement district which special
3 assessments have not been previously offered for sale by the county
4 treasurer.

5 (2) Within thirty days after recording of the deed, the grantee
6 shall pay the surplus to the previous owner of the property described in
7 the deed. For purposes of this subsection, the surplus shall be
8 calculated as follows:

9 (a) If the property has been sold since recording of the deed, the
10 surplus shall be equal to the amount received from such sale, minus (i)
11 the amount that would have been needed to redeem such property, (ii) the
12 amount needed to pay all encumbrances on such property, and (iii) an
13 administrative fee of five hundred dollars or reasonable attorney's fees
14 in the event of judicial foreclosure, which may be retained by the
15 grantee to offset the costs incurred in obtaining the deed; or

16 (b) If the property has not been sold since recording of the deed,
17 the surplus shall be equal to the assessed value of such property as
18 reflected in the records of the county assessor at the time of the
19 application for the tax deed, minus (i) the amount that would have been
20 needed to redeem such property, (ii) the amount needed to pay all
21 encumbrances on such property, and (iii) an administrative fee of five
22 hundred dollars or reasonable attorney's fees in the event of judicial
23 foreclosure, which may be retained by the grantee to offset the costs
24 incurred in obtaining the deed.

25 **Sec. 33.** Section 77-1856, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 77-1856 If the owner of any tax sale certificate fails or neglects
28 to demand a deed thereon or to commence an action for the foreclosure of
29 the same within the time specified in subdivision (1)(b) of section
30 77-1837 or subdivision (2)(b) of section 77-1902, such tax sale
31 certificate shall cease to be valid or of any force or effect whatever

1 and the real property covered thereby shall be forever released and
2 discharged from the lien of all taxes for which the real property was
3 sold. It is made the duty of each and every county treasurer of the State
4 of Nebraska to enter on the tax sale records of his or her office a
5 cancellation of all tax sales on which the time specified in subdivision
6 (1)(b) of section 77-1837 or subdivision (2)(b) of section 77-1902 has
7 elapsed since date of sale, with date of entry affixed, in language
8 substantially as follows: Canceled by section 77-1856. No county
9 treasurer or bonded abstracter shall be held responsible on his or her
10 bond or otherwise on account of such entry being made in accordance with
11 this section. All real property covered by tax sales that comes within
12 the provisions of sections 77-1801 to 77-1860 shall from the time of this
13 entry be considered to stand of record as though no tax sale had ever
14 been made.

15 **Sec. 34.** Section 77-1902, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 77-1902 (1) When land has been sold for delinquent taxes and a tax
18 sale certificate or tax deed has been issued, the holder of such tax sale
19 certificate or tax deed may, instead of demanding a deed or, if a deed
20 has been issued, by surrendering the same in court, proceed in the
21 district court of the county in which the land is situated to foreclose
22 the lien for taxes represented by the tax sale certificate or tax deed
23 and all subsequent tax liens thereon, excluding any lien on real estate
24 for special assessments levied by any sanitary and improvement district
25 which special assessments have not been previously offered for sale by
26 the county treasurer, in the same manner and with like effect as in the
27 foreclosure of a real estate mortgage, except as otherwise specifically
28 provided by sections 77-1903 to 77-1917.

29 (2) Such action shall be brought within whichever of the following
30 two timeframes is applicable:

31 (a) For real estate determined to be vacant and abandoned pursuant

1 to subsection (3) of this section, the action shall be brought within
2 nine months after the expiration of two years from the date of sale of
3 the real estate for taxes or special assessments; or

4 (b) For any other real estate, the action shall only be brought
5 within nine months after the expiration of three years from the date of
6 sale of the any real estate for taxes or special assessments.

7 (3)(a) For purposes of this section, real estate may be considered
8 vacant and abandoned if:

9 (i) The holder of the tax sale certificate or tax deed is a land
10 bank as defined in section 18-3403; and

11 (ii) Such property substantially meets more than two of the
12 following criteria:

13 (A) The property is not occupied by the owner or any lessee or
14 licensee of the owner;

15 (B) Utility service to the property, including, but not limited to,
16 gas, electric, or water service, has been disconnected or delinquent for
17 over one year;

18 (C) A building on the property has been deemed unfit for human
19 habitation, occupancy, or use by local housing officials;

20 (D) A building on the property is open and unprotected and in
21 reasonable danger of significant damage resulting from exposure to the
22 elements or vandalism;

23 (E) A building on the property is unsecure due to multiple windows
24 and doors being boarded up or closed off, smashed through, broken off or
25 unhinged, or continuously unlocked;

26 (F) The property has been stripped of copper or other materials or
27 interior fixtures to the property have been removed;

28 (G) There have not been any recent efforts made to restore the
29 property to productive use;

30 (H) There is a presence of vermin, uncut vegetation, or debris
31 accumulation on the property;

1 (I) There have been past actions by the applicable municipality or
2 county to maintain the grounds or a building on the property;

3 (J) The property has been out of compliance with orders of local
4 housing officials; or

5 (K) Any other condition or circumstance reasonably indicating that
6 the property is vacant and abandoned.

7 (b) The holder of the tax sale certificate or tax deed shall
8 determine whether or not real estate is vacant and abandoned two years
9 after the date of the sale of such real estate for taxes or special
10 assessments.

11 (c) If the real estate is registered as vacant and abandoned
12 pursuant to a vacant property registration ordinance adopted by a
13 municipality, it shall be conclusive proof that such real estate is
14 vacant and abandoned. If the real estate is not registered as vacant and
15 abandoned pursuant to such an ordinance, the holder of the tax sale
16 certificate or tax deed shall not be obligated to proceed under
17 subdivision (2)(a) of this section, but may instead choose to proceed
18 under subdivision (2)(b) of this section, and no deed subsequently issued
19 to such holder shall be deemed invalid due to noncompliance with
20 subdivision (2)(a) of this section. No action taken by a holder of a tax
21 sale certificate or tax deed under subdivision (2)(a) of this section
22 shall prohibit a subsequent action under subdivision (2)(b) of this
23 section on the same real estate should it be determined that such real
24 estate is not vacant and abandoned.

25 (d) If the holder of the tax sale certificate or tax deed determines
26 real estate to be vacant and abandoned pursuant to this subsection, the
27 holder shall submit an affidavit to the county treasurer affirming that
28 the real estate is vacant and abandoned.

29 **Sec. 35.** Section 77-1909, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 77-1909 In its decree, the court shall ascertain and determine the

1 amount of taxes, special assessments, and other liens, interest, and
2 costs chargeable to each particular item of real property, excluding any
3 lien on real estate for special assessments levied by any sanitary and
4 improvement district which special assessments have not been previously
5 offered for sale by the county treasurer, and award to the plaintiff an
6 attorney's fee, unless waived by the plaintiff, in an amount equal to ten
7 percent of the amount due plus, for good cause shown, reasonable
8 attorney's fees in excess of the ten percent, which shall be taxed as
9 part of the costs in the action and apportioned equitably as other costs.

10 **Sec. 36.** Section 77-2701.16, Revised Statutes Cumulative Supplement,
11 2024, is amended to read:

12 77-2701.16 (1) Gross receipts means the total amount of the sale or
13 lease or rental price, as the case may be, of the retail sales of
14 retailers.

15 (2) Gross receipts of every person engaged as a public utility
16 specified in this subsection, as a community antenna television service
17 operator, or as a satellite service operator or any person involved in
18 connecting and installing services defined in subdivision (2)(a), (b), or
19 (d) of this section means:

20 (a)(i) In the furnishing of telephone communication service, other
21 than mobile telecommunications service as described in section
22 77-2703.04, the gross income received from furnishing ancillary services,
23 except for conference bridging services, and intrastate
24 telecommunications services, except for value-added, nonvoice data
25 service.

26 (ii) In the furnishing of mobile telecommunications service as
27 described in section 77-2703.04, the gross income received from
28 furnishing mobile telecommunications service that originates and
29 terminates in the same state to a customer with a place of primary use in
30 Nebraska;

31 (b) In the furnishing of telegraph service, the gross income

1 received from the furnishing of intrastate telegraph services;

2 (c)(i) In the furnishing of gas, sewer, water, and electricity
3 service, other than electricity service to a customer-generator as
4 defined in section 70-2002, the gross income received from the furnishing
5 of such services upon billings or statements rendered to consumers for
6 such utility services.

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

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

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

26 (i) The gross income received by a political subdivision of the
27 state, an electric cooperative, or an electric membership association for
28 the lease or use of, or by a contractor for the construction of or
29 services provided on, electric generation, transmission, distribution, or
30 street lighting structures or facilities owned by a political subdivision
31 of the state, an electric cooperative, or an electric membership

1 association; or

2 (ii) The gross income received for the lease or use of towers or
3 other structures and equipment, including antennas and studio transmitter
4 link systems, primarily used in conjunction with the furnishing of (A)
5 Internet access services, (B) agricultural global positioning system
6 locating services, or (C) over-the-air radio and television broadcasting
7 via radio and television broadcast stations licensed by the Federal
8 Communications Commission , ~~including antennas and studio transmitter~~
9 ~~link systems.~~ For purposes of this subdivision, studio transmitter link
10 system means a radiofrequency apparatus system which serves as a conduit
11 to deliver station programming content ~~audio~~ from its origin in a studio
12 to a broadcast transmitter and antenna.

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

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

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

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

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

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

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

29 (d) The gross income received for installing and applying tangible
30 personal property if the sale of the property is subject to tax. If any
31 or all of the charge for installation is free to the customer and is paid

1 by a third-party service provider to the installer, any tax due on that
2 part of the activation commission, finder's fee, installation charge, or
3 similar payment made by the third-party service provider shall be paid
4 and remitted by the third-party service provider;

5 (e) The gross income received for services of recreational vehicle
6 parks;

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

11 (g) The gross income received for animal specialty services except
12 (i) veterinary services, (ii) specialty services performed on livestock
13 as defined in section 54-183, and (iii) animal grooming performed by a
14 licensed veterinarian or a licensed veterinary technician in conjunction
15 with medical treatment; and

16 (h) The gross income received for detective services.

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

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

30 (7) Gross receipts includes the sale of any building materials
31 annexed to real estate by a person electing to be taxed as a retailer

1 pursuant to subdivision (1) of section 77-2701.10.

2 (8) Gross receipts includes the sale of and recharge of prepaid
3 calling service and prepaid wireless calling service.

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

11 (10) Gross receipts includes any receipts from sales of tangible
12 personal property made over a multivendor marketplace platform that acts
13 as the intermediary by facilitating sales between a seller and the
14 purchaser and that, either directly or indirectly through agreements or
15 arrangements with third parties, collects payment from the purchaser and
16 transmits payment to the seller.

17 (11) Gross receipts does not include:

18 (a) The amount of any rebate granted by a motor vehicle or motorboat
19 manufacturer or dealer at the time of sale of the motor vehicle or
20 motorboat, which rebate functions as a discount from the sales price of
21 the motor vehicle or motorboat; or

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

24 **Sec. 37.** Section 77-2703, Revised Statutes Cumulative Supplement,
25 2024, is amended to read:

26 77-2703 (1) There is hereby imposed a tax at the rate provided in
27 section 77-2701.02 upon the gross receipts from all sales of tangible
28 personal property sold at retail in this state; the gross receipts of
29 every person engaged as a public utility, as a community antenna
30 television service operator, or as a satellite service operator, any
31 person involved in the connecting and installing of the services defined

1 in subdivision (2)(a), (b), (d), or (e) of section 77-2701.16, or every
2 person engaged as a retailer of intellectual or entertainment properties
3 referred to in subsection (3) of section 77-2701.16; the gross receipts
4 from the sale of admissions in this state; the gross receipts from the
5 sale of warranties, guarantees, service agreements, or maintenance
6 agreements when the items covered are subject to tax under this section;
7 beginning January 1, 2008, the gross receipts from the sale of bundled
8 transactions when one or more of the products included in the bundle are
9 taxable; the gross receipts from the provision of services defined in
10 subsection (4) of section 77-2701.16; and the gross receipts from the
11 sale of products delivered electronically as described in subsection (9)
12 of section 77-2701.16. Except as provided in section 77-2701.03, when
13 there is a sale, the tax shall be imposed at the rate in effect at the
14 time the gross receipts are realized under the accounting basis used by
15 the retailer to maintain his or her books and records.

16 (a) The tax imposed by this section shall be collected by the
17 retailer from the consumer. It shall constitute a part of the purchase
18 price and until collected shall be a debt from the consumer to the
19 retailer and shall be recoverable at law in the same manner as other
20 debts. The tax required to be collected by the retailer from the consumer
21 constitutes a debt owed by the retailer to this state.

22 (b) It is unlawful for any retailer to advertise, hold out, or state
23 to the public or to any customer, directly or indirectly, that the tax or
24 part thereof will be assumed or absorbed by the retailer, that it will
25 not be added to the selling, renting, or leasing price of the property
26 sold, rented, or leased, or that, if added, it or any part thereof will
27 be refunded. The provisions of this subdivision shall not apply to a
28 public utility.

29 (c) The tax required to be collected by the retailer from the
30 purchaser, unless otherwise provided by statute or by rule and regulation
31 of the Tax Commissioner, shall be displayed separately from the list

1 price, the price advertised in the premises, the marked price, or other
2 price on the sales check or other proof of sales, rentals, or leases.

3 (d) For the purpose of more efficiently securing the payment,
4 collection, and accounting for the sales tax and for the convenience of
5 the retailer in collecting the sales tax, it shall be the duty of the Tax
6 Commissioner to provide a schedule or schedules of the amounts to be
7 collected from the consumer or user to effectuate the computation and
8 collection of the tax imposed by the Nebraska Revenue Act of 1967. Such
9 schedule or schedules shall provide that the tax shall be collected from
10 the consumer or user uniformly on sales according to brackets based on
11 sales prices of the item or items. Retailers may compute the tax due on
12 any transaction on an item or an invoice basis. The rounding rule
13 provided in section 77-3,117 applies.

14 (e) The use of tokens or stamps for the purpose of collecting or
15 enforcing the collection of the taxes imposed in the Nebraska Revenue Act
16 of 1967 or for any other purpose in connection with such taxes is
17 prohibited.

18 (f) For the purpose of the proper administration of the provisions
19 of the Nebraska Revenue Act of 1967 and to prevent evasion of the retail
20 sales tax, it shall be presumed that all gross receipts are subject to
21 the tax until the contrary is established. The burden of proving that a
22 sale of property is not a sale at retail is upon the person who makes the
23 sale unless he or she takes from the purchaser (i) a resale certificate
24 to the effect that the property is purchased for the purpose of
25 reselling, leasing, or renting it, (ii) an exemption certificate pursuant
26 to subsection (7) of section 77-2705, or (iii) a direct payment permit
27 pursuant to sections 77-2705.01 to 77-2705.03. Receipt of a resale
28 certificate, exemption certificate, or direct payment permit shall be
29 conclusive proof for the seller that the sale was made for resale or was
30 exempt or that the tax will be paid directly to the state.

31 (g) In the rental or lease of automobiles, trucks, trailers,

1 semitrailers, and truck-tractors as defined in the Motor Vehicle
2 Registration Act, the tax shall be collected by the lessor on the rental
3 or lease price, except as otherwise provided within this section.

4 (h) In the rental or lease of automobiles, trucks, trailers,
5 semitrailers, and truck-tractors as defined in the act, for periods of
6 one year or more, the lessor may elect not to collect and remit the sales
7 tax on the gross receipts and instead pay a sales tax on the cost of such
8 vehicle. If such election is made, it shall be made pursuant to the
9 following conditions:

10 (i) Notice of the desire to make such election shall be filed with
11 the Tax Commissioner and shall not become effective until the Tax
12 Commissioner is satisfied that the taxpayer has complied with all
13 conditions of this subsection and all rules and regulations of the Tax
14 Commissioner;

15 (ii) Such election when made shall continue in force and effect for
16 a period of not less than two years and thereafter until such time as the
17 lessor elects to terminate the election;

18 (iii) When such election is made, it shall apply to all vehicles of
19 the lessor rented or leased for periods of one year or more except
20 vehicles to be leased to common or contract carriers who provide to the
21 lessor a valid common or contract carrier exemption certificate. If the
22 lessor rents or leases other vehicles for periods of less than one year,
23 such lessor shall maintain his or her books and records and his or her
24 accounting procedure as the Tax Commissioner prescribes; and

25 (iv) The Tax Commissioner by rule and regulation shall prescribe the
26 contents and form of the notice of election, a procedure for the
27 determination of the tax base of vehicles which are under an existing
28 lease at the time such election becomes effective, the method and manner
29 for terminating such election, and such other rules and regulations as
30 may be necessary for the proper administration of this subdivision.

31 (i) The tax imposed by this section on the sales of motor vehicles,

1 semitrailers, and trailers as defined in sections 60-339, 60-348, and
2 60-354 shall be the liability of the purchaser and, with the exception of
3 motor vehicles, semitrailers, and trailers registered pursuant to section
4 60-3,198, the tax shall be collected by the county treasurer as provided
5 in the Motor Vehicle Registration Act or by an approved licensed dealer
6 participating in the electronic dealer services system pursuant to
7 section 60-1507 at the time the purchaser makes application for the
8 registration of the motor vehicle, semitrailer, or trailer for operation
9 upon the highways of this state. The tax imposed by this section on motor
10 vehicles, semitrailers, and trailers registered pursuant to section
11 60-3,198 shall be collected by the Department of Motor Vehicles at the
12 time the purchaser makes application for the registration of the motor
13 vehicle, semitrailer, or trailer for operation upon the highways of this
14 state. At the time of the sale of any motor vehicle, semitrailer, or
15 trailer, the seller shall (i) state on the sales invoice the dollar
16 amount of the tax imposed under this section and (ii) furnish to the
17 purchaser a certified statement of the transaction, in such form as the
18 Tax Commissioner prescribes, setting forth as a minimum the total sales
19 price, the allowance for any trade-in, and the difference between the
20 two. The sales tax due shall be computed on the difference between the
21 total sales price and the allowance for any trade-in as disclosed by such
22 certified statement. Any seller who willfully understates the amount upon
23 which the sales tax is due shall be subject to a penalty of one thousand
24 dollars. A copy of such certified statement shall also be furnished to
25 the Tax Commissioner. Any seller who fails or refuses to furnish such
26 certified statement shall be guilty of a misdemeanor and shall, upon
27 conviction thereof, be punished by a fine of not less than twenty-five
28 dollars nor more than one hundred dollars. If the purchaser does not
29 register such motor vehicle, semitrailer, or trailer for operation on the
30 highways of this state within thirty days of the purchase thereof, the
31 tax imposed by this section shall immediately thereafter be paid by the

1 purchaser to the county treasurer or the Department of Motor Vehicles. If
2 the tax is not paid on or before the thirtieth day after its purchase,
3 the county treasurer or Department of Motor Vehicles shall also collect
4 from the purchaser interest from the thirtieth day through the date of
5 payment and sales tax penalties as provided in the Nebraska Revenue Act
6 of 1967. The county treasurer or Department of Motor Vehicles shall
7 report and remit the tax so collected to the Tax Commissioner by the
8 fifteenth day of the following month. The county treasurer, for his or
9 her collection fee, shall deduct and withhold, from all amounts required
10 to be collected under this subsection, the collection fee permitted to be
11 deducted by any retailer collecting the sales tax, all of which shall be
12 deposited in the county general fund, plus an additional amount equal to
13 one-half of one percent of all amounts in excess of six thousand dollars
14 remitted each month. Prior to January 1, 2023, fifty percent of such
15 additional amount shall be deposited in the county general fund and fifty
16 percent of such additional amount shall be deposited in the county road
17 fund. On and after January 1, 2023, seventy-five percent of such
18 additional amount shall be deposited in the county general fund and
19 twenty-five percent of such additional amount shall be deposited in the
20 county road fund. In any county with a population of one hundred fifty
21 thousand inhabitants or more, the county treasurer shall remit one dollar
22 of his or her collection fee for each of the first five thousand motor
23 vehicles, semitrailers, or trailers registered with such county treasurer
24 on or after January 1, 2020, to the State Treasurer for credit to the
25 Department of Revenue Enforcement Fund. The Department of Motor Vehicles,
26 for its collection fee, shall deduct, withhold, and deposit in the Motor
27 Carrier Division Cash Fund the collection fee permitted to be deducted by
28 any retailer collecting the sales tax. The collection fee for the county
29 treasurer or the Department of Motor Vehicles shall be forfeited if the
30 county treasurer or department violates any rule or regulation pertaining
31 to the collection of the use tax.

1 (j)(i) The tax imposed by this section on the sale of a motorboat as
2 defined in section 37-1204 shall be the liability of the purchaser. The
3 tax shall be collected by the county treasurer at the time the purchaser
4 makes application for the registration of the motorboat. At the time of
5 the sale of a motorboat, the seller shall (A) state on the sales invoice
6 the dollar amount of the tax imposed under this section and (B) furnish
7 to the purchaser a certified statement of the transaction, in such form
8 as the Tax Commissioner prescribes, setting forth as a minimum the total
9 sales price, the allowance for any trade-in, and the difference between
10 the two. The sales tax due shall be computed on the difference between
11 the total sales price and the allowance for any trade-in as disclosed by
12 such certified statement. Any seller who willfully understates the amount
13 upon which the sales tax is due shall be subject to a penalty of one
14 thousand dollars. A copy of such certified statement shall also be
15 furnished to the Tax Commissioner. Any seller who fails or refuses to
16 furnish such certified statement shall be guilty of a misdemeanor and
17 shall, upon conviction thereof, be punished by a fine of not less than
18 twenty-five dollars nor more than one hundred dollars. If the purchaser
19 does not register such motorboat within thirty days of the purchase
20 thereof, the tax imposed by this section shall immediately thereafter be
21 paid by the purchaser to the county treasurer. If the tax is not paid on
22 or before the thirtieth day after its purchase, the county treasurer
23 shall also collect from the purchaser interest from the thirtieth day
24 through the date of payment and sales tax penalties as provided in the
25 Nebraska Revenue Act of 1967. The county treasurer shall report and remit
26 the tax so collected to the Tax Commissioner by the fifteenth day of the
27 following month. The county treasurer, for his or her collection fee,
28 shall deduct and withhold for the use of the county general fund, from
29 all amounts required to be collected under this subsection, the
30 collection fee permitted to be deducted by any retailer collecting the
31 sales tax. The collection fee shall be forfeited if the county treasurer

1 violates any rule or regulation pertaining to the collection of the use
2 tax.

3 (ii) In the rental or lease of motorboats, the tax shall be
4 collected by the lessor on the rental or lease price.

5 (k)(i) The tax imposed by this section on the sale of an all-terrain
6 vehicle as defined in section 60-103 or a utility-type vehicle as defined
7 in section 60-135.01 shall be the liability of the purchaser. The tax
8 shall be collected by the county treasurer or by an approved licensed
9 dealer participating in the electronic dealer services system pursuant to
10 section 60-1507 at the time the purchaser makes application for the
11 certificate of title for the all-terrain vehicle or utility-type vehicle.
12 At the time of the sale of an all-terrain vehicle or a utility-type
13 vehicle, the seller shall (A) state on the sales invoice the dollar
14 amount of the tax imposed under this section and (B) furnish to the
15 purchaser a certified statement of the transaction, in such form as the
16 Tax Commissioner prescribes, setting forth as a minimum the total sales
17 price, the allowance for any trade-in, and the difference between the
18 two. The sales tax due shall be computed on the difference between the
19 total sales price and the allowance for any trade-in as disclosed by such
20 certified statement. Any seller who willfully understates the amount upon
21 which the sales tax is due shall be subject to a penalty of one thousand
22 dollars. A copy of such certified statement shall also be furnished to
23 the Tax Commissioner. Any seller who fails or refuses to furnish such
24 certified statement shall be guilty of a misdemeanor and shall, upon
25 conviction thereof, be punished by a fine of not less than twenty-five
26 dollars nor more than one hundred dollars. If the purchaser does not
27 obtain a certificate of title for such all-terrain vehicle or utility-
28 type vehicle within thirty days of the purchase thereof, the tax imposed
29 by this section shall immediately thereafter be paid by the purchaser to
30 the county treasurer. If the tax is not paid on or before the thirtieth
31 day after its purchase, the county treasurer shall also collect from the

1 purchaser interest from the thirtieth day through the date of payment and
2 sales tax penalties as provided in the Nebraska Revenue Act of 1967. The
3 county treasurer shall report and remit the tax so collected to the Tax
4 Commissioner by the fifteenth day of the following month. The county
5 treasurer, for his or her collection fee, shall deduct and withhold for
6 the use of the county general fund, from all amounts required to be
7 collected under this subsection, the collection fee permitted to be
8 deducted by any retailer collecting the sales tax. The collection fee
9 shall be forfeited if the county treasurer violates any rule or
10 regulation pertaining to the collection of the use tax.

11 (ii) In the rental or lease of an all-terrain vehicle or a utility-
12 type vehicle, the tax shall be collected by the lessor on the rental or
13 lease price.

14 (iii) County treasurers are appointed as sales and use tax
15 collectors for all sales of all-terrain vehicles or utility-type vehicles
16 made outside of this state to purchasers or users of all-terrain vehicles
17 or utility-type vehicles which are required to have a certificate of
18 title in this state. The county treasurer shall collect the applicable
19 use tax from the purchaser of an all-terrain vehicle or a utility-type
20 vehicle purchased outside of this state at the time application for a
21 certificate of title is made. The full use tax on the purchase price
22 shall be collected by the county treasurer if a sales or occupation tax
23 was not paid by the purchaser in the state of purchase. If a sales or
24 occupation tax was lawfully paid in the state of purchase at a rate less
25 than the tax imposed in this state, use tax must be collected on the
26 difference as a condition for obtaining a certificate of title in this
27 state.

28 (1) The Tax Commissioner shall adopt and promulgate necessary rules
29 and regulations for determining the amount subject to the taxes imposed
30 by this section so as to insure that the full amount of any applicable
31 tax is paid in cases in which a sale is made of which a part is subject

1 to the taxes imposed by this section and a part of which is not so
2 subject and a separate accounting is not practical or economical.

3 (2) A use tax is hereby imposed on the storage, use, or other
4 consumption in this state of property purchased, leased, or rented from
5 any retailer and on any transaction the gross receipts of which are
6 subject to tax under subsection (1) of this section on or after June 1,
7 1967, for storage, use, or other consumption in this state at the rate
8 set as provided in subsection (1) of this section on the sales price of
9 the property or, in the case of leases or rentals, of the lease or rental
10 prices.

11 (a) Every person storing, using, or otherwise consuming in this
12 state property purchased from a retailer or leased or rented from another
13 person for such purpose shall be liable for the use tax at the rate in
14 effect when his or her liability for the use tax becomes certain under
15 the accounting basis used to maintain his or her books and records. His
16 or her liability shall not be extinguished until the use tax has been
17 paid to this state, except that a receipt from a retailer engaged in
18 business in this state or from a retailer who is authorized by the Tax
19 Commissioner, under such rules and regulations as he or she may
20 prescribe, to collect the sales tax and who is, for the purposes of the
21 Nebraska Revenue Act of 1967 relating to the sales tax, regarded as a
22 retailer engaged in business in this state, which receipt is given to the
23 purchaser pursuant to subdivision (b) of this subsection, shall be
24 sufficient to relieve the purchaser from further liability for the tax to
25 which the receipt refers.

26 (b) Every retailer engaged in business in this state and selling,
27 leasing, or renting property for storage, use, or other consumption in
28 this state shall, at the time of making any sale, collect any tax which
29 may be due from the purchaser and shall give to the purchaser, upon
30 request, a receipt therefor in the manner and form prescribed by the Tax
31 Commissioner.

1 (c) The Tax Commissioner, in order to facilitate the proper
2 administration of the use tax, may designate such person or persons as he
3 or she may deem necessary to be use tax collectors and delegate to such
4 persons such authority as is necessary to collect any use tax which is
5 due and payable to the State of Nebraska. The Tax Commissioner may
6 require of all persons so designated a surety bond in favor of the State
7 of Nebraska to insure against any misappropriation of state funds so
8 collected. The Tax Commissioner may require any tax official, city,
9 county, or state, to collect the use tax on behalf of the state. All
10 persons designated to or required to collect the use tax shall account
11 for such collections in the manner prescribed by the Tax Commissioner.
12 Nothing in this subdivision shall be so construed as to prevent the Tax
13 Commissioner or his or her employees from collecting any use taxes due
14 and payable to the State of Nebraska.

15 (d) All persons designated to collect the use tax and all persons
16 required to collect the use tax shall forward the total of such
17 collections to the Tax Commissioner at such time and in such manner as
18 the Tax Commissioner may prescribe. Such collectors of the use tax shall
19 deduct and withhold from the amount of taxes collected two and one-half
20 ~~three~~ percent of the first three ~~five~~ thousand dollars remitted each
21 month as reimbursement for the cost of collecting the tax. Any such
22 deduction shall be forfeited to the State of Nebraska if such collector
23 violates any rule, regulation, or directive of the Tax Commissioner.

24 (e) For the purpose of the proper administration of the Nebraska
25 Revenue Act of 1967 and to prevent evasion of the use tax, it shall be
26 presumed that property sold, leased, or rented by any person for delivery
27 in this state is sold, leased, or rented for storage, use, or other
28 consumption in this state until the contrary is established. The burden
29 of proving the contrary is upon the person who purchases, leases, or
30 rents the property.

31 (f) For the purpose of the proper administration of the Nebraska

1 Revenue Act of 1967 and to prevent evasion of the use tax, for the sale
2 of property to an advertising agency which purchases the property as an
3 agent for a disclosed or undisclosed principal, the advertising agency is
4 and remains liable for the sales and use tax on the purchase the same as
5 if the principal had made the purchase directly.

6 **Sec. 38.** Section 77-2706.02, Revised Statutes Cumulative Supplement,
7 2024, is amended to read:

8 77-2706.02 (1) This section applies on and after July 1, 2026.

9 (2) The appointment of purchasing agents shall be recognized for the
10 purpose of permitting a construction contractor to purchase materials tax
11 free based on the buyer-based exemption of the contractor's client for
12 items that are physically annexed to the structure and which subsequently
13 belong to the client who is eligible for the buyer-based exemption. The
14 appointment of purchasing agents shall be in writing and occur prior to
15 having any buyer-based tax-exempt items annexed to real estate in the
16 construction, improvement, or repair. The contractor who has been
17 appointed as a purchasing agent may purchase the materials tax free or
18 may apply for a refund of or use as a credit against a future use tax
19 liability the tax paid on inventory items annexed to real estate in the
20 construction, improvement, or repair of a project that belongs to the
21 client who is eligible for the buyer-based exemption.

22 (3) A client described in subsection (2) of this section which
23 enters into a contract of construction, improvement, or repair with
24 respect to buyer-based tax-exempt items annexed to real estate without
25 first issuing a purchasing agent authorization to a construction
26 contractor prior to such items being annexed to real estate in the
27 project may apply to the Tax Commissioner for a refund of any sales and
28 use tax paid by the contractor on such items physically annexed to real
29 estate in the construction, improvement, or repair.

30 (4) For purposes of this section, client means a nonprofit entity.

31 **Sec. 39.** Section 77-2708, Revised Statutes Cumulative Supplement,

1 2024, is amended to read:

2 77-2708 (1)(a) The sales and use taxes imposed by the Nebraska
3 Revenue Act of 1967 shall be due and payable to the Tax Commissioner
4 monthly on or before the twentieth day of the month next succeeding each
5 monthly period unless otherwise provided pursuant to the Nebraska Revenue
6 Act of 1967.

7 (b)(i) On or before the twentieth day of the month following each
8 monthly period or such other period as the Tax Commissioner may require,
9 a return for such period, along with all taxes due, shall be filed with
10 the Tax Commissioner in such form and content as the Tax Commissioner may
11 prescribe and containing such information as the Tax Commissioner deems
12 necessary for the proper administration of the Nebraska Revenue Act of
13 1967. The Tax Commissioner, if he or she deems it necessary in order to
14 insure payment to or facilitate the collection by the state of the amount
15 of sales or use taxes due, may require returns and payment of the amount
16 of such taxes for periods other than monthly periods in the case of a
17 particular seller, retailer, or purchaser, as the case may be. The Tax
18 Commissioner shall by rule and regulation require reports and tax
19 payments from sellers, retailers, or purchasers depending on their yearly
20 tax liability. Except as required by the streamlined sales and use tax
21 agreement, annual returns shall be required if such sellers', retailers',
22 or purchasers' yearly tax liability is less than nine hundred dollars,
23 quarterly returns shall be required if their yearly tax liability is nine
24 hundred dollars or more and less than three thousand dollars, and monthly
25 returns shall be required if their yearly tax liability is three thousand
26 dollars or more. The Tax Commissioner shall have the discretion to allow
27 an annual return for seasonal retailers, even when their yearly tax
28 liability exceeds the amounts listed in this subdivision.

29 The Tax Commissioner may adopt and promulgate rules and regulations
30 to allow annual, semiannual, or quarterly returns for any retailer making
31 monthly remittances or payments of sales and use taxes by electronic

1 funds transfer or for any retailer remitting tax to the state pursuant to
2 the streamlined sales and use tax agreement. Such rules and regulations
3 may establish a method of determining the amount of the payment that will
4 result in substantially all of the tax liability being paid each quarter.
5 At least once each year, the difference between the amount paid and the
6 amount due shall be reconciled. If the difference is more than ten
7 percent of the amount paid, a penalty of fifty percent of the unpaid
8 amount shall be imposed.

9 (ii) For purposes of the sales tax, a return shall be filed by every
10 retailer liable for collection from a purchaser and payment to the state
11 of the tax, except that a combined sales tax return may be filed for all
12 licensed locations which are subject to common ownership. For purposes of
13 this subdivision, common ownership means the same person or persons own
14 eighty percent or more of each licensed location. For purposes of the use
15 tax, a return shall be filed by every retailer engaged in business in
16 this state and by every person who has purchased property, the storage,
17 use, or other consumption of which is subject to the use tax, but who has
18 not paid the use tax due to a retailer required to collect the tax.

19 (iii) The Tax Commissioner may require that returns be signed by the
20 person required to file the return or by his or her duly authorized agent
21 but need not be verified by oath.

22 (iv) A taxpayer who keeps his or her regular books and records on a
23 cash basis, an accrual basis, or any generally recognized accounting
24 basis which correctly reflects the operation of the business may file the
25 sales and use tax returns required by the Nebraska Revenue Act of 1967 on
26 the same accounting basis that is used for the regular books and records,
27 except that on credit, conditional, and installment sales, the retailer
28 who keeps his or her books on an accrual basis may report such sales on
29 the cash basis and pay the tax upon the collections made during each
30 month. If a taxpayer transfers, sells, assigns, or otherwise disposes of
31 an account receivable, he or she shall be deemed to have received the

1 full balance of the consideration for the original sale and shall be
2 liable for the remittance of the sales tax on the balance of the total
3 sale price not previously reported, except that such transfer, sale,
4 assignment, or other disposition of an account receivable by a retailer
5 to a subsidiary shall not be deemed to require the retailer to pay the
6 sales tax on the credit sale represented by the account transferred prior
7 to the time the customer makes payment on such account. If the subsidiary
8 does not obtain a Nebraska sales tax permit, the taxpayer shall obtain a
9 surety bond in favor of the State of Nebraska to insure payment of the
10 tax and any interest and penalty imposed thereon under this section in an
11 amount not less than two times the amount of tax payable on outstanding
12 accounts receivable held by the subsidiary as of the end of the prior
13 calendar year. Failure to obtain either a sales tax permit or a surety
14 bond in accordance with this section shall result in the payment on the
15 next required filing date of all sales taxes not previously remitted.
16 When the retailer has adopted one basis or the other of reporting credit,
17 conditional, or installment sales and paying the tax thereon, he or she
18 will not be permitted to change from that basis without first having
19 notified the Tax Commissioner.

20 (c) Except as provided in the streamlined sales and use tax
21 agreement, the taxpayer required to file the return shall deliver or mail
22 any required return together with a remittance of the net amount of the
23 tax due to the office of the Tax Commissioner on or before the required
24 filing date. Failure to file the return, filing after the required filing
25 date, failure to remit the net amount of the tax due, or remitting the
26 net amount of the tax due after the required filing date shall be cause
27 for a penalty, in addition to interest, of ten percent of the amount of
28 tax not paid by the required filing date or twenty-five dollars,
29 whichever is greater, unless the penalty is being collected under
30 subdivision (1)(i), (1)(j)(i), or (1)(k)(i) of section 77-2703 by a
31 county treasurer or the Department of Motor Vehicles, in which case the

1 penalty shall be five dollars.

2 (d) The taxpayer shall deduct and withhold, from the taxes otherwise
3 due from him or her on his or her tax return, two and one-half ~~three~~
4 percent of the first ~~three~~ five thousand dollars remitted each month to
5 reimburse himself or herself for the cost of collecting the tax.
6 Taxpayers filing a combined return as allowed by subdivision (1)(b)(ii)
7 of this subsection shall compute such collection fees on the basis of the
8 receipts and liability of each licensed location.

9 (e) A retailer that makes sales into Nebraska using a multivendor
10 marketplace platform is relieved of its obligation to collect and remit
11 sales taxes to Nebraska with regard to any sales taxes collected and
12 remitted by the multivendor marketplace platform. Such a retailer must
13 include all sales into Nebraska in its gross receipts in its return, but
14 may claim credit for any sales taxes collected and remitted by the
15 multivendor marketplace platform with respect to such retailer's sales.
16 Such retailer is liable for the sales tax due on sales into Nebraska as
17 provided in section 77-2704.35.

18 (f) A multivendor marketplace platform is relieved of its obligation
19 to collect and remit the correct amount of state and local sales taxes to
20 Nebraska to the extent that the multivendor marketplace platform can
21 establish that the error was due to insufficient or incorrect information
22 given to the multivendor marketplace platform by the seller and relied on
23 by the multivendor marketplace platform. This subdivision shall not apply
24 if the multivendor marketplace platform and the seller are related
25 persons under either section 267(b) or (c) or section 707(b) of the
26 Internal Revenue Code of 1986 or if the seller is also the multivendor
27 marketplace platform operator.

28 (2)(a) If the Tax Commissioner determines that any sales or use tax
29 amount, penalty, or interest has been paid more than once, has been
30 erroneously or illegally collected or computed, or has been paid and the
31 purchaser qualifies for a refund under section 77-2708.01, the Tax

1 Commissioner shall set forth that fact in his or her records and the
2 excess amount collected or paid may be credited on any sales, use, or
3 income tax amounts then due and payable from the person under the
4 Nebraska Revenue Act of 1967. Any balance may be refunded to the person
5 by whom it was paid or his or her successors, administrators, or
6 executors.

7 (b) No refund shall be allowed unless a claim therefor is filed with
8 the Tax Commissioner by the person who made the overpayment or his or her
9 attorney, executor, or administrator within three years from the required
10 filing date following the close of the period for which the overpayment
11 was made, within six months after any determination becomes final under
12 section 77-2709, or within six months from the date of overpayment with
13 respect to such determinations, whichever of these three periods expires
14 later, unless the credit relates to a period for which a waiver has been
15 given. Failure to file a claim within the time prescribed in this
16 subsection shall constitute a waiver of any demand against the state on
17 account of overpayment.

18 (c) Every claim shall be in writing on forms prescribed by the Tax
19 Commissioner and shall state the specific amount and grounds upon which
20 the claim is founded. No refund shall be made in any amount less than two
21 dollars.

22 (d) The Tax Commissioner shall allow or disallow a claim within one
23 hundred eighty days after it has been filed. A request for a hearing
24 shall constitute a waiver of the one-hundred-eighty-day period. The
25 claimant and the Tax Commissioner may also agree to extend the one-
26 hundred-eighty-day period. If a hearing has not been requested and the
27 Tax Commissioner has neither allowed nor disallowed a claim within either
28 the one hundred eighty days or the period agreed to by the claimant and
29 the Tax Commissioner, the claim shall be deemed to have been allowed.

30 (e) Within thirty days after disallowing any claim in whole or in
31 part, the Tax Commissioner shall serve notice of his or her action on the

1 claimant in the manner prescribed for service of notice of a deficiency
2 determination.

3 (f) Within thirty days after the mailing of the notice of the Tax
4 Commissioner's action upon a claim filed pursuant to the Nebraska Revenue
5 Act of 1967, the action of the Tax Commissioner shall be final unless the
6 taxpayer seeks review of the Tax Commissioner's determination as provided
7 in section 77-27,127.

8 (g) Upon the allowance of a credit or refund of any sum erroneously
9 or illegally assessed or collected, of any penalty collected without
10 authority, or of any sum which was excessive or in any manner wrongfully
11 collected, interest shall be allowed and paid on the amount of such
12 credit or refund at the rate specified in section 45-104.02, as such rate
13 may from time to time be adjusted, from the date such sum was paid or
14 from the date the return was required to be filed, whichever date is
15 later, to the date of the allowance of the refund or, in the case of a
16 credit, to the due date of the amount against which the credit is
17 allowed, but in the case of a voluntary and unrequested payment in excess
18 of actual tax liability or a refund under section 77-2708.01, no interest
19 shall be allowed when such excess is refunded or credited.

20 (h) No suit or proceeding shall be maintained in any court for the
21 recovery of any amount alleged to have been erroneously or illegally
22 determined or collected unless a claim for refund or credit has been duly
23 filed.

24 (i) The Tax Commissioner may recover any refund or part thereof
25 which is erroneously made and any credit or part thereof which is
26 erroneously allowed by issuing a deficiency determination within one year
27 from the date of refund or credit or within the period otherwise allowed
28 for issuing a deficiency determination, whichever expires later.

29 (j)(i) Credit shall be allowed to the retailer, contractor, or
30 repairperson for sales or use taxes paid pursuant to the Nebraska Revenue
31 Act of 1967 on any deduction taken that is attributed to bad debts not

1 including interest. Bad debt has the same meaning as in 26 U.S.C. 166, as
2 such section existed on January 1, 2003. However, the amount calculated
3 pursuant to 26 U.S.C. 166 shall be adjusted to exclude: Financing charges
4 or interest; sales or use taxes charged on the purchase price;
5 uncollectible amounts on property that remains in the possession of the
6 seller until the full purchase price is paid; and expenses incurred in
7 attempting to collect any debt and repossessed property.

8 (ii) Bad debts may be deducted on the return for the period during
9 which the bad debt is written off as uncollectible in the claimant's
10 books and records and is eligible to be deducted for federal income tax
11 purposes. A claimant who is not required to file federal income tax
12 returns may deduct a bad debt on a return filed for the period in which
13 the bad debt is written off as uncollectible in the claimant's books and
14 records and would be eligible for a bad debt deduction for federal income
15 tax purposes if the claimant was required to file a federal income tax
16 return.

17 (iii) If a deduction is taken for a bad debt and the debt is
18 subsequently collected in whole or in part, the tax on the amount so
19 collected must be paid and reported on the return filed for the period in
20 which the collection is made.

21 (iv) When the amount of bad debt exceeds the amount of taxable sales
22 for the period during which the bad debt is written off, a refund claim
23 may be filed within the otherwise applicable statute of limitations for
24 refund claims. The statute of limitations shall be measured from the due
25 date of the return on which the bad debt could first be claimed.

26 (v) If filing responsibilities have been assumed by a certified
27 service provider, the service provider may claim, on behalf of the
28 retailer, any bad debt allowance provided by this section. The certified
29 service provider shall credit or refund the full amount of any bad debt
30 allowance or refund received to the retailer.

31 (vi) For purposes of reporting a payment received on a previously

1 claimed bad debt, any payments made on a debt or account are applied
2 first proportionally to the taxable price of the property or service and
3 the sales tax thereon, and secondly to interest, service charges, and any
4 other charges.

5 (vii) In situations in which the books and records of the party
6 claiming the bad debt allowance support an allocation of the bad debts
7 among the member states in the streamlined sales and use tax agreement,
8 the state shall permit the allocation.

9 (3) Beginning July 1, 2020, if a refund claim under this section
10 involves a refund of a tax imposed under the Local Option Revenue Act or
11 section 13-319, 13-2813, or 77-6403 and the amount of such tax to be
12 refunded is at least five thousand dollars, the Tax Commissioner shall
13 notify the affected city, village, county, or municipal county of such
14 claim within twenty days after receiving the claim. If the Tax
15 Commissioner allows the claim and the refund of such tax is at least five
16 thousand dollars, the Tax Commissioner shall notify the affected city,
17 village, county, or municipal county of such refund and shall give the
18 city, village, county, or municipal county the option of having such
19 refund deducted from its tax proceeds in one lump sum or in twelve equal
20 monthly installments. The city, village, county, or municipal county
21 shall make its selection and shall certify the selection to the Tax
22 Commissioner within twenty days after receiving notice of the refund. The
23 Tax Commissioner shall then deduct such refund from the applicable tax
24 proceeds in accordance with the selection when he or she deducts refunds
25 pursuant to section 13-324, 13-2814, or 77-6403 or subsection (1) of
26 section 77-27,144, whichever is applicable. This subsection shall not
27 apply to any refund that is subject to subdivision (2)(a) or (2)(b)(ii)
28 or subsection (3) or (4) of section 77-27,144.

29 **Sec. 40.** Section 77-2711, Revised Statutes Cumulative Supplement,
30 2024, is amended to read:

31 77-2711 (1)(a) The Tax Commissioner shall enforce sections

1 77-2701.04 to 77-2713 and may prescribe, adopt, and enforce rules and
2 regulations relating to the administration and enforcement of such
3 sections.

4 (b) The Tax Commissioner may prescribe the extent to which any
5 ruling or regulation shall be applied without retroactive effect.

6 (2) The Tax Commissioner may employ accountants, auditors,
7 investigators, assistants, and clerks necessary for the efficient
8 administration of the Nebraska Revenue Act of 1967 and may delegate
9 authority to his or her representatives to conduct hearings, prescribe
10 regulations, or perform any other duties imposed by such act.

11 (3)(a) Every seller, every retailer, and every person storing,
12 using, or otherwise consuming in this state property purchased from a
13 retailer shall keep such records, receipts, invoices, and other pertinent
14 papers in such form as the Tax Commissioner may reasonably require.

15 (b) Every such seller, retailer, or person shall keep such records
16 for not less than three years from the making of such records unless the
17 Tax Commissioner in writing sooner authorized their destruction.

18 (4) The Tax Commissioner or any person authorized in writing by him
19 or her may examine the books, papers, records, and equipment of any
20 person selling property and any person liable for the use tax and may
21 investigate the character of the business of the person in order to
22 verify the accuracy of any return made or, if no return is made by the
23 person, to ascertain and determine the amount required to be paid. In the
24 examination of any person selling property or of any person liable for
25 the use tax, an inquiry shall be made as to the accuracy of the reporting
26 of city and county sales and use taxes for which the person is liable
27 under the Local Option Revenue Act or sections 13-319, 13-324, 13-2813,
28 and 77-6403 and the accuracy of the allocation made between the various
29 counties, cities, villages, and municipal counties of the tax due. The
30 Tax Commissioner may make or cause to be made copies of resale or
31 exemption certificates and may pay a reasonable amount to the person

1 having custody of the records for providing such copies.

2 (5) The taxpayer shall have the right to keep or store his or her
3 records at a point outside this state and shall make his or her records
4 available to the Tax Commissioner at all times.

5 (6) In administration of the use tax, the Tax Commissioner may
6 require the filing of reports by any person or class of persons having in
7 his, her, or their possession or custody information relating to sales of
8 property, the storage, use, or other consumption of which is subject to
9 the tax. The report shall be filed when the Tax Commissioner requires and
10 shall set forth the names and addresses of purchasers of the property,
11 the sales price of the property, the date of sale, and such other
12 information as the Tax Commissioner may require.

13 (7) It shall be a Class I misdemeanor for the Tax Commissioner or
14 any official or employee of the Tax Commissioner, the State Treasurer, or
15 the Department of Administrative Services to make known in any manner
16 whatever the business affairs, operations, or information obtained by an
17 investigation of records and activities of any retailer or any other
18 person visited or examined in the discharge of official duty or the
19 amount or source of income, profits, losses, expenditures, or any
20 particular thereof, set forth or disclosed in any return, or to permit
21 any return or copy thereof, or any book containing any abstract or
22 particulars thereof to be seen or examined by any person not connected
23 with the Tax Commissioner. Nothing in this section shall be construed to
24 prohibit (a) the delivery to a taxpayer, his or her duly authorized
25 representative, or his or her successors, receivers, trustees, executors,
26 administrators, assignees, or guarantors, if directly interested, of a
27 certified copy of any return or report in connection with his or her tax,
28 (b) the publication of statistics so classified as to prevent the
29 identification of particular reports or returns and the items thereof,
30 (c) the inspection by the Attorney General, other legal representative of
31 the state, or county attorney of the reports or returns of any taxpayer

1 when either (i) information on the reports or returns is considered by
2 the Attorney General to be relevant to any action or proceeding
3 instituted by the taxpayer or against whom an action or proceeding is
4 being considered or has been commenced by any state agency or the county
5 or (ii) the taxpayer has instituted an action to review the tax based
6 thereon or an action or proceeding against the taxpayer for collection of
7 tax or failure to comply with the Nebraska Revenue Act of 1967 is being
8 considered or has been commenced, (d) the furnishing of any information
9 to the United States Government or to states allowing similar privileges
10 to the Tax Commissioner, (e) the disclosure of information and records to
11 a collection agency contracting with the Tax Commissioner pursuant to
12 sections 77-377.01 to 77-377.04, (f) the disclosure to another party to a
13 transaction of information and records concerning the transaction between
14 the taxpayer and the other party, (g) the disclosure of information
15 pursuant to section 77-27,195, 77-5731, 77-6837, 77-6839, or 77-6928, or
16 (h) the disclosure of information to the Department of Labor necessary
17 for the administration of the Employment Security Law, the Contractor
18 Registration Act, or the Employee Classification Act.

19 (8) Notwithstanding the provisions of subsection (7) of this
20 section, the Tax Commissioner may permit the Postal Inspector of the
21 United States Postal Service or his or her delegates to inspect the
22 reports or returns of any person filed pursuant to the Nebraska Revenue
23 Act of 1967 when information on the reports or returns is relevant to any
24 action or proceeding instituted or being considered by the United States
25 Postal Service against such person for the fraudulent use of the mails to
26 carry and deliver false and fraudulent tax returns to the Tax
27 Commissioner with the intent to defraud the State of Nebraska or to evade
28 the payment of Nebraska state taxes.

29 (9) Notwithstanding the provisions of subsection (7) of this
30 section, the Tax Commissioner may permit other tax officials of this
31 state to inspect the tax returns, reports, and applications filed under

1 sections 77-2701.04 to 77-2713, but such inspection shall be permitted
2 only for purposes of enforcing a tax law and only to the extent and under
3 the conditions prescribed by the rules and regulations of the Tax
4 Commissioner.

5 (10) Notwithstanding the provisions of subsection (7) of this
6 section, the Tax Commissioner may, upon request, provide the county board
7 of any county which has exercised the authority granted by section
8 81-3716 with a list of the names and addresses of the hotels located
9 within the county for which lodging sales tax returns have been filed or
10 for which lodging sales taxes have been remitted for the county's County
11 Visitors Promotion Fund under the Nebraska Visitors Development Act.

12 The information provided by the Tax Commissioner shall indicate only
13 the names and addresses of the hotels located within the requesting
14 county for which lodging sales tax returns have been filed for a
15 specified period and the fact that lodging sales taxes remitted by or on
16 behalf of the hotel have constituted a portion of the total sum remitted
17 by the state to the county for a specified period under the provisions of
18 the Nebraska Visitors Development Act. No additional information shall be
19 revealed.

20 (11)(a) Notwithstanding the provisions of subsection (7) of this
21 section, the Tax Commissioner shall, upon written request by the Auditor
22 of Public Accounts or the office of Legislative Audit, make tax returns
23 and tax return information open to inspection by or disclosure to the
24 Auditor of Public Accounts or employees of the office of Legislative
25 Audit for the purpose of and to the extent necessary in making an audit
26 of the Department of Revenue pursuant to section 50-1205 or 84-304 or
27 subsection (14) of this section. Confidential tax returns and tax return
28 information shall be audited only upon the premises of the Department of
29 Revenue. All audit work papers pertaining to the audit of the Department
30 of Revenue shall be stored in a secure place in the Department of
31 Revenue.

1 (b) No employee of the Auditor of Public Accounts or the office of
2 Legislative Audit shall disclose to any person, other than another
3 Auditor of Public Accounts or office employee whose official duties
4 require such disclosure, any return or return information described in
5 the Nebraska Revenue Act of 1967 in a form which can be associated with
6 or otherwise identify, directly or indirectly, a particular taxpayer.

7 (c) Any person who violates the provisions of this subsection shall
8 be guilty of a Class I misdemeanor. For purposes of this subsection,
9 employee includes a former Auditor of Public Accounts or office of
10 Legislative Audit employee.

11 (12) For purposes of this subsection and subsections (11) and (14)
12 of this section:

13 (a) Disclosure means the making known to any person in any manner a
14 tax return or return information;

15 (b) Return information means:

16 (i) A taxpayer's identification number and (A) the nature, source,
17 or amount of his or her income, payments, receipts, deductions,
18 exemptions, credits, assets, liabilities, net worth, tax liability, tax
19 withheld, deficiencies, over assessments, or tax payments, whether the
20 taxpayer's return was, is being, or will be examined or subject to other
21 investigation or processing or (B) any other data received by, recorded
22 by, prepared by, furnished to, or collected by the Tax Commissioner with
23 respect to a return or the determination of the existence or possible
24 existence of liability or the amount of liability of any person for any
25 tax, penalty, interest, fine, forfeiture, or other imposition or offense;
26 and

27 (ii) Any part of any written determination or any background file
28 document relating to such written determination; and

29 (c) Tax return or return means any tax or information return or
30 claim for refund required by, provided for, or permitted under sections
31 77-2701 to 77-2713 which is filed with the Tax Commissioner by, on behalf

1 of, or with respect to any person and any amendment or supplement
2 thereto, including supporting schedules, attachments, or lists which are
3 supplemental to or part of the filed return.

4 (13) Notwithstanding the provisions of subsection (7) of this
5 section, the Tax Commissioner shall, upon request, provide any
6 municipality which has adopted the local option sales tax under the Local
7 Option Revenue Act with a list of the names and addresses of the
8 retailers which have collected the local option sales tax for the
9 municipality. The request may be made annually and shall be submitted to
10 the Tax Commissioner on or before June 30 of each year. The information
11 provided by the Tax Commissioner shall indicate only the names and
12 addresses of the retailers. The Tax Commissioner may provide additional
13 information to a municipality so long as the information does not include
14 any data detailing the specific revenue, expenses, or operations of any
15 particular business.

16 (14)(a) Notwithstanding the provisions of subsection (7) of this
17 section, the Tax Commissioner shall, upon written request, provide an
18 individual certified under subdivision (b) of this subsection
19 representing a municipality which has adopted the local option sales and
20 use tax under the Local Option Revenue Act with confidential sales and
21 use tax returns and sales and use tax return information regarding
22 taxpayers that possess a sales tax permit and the amounts remitted by
23 such permitholders at locations within the boundaries of the requesting
24 municipality or with confidential business use tax returns and business
25 use tax return information regarding taxpayers that file a Nebraska and
26 Local Business Use Tax Return and the amounts remitted by such taxpayers
27 at locations within the boundaries of the requesting municipality. Any
28 written request pursuant to this subsection shall provide the Department
29 of Revenue with no less than ten business days to prepare the sales and
30 use tax returns and sales and use tax return information requested. The
31 individual certified under subdivision (b) of this subsection shall

1 review such returns and return information only upon the premises of the
2 department, except that such limitation shall not apply if the certifying
3 municipality has an agreement in effect under the Nebraska Advantage
4 Transformational Tourism and Redevelopment Act. In such case, the
5 individual certified under subdivision (b) of this subsection may request
6 that copies of such returns and return information be sent to him or her
7 by electronic transmission, secured in a manner as determined by the Tax
8 Commissioner.

9 (b) Each municipality that seeks to request information under
10 subdivision (a) of this subsection shall certify to the Department of
11 Revenue one individual who is authorized by such municipality to make
12 such request and review the documents described in subdivision (a) of
13 this subsection. The individual may be a municipal employee or an
14 individual who contracts with the requesting municipality to provide
15 financial, accounting, or other administrative services.

16 (c) If upon review of the documents described in subdivision (a) of
17 this subsection the individual certified by a municipality pursuant to
18 subdivision (b) of this subsection identifies a suspected irregularity or
19 discrepancy, such individual may provide notification of the suspected
20 irregularity or discrepancy to the Auditor of Public Accounts who may
21 conduct an audit as provided in subsection (11) of this section.

22 (d) An ~~(e) No~~ individual certified by a municipality pursuant to
23 subdivision (b) of this subsection shall not disclose to any person any
24 information obtained pursuant to a review under this subsection other
25 than for the purposes described in this subsection. An individual
26 certified by a municipality pursuant to subdivision (b) of this
27 subsection shall remain subject to this subsection after he or she (i) is
28 no longer certified or (ii) is no longer in the employment of or under
29 contract with the certifying municipality.

30 (e) (d) Any person who violates the provisions of this subsection
31 shall be guilty of a Class I misdemeanor.

1 (f) ~~(e)~~ The Department of Revenue shall not be held liable by any
2 person for an impermissible disclosure by a municipality or any agent or
3 employee thereof of any information obtained pursuant to a review under
4 this subsection.

5 (15) In all proceedings under the Nebraska Revenue Act of 1967, the
6 Tax Commissioner may act for and on behalf of the people of the State of
7 Nebraska. The Tax Commissioner in his or her discretion may waive all or
8 part of any penalties provided by the provisions of such act or interest
9 on delinquent taxes specified in section 45-104.02, as such rate may from
10 time to time be adjusted.

11 (16)(a) The purpose of this subsection is to set forth the state's
12 policy for the protection of the confidentiality rights of all
13 participants in the system operated pursuant to the streamlined sales and
14 use tax agreement and of the privacy interests of consumers who deal with
15 model 1 sellers.

16 (b) For purposes of this subsection:

17 (i) Anonymous data means information that does not identify a
18 person;

19 (ii) Confidential taxpayer information means all information that is
20 protected under a member state's laws, regulations, and privileges; and

21 (iii) Personally identifiable information means information that
22 identifies a person.

23 (c) The state agrees that a fundamental precept for model 1 sellers
24 is to preserve the privacy of consumers by protecting their anonymity.
25 With very limited exceptions, a certified service provider shall perform
26 its tax calculation, remittance, and reporting functions without
27 retaining the personally identifiable information of consumers.

28 (d) The governing board of the member states in the streamlined
29 sales and use tax agreement may certify a certified service provider only
30 if that certified service provider certifies that:

31 (i) Its system has been designed and tested to ensure that the

1 fundamental precept of anonymity is respected;

2 (ii) Personally identifiable information is only used and retained
3 to the extent necessary for the administration of model 1 with respect to
4 exempt purchasers;

5 (iii) It provides consumers clear and conspicuous notice of its
6 information practices, including what information it collects, how it
7 collects the information, how it uses the information, how long, if at
8 all, it retains the information, and whether it discloses the information
9 to member states. Such notice shall be satisfied by a written privacy
10 policy statement accessible by the public on the website of the certified
11 service provider;

12 (iv) Its collection, use, and retention of personally identifiable
13 information is limited to that required by the member states to ensure
14 the validity of exemptions from taxation that are claimed by reason of a
15 consumer's status or the intended use of the goods or services purchased;
16 and

17 (v) It provides adequate technical, physical, and administrative
18 safeguards so as to protect personally identifiable information from
19 unauthorized access and disclosure.

20 (e) The state shall provide public notification to consumers,
21 including exempt purchasers, of the state's practices relating to the
22 collection, use, and retention of personally identifiable information.

23 (f) When any personally identifiable information that has been
24 collected and retained is no longer required for the purposes set forth
25 in subdivision (16)(d)(iv) of this section, such information shall no
26 longer be retained by the member states.

27 (g) When personally identifiable information regarding an individual
28 is retained by or on behalf of the state, it shall provide reasonable
29 access by such individual to his or her own information in the state's
30 possession and a right to correct any inaccurately recorded information.

31 (h) If anyone other than a member state, or a person authorized by

1 that state's law or the agreement, seeks to discover personally
2 identifiable information, the state from whom the information is sought
3 should make a reasonable and timely effort to notify the individual of
4 such request.

5 (i) This privacy policy is subject to enforcement by the Attorney
6 General.

7 (j) All other laws and regulations regarding the collection, use,
8 and maintenance of confidential taxpayer information remain fully
9 applicable and binding. Without limitation, this subsection does not
10 enlarge or limit the state's authority to:

11 (i) Conduct audits or other reviews as provided under the agreement
12 and state law;

13 (ii) Provide records pursuant to the federal Freedom of Information
14 Act, disclosure laws with governmental agencies, or other regulations;

15 (iii) Prevent, consistent with state law, disclosure of confidential
16 taxpayer information;

17 (iv) Prevent, consistent with federal law, disclosure or misuse of
18 federal return information obtained under a disclosure agreement with the
19 Internal Revenue Service; and

20 (v) Collect, disclose, disseminate, or otherwise use anonymous data
21 for governmental purposes.

22 **Sec. 41.** Section 77-2715.07, Revised Statutes Cumulative Supplement,
23 2024, is amended to read:

24 77-2715.07 (1) There shall be allowed to qualified resident
25 individuals as a nonrefundable credit against the income tax imposed by
26 the Nebraska Revenue Act of 1967:

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

29 (b) A credit for taxes paid to another state as provided in section
30 77-2730.

31 (2) There shall be allowed to qualified resident individuals against

1 the income tax imposed by the Nebraska Revenue Act of 1967:

2 (a) For returns filed reporting federal adjusted gross incomes of
3 greater than twenty-nine thousand dollars, a nonrefundable credit equal
4 to twenty-five percent of the federal credit allowed under section 21 of
5 the Internal Revenue Code of 1986, as amended, except that for taxable
6 years beginning or deemed to begin on or after January 1, 2015, such
7 nonrefundable credit shall be allowed only if the individual would have
8 received the federal credit allowed under section 21 of the code after
9 adding back in any carryforward of a net operating loss that was deducted
10 pursuant to such section in determining eligibility for the federal
11 credit;

12 (b) For returns filed reporting federal adjusted gross income of
13 twenty-nine thousand dollars or less, a refundable credit equal to a
14 percentage of the federal credit allowable under section 21 of the
15 Internal Revenue Code of 1986, as amended, whether or not the federal
16 credit was limited by the federal tax liability. The percentage of the
17 federal credit shall be one hundred percent for incomes not greater than
18 twenty-two thousand dollars, and the percentage shall be reduced by ten
19 percent for each one thousand dollars, or fraction thereof, by which the
20 reported federal adjusted gross income exceeds twenty-two thousand
21 dollars, except that for taxable years beginning or deemed to begin on or
22 after January 1, 2015, such refundable credit shall be allowed only if
23 the individual would have received the federal credit allowed under
24 section 21 of the code after adding back in any carryforward of a net
25 operating loss that was deducted pursuant to such section in determining
26 eligibility for the federal credit;

27 (c) A refundable credit as provided in section 77-5209.01 for
28 individuals who qualify for an income tax credit as a qualified beginning
29 farmer or livestock producer under the Beginning Farmer Tax Credit Act
30 for all taxable years beginning or deemed to begin on or after January 1,
31 2006, under the Internal Revenue Code of 1986, as amended;

1 (d) A refundable credit for individuals who qualify for an income
2 tax credit under the Angel Investment Tax Credit Act, the Nebraska
3 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
4 and Development Act, the Reverse Osmosis System Tax Credit Act, or the
5 Volunteer Emergency Responders Incentive Act; and

6 (e) A refundable credit equal to ten percent of the federal credit
7 allowed under section 32 of the Internal Revenue Code of 1986, as
8 amended, except that for taxable years beginning or deemed to begin on or
9 after January 1, 2015, such refundable credit shall be allowed only if
10 the individual would have received the federal credit allowed under
11 section 32 of the code after adding back in any carryforward of a net
12 operating loss that was deducted pursuant to such section in determining
13 eligibility for the federal credit.

14 (3) There shall be allowed to all individuals as a nonrefundable
15 credit against the income tax imposed by the Nebraska Revenue Act of
16 1967:

17 (a) A credit for personal exemptions allowed under section
18 77-2716.01;

19 (b) A credit for (i) contributions to programs or projects certified
20 for tax credit status as provided in the Creating High Impact Economic
21 Futures Act and (ii) contributions to certified community betterment
22 programs as provided in the Community Development Assistance Act. Each
23 partner, each shareholder of an electing subchapter S corporation, each
24 beneficiary of an estate or trust, or each member of a limited liability
25 company shall report his or her share of the credit in the same manner
26 and proportion as he or she reports the partnership, subchapter S
27 corporation, estate, trust, or limited liability company income;

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

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

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

3 (f) A credit to employers as provided in sections 77-27,238 and
4 77-27,240;

5 (g) A credit as provided in the Affordable Housing Tax Credit Act;

6 (h) A credit to grocery store retailers, restaurants, and
7 agricultural producers as provided in section 77-27,241;

8 (i) A credit as provided in the Sustainable Aviation Fuel Tax Credit
9 Act;

10 (j) A credit as provided in the Nebraska Shortline Rail
11 Modernization Act;

12 (k) A credit as provided in the Nebraska Pregnancy Help Act; and

13 (l) A credit as provided in the Caregiver Tax Credit Act.

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

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

18 (b) A credit to all estates and trusts for (i) contributions to
19 programs or projects certified for tax credit status as provided in the
20 Creating High Impact Economic Futures Act and (ii) contributions to
21 certified community betterment programs as provided in the Community
22 Development Assistance Act; and

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

1 of the amount of tax credit distributed pursuant to subsection (6) of
2 section 77-5211.

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

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

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

26 (6) There shall be allowed to all individuals nonrefundable credits
27 against the income tax imposed by the Nebraska Revenue Act of 1967 as
28 provided in section 77-3604 and refundable credits against the income tax
29 imposed by the Nebraska Revenue Act of 1967 as provided in section
30 77-3605.

31 (7)(a) For taxable years beginning or deemed to begin on or after

1 January 1, 2020, and before January 1, 2026, under the Internal Revenue
2 Code of 1986, as amended, a nonrefundable credit against the income tax
3 imposed by the Nebraska Revenue Act of 1967 in the amount of five
4 thousand dollars shall be allowed to any individual who purchases a
5 residence during the taxable year if such residence:

6 (i) Is located within an area that has been declared an extremely
7 blighted area under section 18-2101.02;

8 (ii) Is the individual's primary residence; and

9 (iii) Was not purchased from a family member of the individual or a
10 family member of the individual's spouse.

11 (b) The credit provided in this subsection shall be claimed for the
12 taxable year in which the residence is purchased. If the individual
13 cannot fully utilize the credit for such year, the credit may be carried
14 forward to subsequent taxable years until fully utilized.

15 (c) No more than one credit may be claimed under this subsection
16 with respect to a single residence.

17 (d) The credit provided in this subsection shall be subject to
18 recapture by the Department of Revenue if the individual claiming the
19 credit sells or otherwise transfers the residence or quits using the
20 residence as his or her primary residence within five years after the end
21 of the taxable year in which the credit was claimed.

22 (e) For purposes of this subsection, family member means an
23 individual's spouse, child, parent, brother, sister, grandchild, or
24 grandparent, whether by blood, marriage, or adoption.

25 (8) There shall be allowed to all individuals refundable credits
26 against the income tax imposed by the Nebraska Revenue Act of 1967 as
27 provided in the Cast and Crew Nebraska Act, the Nebraska Biodiesel Tax
28 Credit Act, the Nebraska Higher Blend Tax Credit Act, the Nebraska
29 Property Tax Incentive Act, the Relocation Incentive Act, and the
30 Renewable Chemical Production Tax Credit Act.

31 (9)(a) For taxable years beginning or deemed to begin on or after

1 January 1, 2022, under the Internal Revenue Code of 1986, as amended, a
2 refundable credit against the income tax imposed by the Nebraska Revenue
3 Act of 1967 shall be allowed to the parent of a stillborn child if:

4 (i) A fetal death certificate is filed pursuant to subsection (1) of
5 section 71-606 for such child;

6 (ii) Such child had advanced to at least the twentieth week of
7 gestation; and

8 (iii) Such child would have been a dependent of the individual
9 claiming the credit.

10 (b) The amount of the credit shall be two thousand dollars.

11 (c) The credit shall be allowed for the taxable year in which the
12 stillbirth occurred.

13 (10) There shall be allowed to all individuals refundable credits
14 against the income tax imposed by the Nebraska Revenue Act of 1967 as
15 provided in section 77-7203 and nonrefundable credits against the income
16 tax imposed by the Nebraska Revenue Act of 1967 as provided in section
17 77-7204.

18 (11) There shall be allowed to all individuals refundable credits
19 against the income tax imposed by the Nebraska Revenue Act of 1967 as
20 provided in section 77-3157 and nonrefundable credits against the income
21 tax imposed by the Nebraska Revenue Act of 1967 as provided in sections
22 77-3156, 77-3158, and 77-3159.

23 **Sec. 42.** Section 77-2734.03, Revised Statutes Cumulative Supplement,
24 2024, is amended to read:

25 77-2734.03 (1)(a) For taxable years commencing prior to January 1,
26 1997, any (i) insurer paying a tax on premiums and assessments pursuant
27 to section 77-908 or 81-523, (ii) electric cooperative organized under
28 the Joint Public Power Authority Act, or (iii) credit union shall be
29 credited, in the computation of the tax due under the Nebraska Revenue
30 Act of 1967, with the amount paid during the taxable year as taxes on
31 such premiums and assessments and taxes in lieu of intangible tax.

1 (b) For taxable years commencing on or after January 1, 1997, any
2 insurer paying a tax on premiums and assessments pursuant to section
3 77-908 or 81-523, any electric cooperative organized under the Joint
4 Public Power Authority Act, or any credit union shall be credited, in the
5 computation of the tax due under the Nebraska Revenue Act of 1967, with
6 the amount paid during the taxable year as (i) taxes on such premiums and
7 assessments included as Nebraska premiums and assessments under section
8 77-2734.05 and (ii) taxes in lieu of intangible tax.

9 (c) For taxable years commencing or deemed to commence prior to, on,
10 or after January 1, 1998, any insurer paying a tax on premiums and
11 assessments pursuant to section 77-908 or 81-523 shall be credited, in
12 the computation of the tax due under the Nebraska Revenue Act of 1967,
13 with the amount paid during the taxable year as assessments allowed as an
14 offset against premium and related retaliatory tax liability pursuant to
15 section 44-4233.

16 (2) There shall be allowed to corporate taxpayers a tax credit for
17 (a) contributions to programs or projects certified for tax credit status
18 as provided in the Creating High Impact Economic Futures Act and (b)
19 contributions to certified community betterment programs as provided in
20 the Community Development Assistance Act.

21 (3) There shall be allowed to corporate taxpayers a refundable
22 income tax credit under the Beginning Farmer Tax Credit Act for all
23 taxable years beginning or deemed to begin on or after January 1, 2001,
24 under the Internal Revenue Code of 1986, as amended.

25 (4) The changes made to this section by Laws 2004, LB 983, apply to
26 motor fuels purchased during any tax year ending or deemed to end on or
27 after January 1, 2005, under the Internal Revenue Code of 1986, as
28 amended.

29 (5) There shall be allowed to corporate taxpayers refundable income
30 tax credits under the Nebraska Advantage Microenterprise Tax Credit Act,
31 the Cast and Crew Nebraska Act, the Nebraska Advantage Research and

1 Development Act, the Nebraska Biodiesel Tax Credit Act, the Nebraska
2 Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, the
3 Relocation Incentive Act, and the Renewable Chemical Production Tax
4 Credit Act.

5 (6) There shall be allowed to corporate taxpayers a nonrefundable
6 income tax credit for investment in a biodiesel facility as provided in
7 section 77-27,236.

8 (7) There shall be allowed to corporate taxpayers a nonrefundable
9 income tax credit as provided in the Nebraska Job Creation and Mainstreet
10 Revitalization Act, the New Markets Job Growth Investment Act, the School
11 Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable
12 Housing Tax Credit Act, the Sustainable Aviation Fuel Tax Credit Act, the
13 Nebraska Shortline Rail Modernization Act, the Nebraska Pregnancy Help
14 Act, the Individuals with Intellectual and Developmental Disabilities
15 Support Act, and sections 77-27,238, 77-27,240, and 77-27,241.

16 **Sec. 43.** Section 77-27,187.02, Revised Statutes Cumulative
17 Supplement, 2024, is amended to read:

18 77-27,187.02 (1) To earn the incentives set forth in the Nebraska
19 Advantage Rural Development Act, the taxpayer shall file an application
20 for an agreement with the Tax Commissioner. There shall be no new
21 applications for incentives filed under this section after December 31,
22 2027.

23 (2) The application shall contain:

24 (a) A written statement describing the full expected employment or
25 type of livestock production and the investment amount for a qualified
26 business, as described in section 77-27,189, in this state;

27 (b) Sufficient documents, plans, and specifications as required by
28 the Tax Commissioner to support the plan and to define a project; and

29 (c) An application fee of (i) one hundred dollars for an investment
30 amount of less than twenty-five thousand dollars, (ii) two hundred fifty
31 dollars for an investment amount of at least twenty-five thousand dollars

1 but less than fifty thousand dollars, and (iii) five hundred dollars for
2 an investment amount of fifty thousand dollars or more. The fee shall be
3 remitted to the State Treasurer for credit to the Nebraska Incentives
4 Fund. The application and all supporting information shall be
5 confidential except for the name of the taxpayer, the location of the
6 project, and the amounts of increased employment or investment.

7 (3)(a) The Tax Commissioner shall approve the application and
8 authorize the total amount of credits expected to be earned as a result
9 of the project if he or she is satisfied that the plan in the application
10 defines a project that (i) meets the requirements established in section
11 77-27,188 and such requirements will be reached within the required time
12 period and (ii) for projects other than livestock modernization or
13 expansion projects, is located in an eligible county, city, or village.

14 (b) For applications filed in calendar year 2016 and each year
15 thereafter, the Tax Commissioner shall not approve further applications
16 from applicants described in subsection (1) of section 77-27,188 once the
17 expected credits from approved projects in this category total: For
18 calendar years 2016 through 2022, one million dollars; ~~and for calendar~~
19 ~~years year 2023 through 2025 and each calendar year thereafter, two~~
20 ~~million dollars; and for calendar year 2026 and each calendar year~~
21 ~~thereafter, one million dollars.~~ For applications filed in calendar year
22 2016 and each year thereafter, the Tax Commissioner shall not approve
23 further applications from applicants described in subsection (2) of
24 section 77-27,188 once the expected credits from approved projects in
25 this category total: For calendar year 2016, five hundred thousand
26 dollars; for calendar years 2017 and 2018, seven hundred fifty thousand
27 dollars; for calendar years 2019, 2020, and 2021, one million dollars;
28 ~~and for calendar years year 2022 through 2024 and each calendar year~~
29 ~~thereafter, ten million dollars; for calendar year 2025, seven million~~
30 ~~five hundred thousand dollars; and for calendar year 2026 and each~~
31 ~~calendar year thereafter, one million dollars.~~ Four hundred dollars of

1 the application fee shall be refunded to the applicant if the application
2 is not approved because the expected credits from approved projects
3 exceed such amounts.

4 (c) Applications for benefits shall be considered separately and in
5 the order in which they are received for the categories represented by
6 subsections (1) and (2) of section 77-27,188.

7 (d) Applications shall be filed by November 1 and shall be complete
8 by December 1 of each calendar year. Any application that is filed after
9 November 1 or that is not complete on December 1 shall be considered to
10 be filed during the following calendar year.

11 (4) After approval, the taxpayer and the Tax Commissioner shall
12 enter into a written agreement. The taxpayer shall agree to complete the
13 project, and the Tax Commissioner, on behalf of the State of Nebraska,
14 shall designate the approved plans of the taxpayer as a project and, in
15 consideration of the taxpayer's agreement, agree to allow the taxpayer to
16 use the incentives contained in the Nebraska Advantage Rural Development
17 Act up to the total amount that were authorized by the Tax Commissioner
18 at the time of approval. The application, and all supporting
19 documentation, to the extent approved, shall be considered a part of the
20 agreement. The agreement shall state:

21 (a) The levels of employment and investment required by the act for
22 the project;

23 (b) The time period under the act in which the required level must
24 be met;

25 (c) The documentation the taxpayer will need to supply when claiming
26 an incentive under the act;

27 (d) The date the application was filed; and

28 (e) The maximum amount of credits authorized.

29 **Sec. 44.** Section 77-27,188, Revised Statutes Cumulative Supplement,
30 2024, is amended to read:

31 77-27,188 (1) A refundable credit against the taxes imposed by the

1 Nebraska Revenue Act of 1967 shall be allowed to any taxpayer who has an
2 approved application pursuant to the Nebraska Advantage Rural Development
3 Act, who is engaged in a qualified business as described in section
4 77-27,189, and who after January 1, 2006:

5 (a)(i) Increases employment by two new equivalent employees and
6 makes an increased investment of at least one hundred twenty-five
7 thousand dollars prior to the end of the first taxable year after the
8 year in which the application was submitted in (A) any county in this
9 state with a population of fewer than fifteen thousand inhabitants,
10 according to the most recent federal decennial census, (B) any village in
11 this state, or (C) any area within the corporate limits of a city of the
12 metropolitan class consisting of one or more contiguous census tracts, as
13 determined by the most recent federal decennial census, which contain a
14 percentage of persons below the poverty line of greater than thirty
15 percent, and all census tracts contiguous to such tract or tracts; or

16 (ii) Increases employment by five new equivalent employees and makes
17 an increased investment of at least two hundred fifty thousand dollars
18 prior to the end of the first taxable year after the year in which the
19 application was submitted in any county in this state with a population
20 of less than twenty-five thousand inhabitants, according to the most
21 recent federal decennial census, or any city of the second class; and

22 (b) Pays a minimum qualifying wage of eight dollars and twenty-five
23 cents per hour to the new equivalent employees for which tax credits are
24 sought under the Nebraska Advantage Rural Development Act. The Department
25 of Revenue shall adjust the minimum qualifying wages required for
26 applications filed after January 1, 2004, and each January 1 thereafter,
27 as follows: The current rural Nebraska average weekly wage shall be
28 divided by the rural Nebraska average weekly wage for 2003; and the
29 result shall be multiplied by the eight dollars and twenty-five cents
30 minimum qualifying wage for 2003 and rounded to the nearest one cent. The
31 amount of increase or decrease in the minimum qualifying wages for any

1 year shall be the cumulative change in the rural Nebraska average weekly
2 wage since 2003. For purposes of this subsection, rural Nebraska average
3 weekly wage means the most recent average weekly wage paid by all
4 employers in all counties with a population of less than twenty-five
5 thousand inhabitants as reported by October 1 by the Department of Labor.

6 For purposes of this section, a teleworker working in Nebraska from
7 his or her residence for a taxpayer shall be considered an employee of
8 the taxpayer, and property of the taxpayer provided to the teleworker
9 working in Nebraska from his or her residence shall be considered an
10 investment. Teleworker includes an individual working on a per-item basis
11 and an independent contractor working for the taxpayer so long as the
12 taxpayer withholds Nebraska income tax from wages or other payments made
13 to such teleworker. For purposes of calculating the number of new
14 equivalent employees when the teleworkers are paid on a per-item basis or
15 are independent contractors, the total wages or payments made to all such
16 new employees during the year shall be divided by the qualifying wage as
17 determined in subdivision (b) of this subsection, with the result divided
18 by two thousand eighty hours.

19 (2) A refundable credit against the taxes imposed by the Nebraska
20 Revenue Act of 1967 shall be allowed to any taxpayer who (a) has an
21 approved application pursuant to the Nebraska Advantage Rural Development
22 Act, (b) is engaged in livestock production, and (c) invests at least (i)
23 fifty thousand dollars for livestock modernization or expansion for
24 applications filed before January 1, 2024, (ii) or at least ten thousand
25 dollars for livestock modernization or expansion for applications filed
26 on or after January 1, 2024, and before January 1, 2026, or (iii) fifty
27 thousand dollars for livestock modernization or expansion for
28 applications filed on or after January 1, 2026.

29 (3) The amount of the credit allowed under subsection (1) of this
30 section shall be three thousand dollars for each new equivalent employee
31 and two thousand seven hundred fifty dollars for each fifty thousand

1 dollars of increased investment. For applications filed before January 1,
2 2016, the amount of the credit allowed under subsection (2) of this
3 section shall be ten percent of the investment, not to exceed a credit of
4 thirty thousand dollars. For applications filed on or after January 1,
5 2016, and before April 20, 2022, the amount of the credit allowed under
6 subsection (2) of this section shall be ten percent of the investment,
7 not to exceed a credit of one hundred fifty thousand dollars per
8 application. For applications filed on or after April 20, 2022, and
9 before January 1, 2026, the amount of the credit allowed under subsection
10 (2) of this section shall be ten percent of the investment, not to exceed
11 a credit of five hundred thousand dollars per application. For
12 applications filed on or after January 1, 2026, the amount of the credit
13 allowed under subsection (2) of this section shall be ten percent of the
14 investment, not to exceed a credit of one hundred fifty thousand dollars
15 per application. For each application, a taxpayer engaged in livestock
16 production may qualify for a credit under either subsection (1) or (2) of
17 this section, but cannot qualify for more than one credit per
18 application.

19 (4) An employee of a qualified employee leasing company shall be
20 considered to be an employee of the client-lessee for purposes of this
21 section if the employee performs services for the client-lessee. A
22 qualified employee leasing company shall provide the Department of
23 Revenue access to the records of employees leased to the client-lessee.

24 (5) The credit shall not exceed the amounts set out in the
25 application and approved by the Tax Commissioner.

26 (6)(a) If a taxpayer who receives tax credits creates fewer jobs or
27 less investment than required in the project agreement, the taxpayer
28 shall repay the tax credits as provided in this subsection.

29 (b) If less than seventy-five percent of the required jobs in the
30 project agreement are created, one hundred percent of the job creation
31 tax credits shall be repaid. If seventy-five percent or more of the

1 required jobs in the project agreement are created, no repayment of the
2 job creation tax credits is necessary.

3 (c) If less than seventy-five percent of the required investment in
4 the project agreement is created, one hundred percent of the investment
5 tax credits shall be repaid. If seventy-five percent or more of the
6 required investment in the project agreement is created, no repayment of
7 the investment tax credits is necessary.

8 (7) For taxpayers who submitted applications for benefits under the
9 Nebraska Advantage Rural Development Act before January 1, 2006,
10 subsection (1) of this section, as such subsection existed immediately
11 prior to such date, shall continue to apply to such taxpayers. The
12 changes made by Laws 2005, LB 312, shall not preclude a taxpayer from
13 receiving the tax incentives earned prior to January 1, 2006.

14 **Sec. 45.** Section 77-27,241, Revised Statutes Cumulative Supplement,
15 2024, is amended to read:

16 77-27,241 (1) For purposes of this section:

17 (a) Agricultural producer means an individual or entity whose income
18 is primarily attributable to crop or livestock production in the State of
19 Nebraska;

20 (b) Department means the Department of Revenue;

21 (c) Food bank means an organization in this state that:

22 (i) Is exempt from federal income taxation under section 501(c)(3)
23 of the Internal Revenue Code of 1986, as amended; and

24 (ii) Distributes food in ten or more counties in Nebraska and
25 qualifies for the Emergency Food Assistance Program administered by the
26 United States Department of Agriculture;

27 (d) Food pantry means an organization in this state that:

28 (i) Is exempt from federal income taxation under section 501(c)(3)
29 of the Internal Revenue Code of 1986, as amended; and

30 (ii) Distributes emergency food supplies to low-income individuals
31 in this state who would otherwise not have access to such food supplies;

1 (e) Food rescue means an organization in this state that:

2 (i) Is exempt from federal income taxation under section 501(c)(3)
3 of the Internal Revenue Code of 1986, as amended; and

4 (ii) Accepts donations of food and delivers such food to food banks
5 or food pantries so that such food may be distributed to low-income
6 individuals in this state;

7 (f) Grocery store retailer means a retailer located in this state
8 that is primarily engaged in business activities classified as code
9 445110 under the North American Industry Classification System;

10 (g) Qualifying agricultural food donation means a donation made by
11 an agricultural producer to a food bank, food pantry, or food rescue of
12 fresh or frozen fruits, vegetables, eggs, dairy products, or meat
13 products grown or produced in the State of Nebraska which meets all
14 applicable quality and labeling standards, along with any other
15 applicable requirements of the food bank, food pantry, or food rescue to
16 which the qualifying agricultural food donation is made; and

17 (h) Restaurant means a business located in this state that is
18 primarily engaged in business activities classified as code 722511,
19 722513, 722514, or 722515 under the North American Industry
20 Classification System.

21 (2) For taxable years beginning or deemed to begin on or after
22 January 1, 2025, and before January 1, 2026, under the Internal Revenue
23 Code of 1986, as amended, a credit against the income tax imposed by the
24 Nebraska Revenue Act of 1967 shall be allowed to:

25 (a) Any grocery store retailer or restaurant that donates food to a
26 food bank, food pantry, or food rescue during the taxable year; and

27 (b) Any agricultural producer that makes a qualifying agricultural
28 food donation to a food bank, food pantry, or food rescue during the
29 taxable year.

30 (3) Subject to subsection (7) of this section, the credit provided
31 in this section shall be a nonrefundable credit in an amount equal to

1 fifty percent of the value of the food donations or qualifying
2 agricultural food donations made during the taxable year, not to exceed
3 two thousand five hundred dollars. Any amount of the credit that the
4 taxpayer is prohibited from claiming in a taxable year may be carried
5 forward to any of the three subsequent taxable years.

6 (4) For purposes of this section, food donated by a grocery store
7 retailer or restaurant shall be valued at its wholesale value. A
8 qualifying agricultural food donation shall be valued at the prevailing
9 market value of the product at the time of donation, plus the direct cost
10 incurred by the agricultural producer for processing the product.

11 (5) To receive a credit under this section, a taxpayer shall submit
12 an application to the department in a form and manner prescribed by the
13 department. The application shall include the amount of food donated
14 during the taxable year and any other information required by the
15 department.

16 (6) If the department determines that an application is complete and
17 that the taxpayer qualifies for credits, the department shall approve the
18 application within the limits set forth in this section and shall certify
19 the amount of credits approved to the taxpayer.

20 (7) The department may approve up to five hundred thousand dollars
21 of credits in fiscal year 2025-26 ~~and each fiscal year thereafter~~. If the
22 amount of credits requested by qualified taxpayers ~~in any year~~ exceeds
23 such limit, the department shall allocate credits proportionally based on
24 the amounts requested so that the limit is not exceeded.

25 (8) A taxpayer shall claim the credit by attaching the tax credit
26 certification received from the department under subsection (6) of this
27 section to the taxpayer's tax return.

28 (9) Any amount relating to such food donations or qualifying
29 agricultural food donations that was deducted as a charitable
30 contribution on the taxpayer's federal income tax return must be added
31 back in the determination of Nebraska taxable income before the credit

1 provided in this section may be claimed.

2 (10) No credit granted under this section shall be transferred,
3 sold, or assigned. No taxpayer shall be eligible to receive a credit
4 under this section if such taxpayer employs persons who are not
5 authorized to work in the United States under federal law. No taxpayer
6 shall be able to claim more than one credit under this section for a
7 single donation.

8 (11) A food bank, food pantry, or food rescue may accept or reject
9 any food donated under this section for any reason. Any food that is
10 rejected shall not qualify for a credit under this section.

11 (12) The department may adopt and promulgate rules and regulations
12 to carry out this section.

13 **Sec. 46.** Section 77-3110, Revised Statutes Cumulative Supplement,
14 2024, is amended to read:

15 77-3110 The department may approve tax credits under the Relocation
16 Incentive Act each year until the total amount of credits approved for
17 the year reaches one ~~five~~ million dollars.

18 **Sec. 47.** Section 77-3120, Revised Statutes Cumulative Supplement,
19 2024, is amended to read:

20 77-3120 The annual limit on the total amount of tax credits allowed
21 ~~(1) for calendar year years 2025 and 2026~~ shall be nine hundred thousand
22 dollars ~~per year~~ with a total of three hundred thousand dollars ~~per year~~
23 for each congressional district and ~~(2) for calendar year 2027 and each~~
24 ~~calendar year thereafter shall be three million dollars per year with a~~
25 ~~total of one million dollars per year for each congressional district.~~
26 Once credits have reached the annual limit ~~for any calendar year~~, no
27 additional credits shall be allowed ~~for such calendar year~~. The maximum
28 amount of credits per program or project shall not exceed one hundred
29 fifty thousand dollars ~~per year~~ for the first congressional district and
30 one hundred fifty thousand dollars ~~per year~~ for the third congressional
31 district. Tax credits shall not be allowed for calendar year 2026 or any

1 calendar year thereafter, except that any tax credits allowed in calendar
2 year 2025 that are unused may be carried forward as provided in
3 subsection (6) of section 77-3119.

4 **Sec. 48.** Section 77-3126, Revised Statutes Cumulative Supplement,
5 2024, is amended to read:

6 77-3126 (1) The total amount of tax credits allowed in any fiscal
7 year under the Cast and Crew Nebraska Act shall not exceed five hundred
8 thousand dollars ~~in fiscal year 2025-26 and one million dollars in any~~
9 ~~fiscal year thereafter.~~

10 (2) The maximum allowable tax credit claimed under the act in any
11 single taxable year for any qualified production activity that is a full-
12 length film, made-for-television movie, television series of at least
13 five episodes, or streaming television series shall not exceed five
14 hundred thousand dollars ~~in fiscal year 2025-26 and one million dollars~~
15 ~~in any fiscal year thereafter.~~

16 **Sec. 49.** Section 77-3136, Revised Statutes Cumulative Supplement,
17 2024, is amended to read:

18 77-3136 (1) For taxable years beginning or deemed to begin on or
19 after January 1, 2025, under the Internal Revenue Code of 1986, as
20 amended, an eligible taxpayer shall be allowed a credit against the
21 income tax imposed by the Nebraska Revenue Act of 1967 or any tax imposed
22 by sections 77-907 to 77-918 or 77-3801 to 77-3807 for qualified
23 shortline railroad maintenance expenditures.

24 (2) The credit provided in this section shall be a nonrefundable tax
25 credit equal to fifty percent of the qualified shortline railroad
26 maintenance expenditures incurred during the taxable year by the eligible
27 taxpayer. The amount of the credit may not exceed an amount equal to one
28 thousand five hundred dollars multiplied by the number of miles of
29 railroad track owned or leased in the state by the eligible taxpayer at
30 the end of the taxable year.

31 (3) The total amount of tax credits allowed in a fiscal year under

1 the Nebraska Shortline Rail Modernization Act shall not exceed five
2 hundred thousand dollars ~~for fiscal year 2025-26 and one million dollars~~
3 ~~for any fiscal year thereafter.~~

4 **Sec. 50.** Section 77-3169, Revised Statutes Cumulative Supplement,
5 2024, is amended to read:

6 77-3169 (1) For taxable years beginning or deemed to begin on or
7 after January 1, 2024, under the Internal Revenue Code of 1986, as
8 amended, a taxpayer shall be eligible to receive a one-time credit
9 against the income tax imposed by the Nebraska Revenue Act of 1967 for
10 the cost of installation of a reverse osmosis system at the primary
11 residence of the taxpayer if test results for the following in the
12 drinking water for such residence are above:

13 (a) Ten parts per million for nitrate nitrogen;

14 (b) Four parts per trillion for perfluorooctanoic acid or
15 perfluorooctanesulfonic acid;

16 (c) Thirty micrograms per liter or thirty parts per billion for
17 uranium; or

18 (d) One on the Hazard Index for perfluorononanoic acid,
19 perfluorohexanesulfonic acid, hexafluoropropylene oxide dimer acid and
20 its ammonium salt, or perfluorobutanesulfonic acid.

21 (2) Only one taxpayer per residence may be a recipient of the
22 credit.

23 (3) The credit provided in this section shall be a refundable tax
24 credit equal to fifty percent of the cost incurred by the taxpayer during
25 the taxable year for installation of the reverse osmosis system, up to a
26 maximum of one thousand dollars.

27 (4) A taxpayer shall apply for the credit provided in this section
28 by submitting an application to the department with the following
29 information:

30 (a) Documentation of the test results of the drinking water for the
31 taxpayer's primary residence;

1 (b) Documentation of the cost of the reverse osmosis system
2 installed at such residence; and

3 (c) Any other documentation required by the department.

4 (5) If the department determines that the taxpayer qualifies for the
5 tax credit under this section, the department shall approve the
6 application and certify the amount of the approved credit to the
7 taxpayer.

8 (6) The department shall consider applications in the order in which
9 they are received and may approve tax credits under this section each
10 fiscal year until the aggregate limit allowed under subsection (7) of
11 this section has been reached.

12 (7) The department may approve tax credits for each fiscal year
13 until the total amount of credits approved reaches two hundred fifty
14 thousand dollars for fiscal years 2024-25 and 2025-26, five hundred
15 thousand dollars for fiscal years 2024-25, 2025-26, and 2026-27 and
16 2027-28, and one million dollars for any fiscal year thereafter.

17 (8) A taxpayer shall claim any tax credits granted under this
18 section by attaching the tax credit certification received from the
19 department under subsection (5) of this section to the taxpayer's tax
20 return.

21 **Sec. 51.** Section 77-3806, Revised Statutes Cumulative Supplement,
22 2024, is amended to read:

23 77-3806 (1) The tax return shall be filed and the total amount of
24 the franchise tax shall be due on the fifteenth day of the third month
25 after the end of the taxable year. No extension of time to pay the tax
26 shall be granted. If the Tax Commissioner determines that the amount of
27 tax can be computed from available information filed by the financial
28 institutions with either state or federal regulatory agencies, the Tax
29 Commissioner may, by regulation, waive the requirement for the financial
30 institutions to file returns.

31 (2) Sections 77-2714 to 77-27,135 relating to deficiencies,

1 penalties, interest, the collection of delinquent amounts, and appeal
2 procedures for the tax imposed by section 77-2734.02 shall also apply to
3 the tax imposed by section 77-3802. If the filing of a return is waived
4 by the Tax Commissioner, the payment of the tax shall be considered the
5 filing of a return for purposes of sections 77-2714 to 77-27,135.

6 (3) No refund of the tax imposed by section 77-3802 shall be allowed
7 unless a claim for such refund is filed within ninety days of the date on
8 which (a) the tax is due or was paid, whichever is later, (b) a change is
9 made to the amount of deposits or the net financial income of the
10 financial institution by a state or federal regulatory agency, or (c) the
11 Nebraska Investment Finance Authority issues an eligibility statement to
12 the financial institution pursuant to the Affordable Housing Tax Credit
13 Act.

14 (4) Any such financial institution shall receive a credit on the
15 franchise tax as provided under the Affordable Housing Tax Credit Act,
16 the Community Development Assistance Act, the Creating High Impact
17 Economic Futures Act, the Nebraska Higher Blend Tax Credit Act, the
18 Nebraska Job Creation and Mainstreet Revitalization Act, the Nebraska
19 Property Tax Incentive Act, the Relocation Incentive Act, the New Markets
20 Job Growth Investment Act, the Sustainable Aviation Fuel Tax Credit Act,
21 and the Nebraska Shortline Rail Modernization Act.

22 **Sec. 52.** Section 77-4602, Revised Statutes Cumulative Supplement,
23 2024, is amended to read:

24 77-4602 (1) Within fifteen days after the end of each month, the Tax
25 Commissioner shall provide a public statement of actual General Fund net
26 receipts, a comparison of such actual net receipts to the monthly
27 estimated net receipts from the most recent forecast provided by the
28 Nebraska Economic Forecasting Advisory Board pursuant to section
29 77-27,158, and a comparison of such actual net receipts to the monthly
30 actual net receipts for the same month of the previous fiscal year.

31 (2) Within fifteen days after the end of each fiscal year, the

1 public statement shall also include (a) a summary of actual General Fund
2 net receipts and estimated General Fund net receipts for the fiscal year
3 as certified pursuant to sections 77-4601 and 77-4603 and (b) a
4 comparison of the actual General Fund net receipts for the fiscal year to
5 the actual General Fund net receipts for the previous fiscal year.

6 (3)(a) Within fifteen days after the end of each fiscal year, the
7 Tax Commissioner shall determine:

8 (i) Actual ~~actual~~ General Fund net receipts for the most recently
9 completed fiscal year minus estimated General Fund net receipts for such
10 fiscal year as certified pursuant to sections 77-4601 and 77-4603; and -

11 (ii) Actual General Fund net receipts for the most recently
12 completed fiscal year minus one hundred three percent of actual General
13 Fund net receipts for the prior fiscal year.

14 (b) If the amount calculated in subdivision (3)(a)(i) of this
15 section is a positive number and the amount calculated in subdivision (3)
16 (a)(ii) of this section is a negative number, the Tax Commissioner shall
17 certify the amount calculated in subdivision (3)(a)(i) of this section to
18 the State Treasurer. The State Treasurer shall transfer such certified
19 amount to the Cash Reserve Fund.

20 (c) If the amounts calculated in subdivisions (3)(a)(i) and (3)(a)
21 (ii) of this section are both positive numbers and the amount calculated
22 in subdivision (3)(a)(i) of this section exceeds the amount calculated in
23 subdivision (3)(a)(ii) of this section, the Tax Commissioner shall
24 certify the amounts calculated in subdivisions (3)(a)(i) and (3)(a)(ii)
25 of this section to the State Treasurer. The State Treasurer shall
26 transfer the difference between the two certified numbers to the Cash
27 Reserve Fund. The State Treasurer shall transfer the amount certified for
28 subdivision (3)(a)(ii) of this section to the School District Property
29 Tax Relief Credit Fund.

30 (d) If the amounts calculated in subdivisions (3)(a)(i) and (3)(a)
31 (ii) of this section are both positive numbers and the amount calculated

1 in subdivision (3)(a)(i) of this section is less than the amount
2 calculated in subdivision (3)(a)(ii) of this section, the Tax
3 Commissioner shall certify the amount calculated in subdivision (3)(a)(i)
4 of this section to the State Treasurer. The State Treasurer shall
5 transfer such certified amount to the School District Property Tax Relief
6 Credit Fund.

7 ~~(b) If actual General Fund net receipts for the most recently~~
8 ~~completed fiscal year exceed estimated General Fund net receipts for such~~
9 ~~fiscal year, the Tax Commissioner shall certify the excess amount to the~~
10 ~~State Treasurer. The State Treasurer shall transfer the excess amount to~~
11 ~~the Cash Reserve Fund, except as otherwise provided in subdivision (3)(c)~~
12 ~~of this section.~~

13 ~~(c) If actual General Fund net receipts for the most recently~~
14 ~~completed fiscal year exceed one hundred three percent of actual General~~
15 ~~Fund net receipts for the previous fiscal year, the transfer described in~~
16 ~~subdivision (3)(b) of this section shall be modified as follows:~~

17 ~~(i) The amount transferred to the Cash Reserve Fund shall be reduced~~
18 ~~by the excess amount calculated under subdivision (3)(c) of this section;~~
19 ~~and~~

20 ~~(ii) Such excess amount shall be transferred to the School District~~
21 ~~Property Tax Relief Credit Fund.~~

22 **Sec. 53.** Section 77-6605, Revised Statutes Cumulative Supplement,
23 2024, is amended to read:

24 77-6605 The director shall consider program certification
25 applications under section 77-6604 in the order in which they are
26 received. The director may accept program certification applications on a
27 continuous basis or may establish, by rule and regulation, an annual
28 program certification application deadline. The director may approve
29 program certification applications for eligible businesses for a total of
30 up to three million dollars in tax credits for calendar years 2022 and
31 2023 and up to six million dollars in tax credits ~~per calendar year~~ for

1 calendar years 2024 and 2025 beyond. The director shall not approve any
2 program certification applications for eligible businesses for calendar
3 years 2026 through 2029. For calendar year 2030 and each calendar year
4 thereafter, the director may approve program certification applications
5 for eligible businesses for a total of up to six million dollars in tax
6 credits per calendar year. Program certification applications approved
7 after such annual limit has been reached shall be placed on a wait list
8 in the order in which they are received.

9 **Sec. 54.** Section 77-6919, Revised Statutes Cumulative Supplement,
10 2024, is amended to read:

11 77-6919 (1) To earn the incentives set forth in the Urban
12 Redevelopment Act, the taxpayer shall file an application for an
13 agreement with the Director of Economic Development.

14 (2) The application shall:

15 (a) Identify the taxpayer applying for incentives;

16 (b) Identify the location or locations where the new investment and
17 employment will occur, including documentation to show that each such
18 location is a qualified location;

19 (c) State the estimated, projected amount of new investment and the
20 estimated, projected number of new equivalent employees; and

21 (d) Include an application fee of five hundred dollars. The fee
22 shall be remitted to the State Treasurer for credit to the Nebraska
23 Incentives Fund.

24 (3) Subject to the limit in subsection (4) of this section, the
25 director shall approve the application and authorize the total amount of
26 incentives expected to be earned if he or she is satisfied that the
27 qualified location or locations meet the requirements established in
28 section 77-6920 and such requirements will be reached within the required
29 time period.

30 (4) The director shall not approve further applications once the
31 expected incentives from the approved projects total eight million

1 dollars. All but one hundred dollars of the application fee shall be
2 refunded to the applicant if the application is not approved for any
3 reason.

4 (5) Applications for incentives shall be considered in the order in
5 which they are received.

6 (6) The director has ninety days to approve a complete application.

7 (7) After approval, the taxpayer and the director shall enter into a
8 written agreement. As part of such agreement, the taxpayer shall agree to
9 increase the levels of employment and investment required by the act and
10 the director, on behalf of the State of Nebraska, shall, in consideration
11 of the taxpayer's agreement, agree to allow the taxpayer to use the
12 incentives contained in the Urban Redevelopment Act up to the total
13 amount that were authorized by the director at the time of approval. The
14 application and all supporting documentation, to the extent approved,
15 shall be considered a part of the agreement. The agreement shall state:

16 (a) The levels of employment and investment required by the act for
17 the project;

18 (b) The time period under the act in which the required levels must
19 be met;

20 (c) The documentation the taxpayer will need to supply when claiming
21 an incentive under the act;

22 (d) The date the application was filed; and

23 (e) The maximum amount of incentives authorized.

24 (8) The application, the agreement, all supporting information, and
25 all other information reported to the Director of Economic Development
26 shall be kept confidential by the director, except for the name of the
27 taxpayer, the location of the project, the estimated amounts of increased
28 employment and investment stated in the application, the date of the
29 complete application, the date the agreement was signed, and the
30 information required to be reported by section 77-6928. The application,
31 the agreement, and all supporting information shall be provided by the

1 director to the Department of Revenue. The director shall disclose, to
2 any municipalities in which project locations exist, the approval of an
3 application and the execution of an agreement under this section. The Tax
4 Commissioner shall also notify each municipality of the amount and
5 taxpayer identity for each refund of local option sales and use taxes of
6 the municipality within thirty days after the refund is allowed or
7 approved. Disclosures shall be kept confidential by the municipality
8 unless publicly disclosed previously by the taxpayer or by the State of
9 Nebraska.

10 (9) There shall be no new applications for incentives filed under
11 this section after the operative date of this section ~~December 31, 2031~~.

12 **Sec. 55.** Section 77-7012, Revised Statutes Cumulative Supplement,
13 2024, is amended to read:

14 77-7012 (1) If the department determines that an application is
15 complete and that the taxpayer qualifies for tax credits, the department
16 shall approve the application within the limits set forth in this section
17 and shall certify the amount of tax credits approved to the taxpayer.

18 (2) The department may approve up to one million dollars in tax
19 credits in fiscal year 2024-25 and each ~~up to one million five hundred~~
20 ~~thousand dollars in tax credits in any~~ fiscal year thereafter. If the
21 total amount of tax credits requested in any fiscal year exceeds such
22 limit, the department shall allocate the tax credits proportionally based
23 upon amounts requested.

24 **Sec. 56.** Section 77-7304, Revised Statutes Cumulative Supplement,
25 2024, is amended to read:

26 77-7304 (1) The School District Property Tax Relief Credit Fund is
27 created. The fund shall only be used pursuant to the School District
28 Property Tax Relief Act. Any money in the fund available for investment
29 shall be invested by the state investment officer pursuant to the
30 Nebraska Capital Expansion Act and the Nebraska State Funds Investment
31 Act.

1 (2)(a) The State Treasurer shall transfer seven hundred fifty
2 million dollars from the General Fund to the School District Property Tax
3 Relief Credit Fund in fiscal year 2024-25, on such dates and in such
4 amounts as directed by the budget administrator of the budget division of
5 the Department of Administrative Services.

6 (b) Beginning in fiscal year 2025-26, it is the intent of the
7 Legislature that an amount sufficient to provide the amount of property
8 tax relief required by subdivision (1)(a) of section 77-7305 for each tax
9 year be transferred from the General Fund to the School District Property
10 Tax Relief Credit Fund.

11 ~~(b) It is the intent of the Legislature that seven hundred eighty~~
12 ~~million dollars be transferred from the General Fund to the School~~
13 ~~District Property Tax Relief Credit Fund in fiscal year 2025-26.~~

14 ~~(c) It is the intent of the Legislature that eight hundred eight~~
15 ~~million dollars be transferred from the General Fund to the School~~
16 ~~District Property Tax Relief Credit Fund in fiscal year 2026-27.~~

17 ~~(d) It is the intent of the Legislature that eight hundred thirty-~~
18 ~~eight million dollars be transferred from the General Fund to the School~~
19 ~~District Property Tax Relief Credit Fund in fiscal year 2027-28.~~

20 ~~(e) It is the intent of the Legislature that eight hundred seventy~~
21 ~~million dollars be transferred from the General Fund to the School~~
22 ~~District Property Tax Relief Credit Fund in fiscal year 2028-29.~~

23 ~~(f) It is the intent of the Legislature that nine hundred two~~
24 ~~million dollars be transferred from the General Fund to the School~~
25 ~~District Property Tax Relief Credit Fund in fiscal year 2029-30.~~

26 ~~(g) It is the intent of the Legislature that the amount transferred~~
27 ~~from the General Fund to the School District Property Tax Relief Credit~~
28 ~~Fund in fiscal year 2030-31 and each fiscal year thereafter be equal to~~
29 ~~the total amount transferred in the preceding fiscal year increased by~~
30 ~~three percent.~~

31 **Sec. 57.** Section 77-7305, Revised Statutes Cumulative Supplement,

1 2024, is amended to read:

2 77-7305 (1) The School District Property Tax Relief Act shall apply
3 to tax year 2024 and each tax year thereafter. The property tax relief
4 shall be in the form of property tax credits which appear on property tax
5 statements. Property tax credits granted under the act shall be credited
6 against the amount of property taxes owed to school districts. The total
7 amount of property tax relief granted under the act shall be determined
8 as follows:

9 (a) For tax year 2024, the minimum total amount of relief granted
10 under the act shall be seven hundred fifty million dollars. For tax year
11 2025, the minimum total amount of relief granted under the act shall be
12 seven hundred eighty million dollars. For tax year 2026, the minimum
13 ~~total~~ amount of relief granted under the act shall be eight hundred eight
14 million dollars. For tax year 2027, the minimum total amount of relief
15 granted under the act shall be eight hundred thirty-eight million
16 dollars. For tax year 2028, the minimum total amount of relief granted
17 under the act shall be eight hundred seventy million dollars. For tax
18 year 2029, the minimum total amount of relief granted under the act shall
19 be nine hundred two million dollars. For tax year 2030 and each tax year
20 thereafter, the minimum total amount of relief granted under the act
21 shall be the minimum total amount of relief from the prior year,
22 excluding any additional relief provided pursuant to subdivision (1)(b)
23 of this section, with such amount then increased by three percent; and -

24 (b) If money is transferred to the School District Property Tax
25 Relief Credit Fund pursuant to section 77-4602, such amount shall be
26 added to the minimum amount required under subdivision (1)(a) of this
27 section when determining the total amount of relief granted under the act
28 for the tax year in which the transfer occurs. If no such transfer occurs
29 in a given tax year, the minimum amount required under subdivision (1)(a)
30 of this section shall be the total amount of relief granted under the act
31 for such tax year. The relief shall be in the form of property tax

1 ~~credits which appear on property tax statements. Property tax credits~~
2 ~~granted under the act shall be credited against the amount of property~~
3 ~~taxes owed to school districts.~~

4 (2) To determine the amount of the property tax credit for each
5 parcel, the county treasurer shall multiply the amount disbursed to the
6 county under subsection (4) of this section by the ratio of the school
7 district taxes levied in the prior year on the parcel to the school
8 district taxes levied in the prior year on all real property in the
9 county. The amount so determined shall be the property tax credit for
10 that parcel.

11 (3) If the real property owner qualifies for a homestead exemption
12 under sections 77-3501 to 77-3529, the owner shall also be qualified for
13 the property tax credit provided in this section to the extent of any
14 remaining liability after calculation of the homestead exemption. If the
15 property tax credit provided in this section results in a property tax
16 liability on the homestead that is less than zero, the amount of the
17 credit which cannot be used by the taxpayer shall be returned to the
18 Property Tax Administrator by July 1 of the year the amount disbursed to
19 the county was disbursed. The Property Tax Administrator shall
20 immediately credit any funds returned under this subsection to the School
21 District Property Tax Relief Credit Fund. Upon the return of any funds
22 under this subsection, the county treasurer shall electronically file a
23 report with the Property Tax Administrator, on a form prescribed by the
24 Tax Commissioner, indicating the amount of funds distributed to each
25 school district in the county in the year the funds were returned and the
26 amount of unused credits returned.

27 (4) The amount disbursed to each county under this section shall be
28 equal to the amount available for disbursement under subsection (1) of
29 this section multiplied by the ratio of the school district taxes levied
30 in the prior year on all real property in the county to the school
31 district taxes levied in the prior year on all real property in the

1 state. By September 15, 2024, and by September 15 of each year
2 thereafter, the Property Tax Administrator shall determine the amount to
3 be disbursed under this subsection to each county and shall certify such
4 amounts to the State Treasurer and to each county. The disbursements to
5 the counties shall occur in two equal payments, the first on or before
6 January 31 and the second on or before April 1.

7 (5) The county treasurer shall disburse amounts received under
8 subsection (4) of this section, which are credited against the amount of
9 property taxes owed to school districts, in the same manner as if such
10 funds had been received in the form of property tax payments for property
11 taxes owed to school districts, meaning any amounts attributable to
12 divided taxes pursuant to section 18-2147 of the Community Development
13 Law shall be remitted to the applicable authority for which such taxes
14 were divided.

15 (6) The School District Property Tax Relief Credit Fund shall be
16 used for purposes of making the disbursements to counties required under
17 subsection (4) of this section.

18 **Sec. 58.** Section 81-1201.12, Reissue Revised Statutes of Nebraska,
19 is amended to read:

20 81-1201.12 The department shall:

21 (1) Submit and adopt all necessary plans, enter into contracts, and
22 accept gifts, grants, and federal funds; and

23 (2) Administer the tax credit programs ~~program~~ established by the
24 Creating High Impact Economic Futures Act and the Community Development
25 Assistance Act and adopt and promulgate rules and regulations pursuant to
26 such acts ~~aet~~.

27 **Sec. 59.** Sections 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 36, 37,
28 39, 41, 42, 51, 58, and 62 of this act become operative on January 1,
29 2026. Sections 40 and 61 of this act become operative three calendar
30 months after the adjournment of this legislative session. The other
31 sections of this act become operative on their effective date.

1 **Sec. 60.** Original sections 18-3417, 77-1804, 77-1806, 77-1815,
2 77-1816, 77-1819, 77-1823, 77-1825, 77-1829, 77-1836, 77-1856, 77-1902,
3 and 77-1909, Reissue Revised Statutes of Nebraska, and sections 77-1632,
4 77-1633, 77-1802, 77-1807, 77-1818, 77-1831, 77-1832, 77-1833, 77-1837,
5 77-1838, 77-2706.02, 77-27,187.02, 77-27,188, 77-27,241, 77-3110,
6 77-3120, 77-3126, 77-3136, 77-3169, 77-4602, 77-6605, 77-6919, 77-7012,
7 77-7304, and 77-7305, Revised Statutes Cumulative Supplement, 2024, are
8 repealed.

9 **Sec. 61.** Original section 77-2711, Revised Statutes Cumulative
10 Supplement, 2024, is repealed.

11 **Sec. 62.** Original sections 60-3,185, 77-202.23, 77-202.24, and
12 81-1201.12, Reissue Revised Statutes of Nebraska, and sections 77-908,
13 77-2701.16, 77-2703, 77-2708, 77-2715.07, 77-2734.03, and 77-3806,
14 Revised Statutes Cumulative Supplement, 2024, are repealed.

15 **Sec. 63.** Since an emergency exists, this act takes effect when
16 passed and approved according to law.