

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
SECOND SESSION

## LEGISLATIVE BILL 1257

Introduced by Hansen, 16.

Read first time January 21, 2026

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections  
2 2-2701, 77-2701.24, 77-2701.36, 77-2704.03, 77-2704.04, 77-2704.05,  
3 77-2704.07, 77-2704.10, 77-2704.13, 77-2704.14, 77-2704.16,  
4 77-2704.17, 77-2704.22, 77-2704.23, 77-2704.24, 77-2704.25,  
5 77-2704.26, 77-2704.27, 77-2704.28, 77-2704.30, 77-2704.38,  
6 77-2704.39, 77-2704.40, 77-2704.41, 77-2704.42, 77-2704.45,  
7 77-2704.46, 77-2704.47, 77-2704.48, 77-2704.50, 77-2704.51,  
8 77-2704.52, 77-2704.53, 77-2704.56, 77-2704.57, 77-2704.58,  
9 77-2704.60, 77-2704.61, 77-2704.62, 77-2704.63, 77-2704.64,  
10 77-2704.65, 77-2704.67, 77-2706, 77-27,235, 79-1006, and 79-3405,  
11 Reissue Revised Statutes of Nebraska, sections 77-382, 77-2701,  
12 77-2701.04, 77-2701.32, 77-2703.01, 77-2704.12, 77-2704.15,  
13 77-2704.20, 77-2704.36, 77-2704.68, 77-2704.69, and 77-27,132,  
14 Revised Statutes Cumulative Supplement, 2024, and sections  
15 77-2701.16, 77-2703, 77-2706.02, 77-3442, 77-4403, 77-4405, 77-4602,  
16 77-7304, and 77-7305, Revised Statutes Supplement, 2025; to define  
17 and redefine terms; to impose sales and use taxes on services as  
18 prescribed; to eliminate certain sales tax exemptions; to change  
19 school district levy limitations and provide exceptions; to change  
20 provisions relating to the transfer of funds; to eliminate the  
21 School District Property Tax Relief Act; to terminate a fund; to  
22 provide additional foundation aid under the Tax Equity and  
23 Educational Opportunities Support Act; to change provisions of the

1 School District Property Tax Limitation Act; to create a fund; to  
2 harmonize provisions; to provide an operative date; to repeal the  
3 original sections; and to outright repeal section 77-2701.56,  
4 Revised Statutes Cumulative Supplement, 2024.

5 Be it enacted by the people of the State of Nebraska,

1           **Section 1.** Section 2-2701, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3           2-2701 (1) No person shall be permitted to sell or dispose of any  
4 current tractor model of one hundred or more horsepower in the State of  
5 Nebraska without first having (a) made application for a permit and  
6 obtained a permit to sell the tractor model, (b) the model tested by the  
7 University of Nebraska onsite or offsite or by any Organization for  
8 Economic Cooperation and Development test station, and (c) the model  
9 passed upon by the board.

10          (2) A person may obtain a permit to sell or dispose of a current  
11 tractor model of less than one hundred horsepower by meeting the permit  
12 requirements of sections 2-2701 to 2-2711. ~~A purchaser of a current~~  
13 ~~tractor model is not eligible to claim the exemption from sales and use~~  
14 ~~tax for agricultural machinery and equipment under section 77-2704.36~~  
15 ~~unless the current tractor model has been permitted for sale pursuant to~~  
16 ~~sections 2-2701 to 2-2711.~~

17          (3) Each and every tractor model presented for testing shall be a  
18 stock model and shall not be equipped with any special accessory unless  
19 regularly supplied to the trade. Any tractor model not complying with  
20 this section shall not be tested under sections 2-2701 to 2-2711.  
21 Applications shall be made to the board and shall be accompanied by  
22 specifications of the tractor model required by the board and by the  
23 applicable fees specified in sections 2-2705 and 2-2705.01.

24          (4) If an official test application, with the required  
25 specifications and fees, is submitted to any Organization for Economic  
26 Cooperation and Development test station or to the University of Nebraska  
27 and an application for a temporary permit and the fee prescribed in  
28 section 2-2705.01 are submitted, the department, with the approval of the  
29 board, may issue a temporary permit for the sale of the tractor model  
30 specified in the official test application. The date on which the  
31 temporary permit terminates shall be fixed by the board. All temporary

1 permits shall be conditioned upon such tractor model being tested at a  
2 mutually agreed-upon date, and the person to whom a temporary permit has  
3 been issued shall submit a tractor model for testing which conforms to  
4 the specifications filed with the official test application. Such tractor  
5 model shall be delivered for testing at the mutually agreed-upon date.  
6 Upon failure so to do, all such fees deposited by such person shall be  
7 forfeited to the University of Nebraska Tractor Test Cash Fund, except  
8 that the fee imposed in section 2-2705.01 shall be deposited in and  
9 forfeited to the Tractor Permit Cash Fund, and in addition such person  
10 shall not be issued any temporary permit for a period of five years from  
11 the date such tractor was to be delivered for testing and until such  
12 person meets the obligations required under subsection (5) of this  
13 section to the department's satisfaction.

14 (5) All sales of tractors upon which a temporary permit has been  
15 issued shall be made subject to the final official test and approval of  
16 the tractor model as follows:

17 (a) If a tractor model upon which a temporary permit has been issued  
18 was not submitted for the official test and approval on the mutually  
19 agreed-upon date, the person to whom the temporary permit was issued  
20 shall repurchase any such tractor sold in Nebraska under the temporary  
21 permit. A claim by a purchaser under this subdivision shall be brought  
22 within two years after the date of the expiration of the temporary  
23 permit; and

24 (b) If a tractor model upon which a temporary permit has been issued  
25 fails in the official test to meet the specifications of the tractor  
26 model which were filed with the application and fees, the person to whom  
27 the temporary permit was issued shall send a notice, as approved by the  
28 department, to any person in Nebraska who has purchased a tractor sold  
29 under the temporary permit. The person to whom the temporary permit was  
30 issued shall either modify the tractor to meet the specifications filed  
31 with the board or remedy to the satisfaction of the purchaser any injury

1 incurred by the purchaser which was caused by the failure of the tractor  
2 to meet the specifications claimed. Such person shall be prohibited from  
3 modifying sales literature, advertisement claims, or specifications of  
4 the tractor to avoid such notice.

5 **Sec. 2.** Section 77-382, Revised Statutes Cumulative Supplement,  
6 2024, is amended to read:

7 77-382 (1) The department shall prepare a tax expenditure report  
8 describing (a) the basic provisions of the Nebraska tax laws, (b) the  
9 actual or estimated revenue loss caused by the exemptions, deductions,  
10 exclusions, deferrals, credits, and preferential rates in effect on July  
11 1 of each year and allowed under Nebraska's tax structure and in the  
12 property tax, (c) the actual or estimated revenue loss caused by failure  
13 to impose sales and use tax on services purchased for nonbusiness use,  
14 and (d) the elements which make up the tax base for state and local  
15 income, including income, sales and use, property, and miscellaneous  
16 taxes.

17 (2) The department shall review the major tax exemptions for which  
18 state general funds are used to reduce the impact of revenue lost due to  
19 a tax expenditure. The report shall indicate an estimate of the amount of  
20 the reduction in revenue resulting from the operation of all tax  
21 expenditures. The report shall list each tax expenditure relating to  
22 sales and use tax under the following categories:

23 (a) Agriculture, which shall include a separate listing for each  
24 item ~~the following items: Agricultural machinery; agricultural chemicals;~~  
25 ~~seeds sold to commercial producers; water for irrigation and~~  
26 ~~manufacturing; commercial artificial insemination; mineral oil as dust~~  
27 ~~suppressant; animal grooming; oxygen for use in aquaculture; animal life~~  
28 ~~whose products constitute food for human consumption; and grains;~~

29 (b) Business across state lines, which shall include a separate  
30 listing for each item ~~the following items: Property shipped out-of-state;~~  
31 ~~fabrication labor for items to be shipped out-of-state; property to be~~

1 ~~transported out-of-state; property purchased in other states to be used~~  
2 ~~in Nebraska; aircraft delivery to an out-of-state resident or business;~~  
3 ~~state reciprocal agreements for industrial machinery; and property taxed~~  
4 ~~in another state;~~

5 (c) Common carrier and logistics, which shall include a separate  
6 listing for each item ~~the following items: Railroad rolling stock and~~  
7 ~~repair parts and services; common or contract carriers and repair parts~~  
8 ~~and services; common or contract carrier accessories; and common or~~  
9 ~~contract carrier safety equipment;~~

10 (d) Consumer goods, which shall include a separate listing for each  
11 item ~~the following items: Motor vehicles and motorboat trade-ins;~~  
12 ~~merchandise trade-ins; certain medical equipment and medicine;~~  
13 ~~newspapers; laundromats; telefloral deliveries; motor vehicle discounts~~  
14 ~~for the disabled; and political campaign fundraisers;~~

15 (e) Energy, which shall include a separate listing for each item ~~the~~  
16 ~~following items: Motor fuels; energy used in industry; energy used in~~  
17 ~~agriculture; aviation fuel; and minerals, oil, and gas severed from real~~  
18 ~~property;~~

19 (f) Food, which shall include a separate listing for each item ~~the~~  
20 ~~following items: Food for home consumption; Supplemental Nutrition~~  
21 ~~Assistance Program; school lunches; meals sold by hospitals; meals sold~~  
22 ~~by institutions at a flat rate; food for the elderly, handicapped, and~~  
23 ~~Supplemental Security Income recipients; and meals sold by churches;~~

24 (g) General business, which shall include a separate listing for  
25 each item ~~the following items: Component and ingredient parts;~~  
26 ~~manufacturing machinery; containers; film rentals; molds and dies;~~  
27 ~~syndicated programming; intercompany sales; intercompany leases; sale of~~  
28 ~~a business or farm machinery; and transfer of property in a change of~~  
29 ~~business ownership;~~

30 (h) Lodging and shelter, which shall include a separate listing for  
31 each ~~the following item :~~ Room rentals by certain institutions;

1 (i) Miscellaneous, which shall include a separate listing for each  
2 item ~~the following items: Cash discounts and coupons; separately stated~~  
3 ~~finance charges; casual sales; lease-to-purchase agreements; and~~  
4 ~~separately stated taxes;~~

5 (j) Nonprofits, governments, and exempt entities, which shall  
6 include a separate listing for each item ~~the following items: Purchases~~  
7 ~~by political subdivisions of the state; purchases by churches and~~  
8 ~~nonprofit colleges and medical facilities; purchasing agents for public~~  
9 ~~real estate construction improvements; contractor as purchasing agent for~~  
10 ~~public agencies; Nebraska lottery; admissions to school events; sales on~~  
11 ~~Native American Indian reservations; school supporting fundraisers; fine~~  
12 ~~art purchases by a museum; purchases by the Nebraska State Fair Board;~~  
13 ~~purchases by the Nebraska Investment Finance Authority and licensees of~~  
14 ~~the State Racing and Gaming Commission; purchases by the United States~~  
15 ~~Government; public records; and sales by religious organizations;~~

16 (k) Recent sales tax expenditures, which shall include a separate  
17 listing for each sales tax expenditure created by statute or rule and  
18 regulation after July 19, 2012;

19 (l) Services purchased for nonbusiness use, which shall include a  
20 separate listing for each such service ~~, including, but not limited to,~~  
21 ~~the following items: Motor vehicle cleaning, maintenance, and repair~~  
22 ~~services; cleaning and repair of clothing; cleaning, maintenance, and~~  
23 ~~repair of other tangible personal property; maintenance, painting, and~~  
24 ~~repair of real property; entertainment admissions; personal care~~  
25 ~~services; lawn care, gardening, and landscaping services; pet-related~~  
26 ~~services; storage and moving services; household utilities; other~~  
27 ~~personal services; taxi, limousine, and other transportation services;~~  
28 ~~legal services; accounting services; other professional services; and~~  
29 ~~other real estate services; and~~

30 (m) Telecommunications, which shall include a separate listing for  
31 each item ~~the following items: Telecommunications access charges; prepaid~~

1 ~~calling arrangements; conference bridging services; and nonvoice data~~  
2 ~~services.~~

3 (3) It is the intent of the Legislature that nothing in the Tax  
4 Expenditure Reporting Act shall cause the valuation or assessment of any  
5 property exempt from taxation on the basis of its use exclusively for  
6 religious, educational, or charitable purposes.

7 **Sec. 3.** Section 77-2701, Revised Statutes Cumulative Supplement,  
8 2024, is amended to read:

9 77-2701 Sections 77-2701 to 77-27,135.01, 77-27,222, 77-27,235,  
10 77-27,236, and 77-27,238 to 77-27,242 and sections 9 and 58 of this act  
11 shall be known and may be cited as the Nebraska Revenue Act of 1967.

12 **Sec. 4.** Section 77-2701.04, Revised Statutes Cumulative Supplement,  
13 2024, is amended to read:

14 77-2701.04 For purposes of sections 77-2701.04 to 77-2713 and  
15 77-27,239 and sections 9 and 58 of this act, unless the context otherwise  
16 requires, the definitions found in sections 77-2701.05 to 77-2701.55 and  
17 section 9 of this act ~~77-2701.56~~ shall be used.

18 **Sec. 5.** Section 77-2701.16, Revised Statutes Supplement, 2025, is  
19 amended to read:

20 77-2701.16 (1) Gross receipts means the total amount of the sale or  
21 lease or rental price, as the case may be, of the retail sales of  
22 retailers.

23 (2) Gross receipts of every person engaged as a public utility  
24 specified in this subsection, as a community antenna television service  
25 operator, or as a satellite service operator or any person involved in  
26 connecting and installing services defined in subdivision (2)(a), (b), or  
27 (d) of this section means:

28 (a)(i) In the furnishing of telephone communication service, other  
29 than mobile telecommunications service as described in section  
30 77-2703.04, the gross income received from furnishing ancillary services,  
31 except for conference bridging services, and intrastate



1 telecommunications services, except for value-added, nonvoice data  
2 service.

3 (ii) In the furnishing of mobile telecommunications service as  
4 described in section 77-2703.04, the gross income received from  
5 furnishing mobile telecommunications service that originates and  
6 terminates in the same state to a customer with a place of primary use in  
7 Nebraska;

8 (b) In the furnishing of telegraph service, the gross income  
9 received from the furnishing of intrastate telegraph services;

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

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

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

23 (e) The gross income received from the provision, installation,  
24 construction, servicing, or removal of property used in conjunction with  
25 the furnishing, installing, or connecting of any public utility services  
26 specified in subdivision (2)(a) or (b) of this section or community  
27 antenna television service or satellite service specified in subdivision  
28 (2)(d) of this section, except when acting as a subcontractor for a  
29 public utility, this subdivision does not apply to the gross income  
30 received by a contractor electing to be treated as a consumer of building  
31 materials under subdivision (2) or (3) of section 77-2701.10 for any such

1 services performed on the customer's side of the utility demarcation  
2 point. This subdivision also does not apply to:

3 (i) The gross income received by a political subdivision of the  
4 state, an electric cooperative, or an electric membership association for  
5 the lease or use of, or by a contractor for the construction of or  
6 services provided on, electric generation, transmission, distribution, or  
7 street lighting structures or facilities owned by a political subdivision  
8 of the state, an electric cooperative, or an electric membership  
9 association; or

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

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

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

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

30 (4) Gross receipts includes the gross income received for providing  
31 a service. Services shall be presumed taxable unless a specific exemption

1 ~~applies. for providing a service means:~~

2 ~~(a) The gross income received for building cleaning and maintenance,~~  
3 ~~pest control, and security;~~

4 ~~(b) The gross income received for motor vehicle washing, waxing,~~  
5 ~~towing, and painting;~~

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

7 ~~(d) The gross income received for installing and applying tangible~~  
8 ~~personal property if the sale of the property is subject to tax. If any~~  
9 ~~or all of the charge for installation is free to the customer and is paid~~  
10 ~~by a third-party service provider to the installer, any tax due on that~~  
11 ~~part of the activation commission, finder's fee, installation charge, or~~  
12 ~~similar payment made by the third-party service provider shall be paid~~  
13 ~~and remitted by the third-party service provider;~~

14 ~~(e) The gross income received for services of recreational vehicle~~  
15 ~~parks;~~

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

20 ~~(g) The gross income received for animal specialty services except~~  
21 ~~(i) veterinary services, (ii) specialty services performed on livestock~~  
22 ~~as defined in section 54-183, and (iii) animal grooming performed by a~~  
23 ~~licensed veterinarian or a licensed veterinary technician in conjunction~~  
24 ~~with medical treatment; and~~

25 ~~(h) The gross income received for detective services.~~

26 (5) Gross receipts includes the sale of admissions. When an  
27 admission to an activity or a membership constituting an admission is  
28 combined with the solicitation of a contribution, the portion or the  
29 amount charged representing the fair market price of the admission shall  
30 be considered a retail sale subject to the tax imposed by section  
31 77-2703. The organization conducting the activity shall determine the

1 amount properly attributable to the purchase of the privilege, benefit,  
2 or other consideration in advance, and such amount shall be clearly  
3 indicated on any ticket, receipt, or other evidence issued in connection  
4 with the payment.

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

8 (7) Gross receipts includes the sale of any building materials  
9 annexed to real estate by a person electing to be taxed as a retailer  
10 pursuant to subdivision (1) of section 77-2701.10.

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

13 (9) Gross receipts includes the retail sale of digital audio works,  
14 digital audiovisual works, digital codes, and digital books delivered  
15 electronically if the products are taxable when delivered on tangible  
16 storage media. A sale includes the transfer of a permanent right of use,  
17 the transfer of a right of use that terminates on some condition, and the  
18 transfer of a right of use conditioned upon the receipt of continued  
19 payments.

20 (10) Gross receipts includes any receipts from sales of tangible  
21 personal property made over a multivendor marketplace platform that acts  
22 as the intermediary by facilitating sales between a seller and the  
23 purchaser and that, either directly or indirectly through agreements or  
24 arrangements with third parties, collects payment from the purchaser and  
25 transmits payment to the seller.

26 (11) Gross receipts does not include:

27 (a) The amount of any rebate granted by a motor vehicle or motorboat  
28 manufacturer or dealer at the time of sale of the motor vehicle or  
29 motorboat, which rebate functions as a discount from the sales price of  
30 the motor vehicle or motorboat; or

31 (b) The price of property or services returned or rejected by

1 customers when the full sales price is refunded either in cash or credit.

2 **Sec. 6.** Section 77-2701.24, Reissue Revised Statutes of Nebraska, is  
3 amended to read:

4 77-2701.24 Occasional sale means:

5 (1) A sale, but not a lease or rental, of property which is the  
6 subject of any intercompany sale or transfer involving any parent,  
7 subsidiary, or brother-sister company relationship ~~under~~ section  
8 ~~77-2704.28~~ and which was either originally acquired prior to June 1,  
9 1967, or, if acquired thereafter, the seller or transferor directly or  
10 indirectly has previously paid a sales or use tax thereon, including:

11 (a) From one corporation to another corporation pursuant to a  
12 reorganization. For purposes of this subdivision, reorganization means a  
13 statutory merger or consolidation or the acquisition by a corporation of  
14 substantially all of the properties of another corporation when the  
15 consideration is solely all or a part of the voting stock of the  
16 acquiring corporation or of its parent or subsidiary corporation;

17 (b) In connection with the winding up, dissolution, or liquidation  
18 of a corporation only when there is a distribution of the property of  
19 such corporation to the shareholders in kind if the portion of the  
20 property so distributed to the shareholder is substantially in proportion  
21 to the share of stock or securities held by the shareholder;

22 (c) To a corporation for the purpose of organization of such  
23 corporation or the contribution of additional capital to such corporation  
24 when the former owners of the property transferred are immediately after  
25 the transfer in control of the corporation and the stock or securities  
26 received by each is substantially in proportion to his or her interest in  
27 the property prior to the transfer;

28 (d) To a partnership in the organization of such partnership if the  
29 former owners of the property transferred are immediately after the  
30 transfer members of such partnership and the interest in the partnership  
31 received by each is substantially in proportion to his or her interest in

1 the property prior to the transfer;

2 (e) From a partnership to the members thereof when made in kind in  
3 the dissolution of such partnership if the portion of the property so  
4 distributed to the members of the partnership is substantially in  
5 proportion to the interest in the partnership held by the members;

6 (f) To a limited liability company in the organization of such  
7 limited liability company if the former owners of the property  
8 transferred are immediately after the transfer members of such limited  
9 liability company and the interest in the limited liability company  
10 received by each is substantially in proportion to his or her interest in  
11 the property prior to the transfer;

12 (g) From a limited liability company to the members thereof when  
13 made in kind in the dissolution of such limited liability company if the  
14 portion of the property so distributed to the members of the limited  
15 liability company is substantially in proportion to the interest in the  
16 limited liability company held by the members;

17 (h) From one limited liability company to another limited liability  
18 company pursuant to a reorganization; or

19 (i) Any transaction between two persons that qualifies as a tax-free  
20 transaction under the Internal Revenue Code;

21 (2) A sale of household goods, personal effects, and services if  
22 each of the following conditions is met and if any one condition is not  
23 met then the entire gross receipts shall be subject to the tax imposed by  
24 section 77-2703:

25 (a) Such sales are by an individual at his or her residence or if  
26 more than one individual's property is involved such sales are by one of  
27 the individuals involved at the residence of one of the individuals or  
28 such sales are by an individual on an online auction site;

29 (b) Such sales do not occur at any residence or on an online auction  
30 site for more than three days during a calendar year;

31 (c) Such individual or individuals or any member of any of their

1 households does not conduct or engage in a trade or business in which  
2 similar items are sold or services provided;

3 (d) Such property sold was originally acquired for and used for  
4 personal use or the service provided may be performed at any individual  
5 residence without specialized equipment or supplies; and

6 (e) Such property is not otherwise excepted from the definition of  
7 occasional sale;

8 (3) Commencing with any transaction occurring on or after October 1,  
9 1985, any sale of business or farm machinery and equipment if each of the  
10 following conditions is met and if any one condition is not met the  
11 entire gross receipts shall be subject to the tax imposed by section  
12 77-2703:

13 (a) Such machinery or equipment was used by the seller or seller's  
14 predecessor in a sale described in subdivision (1) of this section as a  
15 depreciable capital asset in connection with the farm or business for a  
16 period of at least one year;

17 (b) Such property was originally acquired prior to June 1, 1967, or  
18 if acquired thereafter, the seller or seller's predecessor in a sale  
19 described in subdivision (1) of this section directly or indirectly has  
20 previously paid a sales or use tax thereon; and

21 (c) Such property is not otherwise excepted from the definition of  
22 occasional sale;

23 (4) Commencing October 1, 1985, a sale by an organization created  
24 exclusively for religious purposes or an agent of the organization for  
25 such sale if each of the following conditions is met and if any one  
26 condition is not met then the entire gross receipts shall be subject to  
27 the tax imposed by section 77-2703:

28 (a) All sales occur during an activity conducted by such  
29 organization or, if more than one organization is involved, by one of the  
30 organizations owning property being sold;

31 (b) The organization only sells property it owns or provides the

1 service during one such activity in a calendar year; and

2 (c) The activity does not last longer than three consecutive days;  
3 and

4 (5) Any sale that is made in connection with the sale to a single  
5 buyer of all or substantially all of a trade or business if the seller or  
6 seller's predecessor in a sale described in subdivision (1) of this  
7 section directly or indirectly has previously paid a sales or use tax  
8 thereon. This subdivision shall apply to any transaction occurring on or  
9 after October 1, 1985.

10 Commencing October 1, 1985, occasional sale does not include any  
11 sale directly by or any sale which is supervised or aided by an  
12 auctioneer or an agent or employee of an auctioneer.

13 Except for a sale listed in subdivision (1) of this section, an  
14 occasional sale does not mean any sale of motor vehicles, semitrailers,  
15 or trailers as defined in the Motor Vehicle Registration Act or any sale  
16 of a motorboat as defined in section 37-1204.

17 **Sec. 7.** Section 77-2701.32, Revised Statutes Cumulative Supplement,  
18 2024, is amended to read:

19 77-2701.32 (1) Retailer means any seller.

20 (2) To facilitate the proper administration of the Nebraska Revenue  
21 Act of 1967, the following persons have the duties and responsibilities  
22 of sellers for the purposes of sales and use taxes:

23 (a) Any person in the business of making sales subject to tax under  
24 section 77-2703 at auction of property owned by the person or others;

25 (b) Any person collecting the proceeds of the auction, other than  
26 the owner of the property, together with his or her principal, if any,  
27 when the person collecting the proceeds of the auction is not the  
28 auctioneer or an agent or employee of the auctioneer. The seller does not  
29 include the auctioneer in such case;

30 (c) Every person who has elected to be considered a retailer  
31 pursuant to subdivision (1) of section 77-2701.10;



1 (d) Every person operating, organizing, or promoting a flea market,  
2 craft show, fair, or similar event;

3 (e) Every person engaged in the business of providing any service in  
4 this state ~~defined in subsection (4) of section 77-2701.16~~; and

5 (f) Every person operating a multivendor marketplace platform that  
6 (i) acts as the intermediary by facilitating sales between a seller and  
7 the purchaser or that engages directly or indirectly through one or more  
8 affiliated persons in transmitting or otherwise communicating the offer  
9 or acceptance between the seller and purchaser and (ii) either directly  
10 or indirectly through agreements or arrangements with third parties,  
11 collects payment from the purchaser and transmits payment to the seller.

12 (3) For the proper administration of the Nebraska Revenue Act of  
13 1967, the following persons do not have the duties and responsibilities  
14 of a seller for purposes of sales and use taxes:

15 (a) Any person who leases or rents films when an admission tax is  
16 charged under the Nebraska Revenue Act of 1967;

17 (b) Any person who leases or rents railroad rolling stock  
18 interchanged pursuant to the provisions of the federal Interstate  
19 Commerce Act;

20 (c) Any person engaged in the business of furnishing rooms in a  
21 facility licensed under the Health Care Facility Licensure Act in which  
22 rooms, lodgings, or accommodations are regularly furnished for a  
23 consideration or a facility operated by an educational institution  
24 established under Chapter 79 or Chapter 85 in which rooms are regularly  
25 used to house students for a consideration for periods in excess of  
26 thirty days;

27 (d) Any person making sales at a flea market, craft show, fair, or  
28 similar event when such person does not have a sales tax permit and has  
29 arranged to pay sales taxes collected to the person operating,  
30 organizing, or promoting such event; or

31 (e) Any payment processor appointed by a retailer whose sole

1 activity with regard to a sale or lease transaction is to process the  
2 payment made from the customer to the retailer.

3 **Sec. 8.** Section 77-2701.36, Reissue Revised Statutes of Nebraska, is  
4 amended to read:

5 77-2701.36 Seller includes (1) every person engaged in the business  
6 of selling, leasing, or renting property of a kind the gross receipts  
7 from the retail sale, lease, or rental of which are required to be  
8 included in the measure of the sales tax and (2) every person engaged in  
9 the business of providing services the gross receipts from the retail  
10 sale of which are required to be included in the measure of the sales  
11 tax.

12 **Sec. 9.** Service means all activities that are engaged in for other  
13 persons for a consideration and that involve predominantly the  
14 performance of a service as distinguished from selling or leasing  
15 tangible personal property. The term does not include services rendered  
16 by an employee to his or her employer. In determining what is a service,  
17 the intended use, principal objective, or ultimate objective of the  
18 contracting parties shall not be controlling.

19 **Sec. 10.** Section 77-2703, Revised Statutes Supplement, 2025, is  
20 amended to read:

21 77-2703 (1) There is hereby imposed a tax at the rate provided in  
22 section 77-2701.02 upon the gross receipts from all sales of tangible  
23 personal property sold at retail in this state; the gross receipts of  
24 every person engaged as a public utility, as a community antenna  
25 television service operator, or as a satellite service operator, any  
26 person involved in the connecting and installing of the services defined  
27 in subdivision (2)(a), (b), (d), or (e) of section 77-2701.16, or every  
28 person engaged as a retailer of intellectual or entertainment properties  
29 referred to in subsection (3) of section 77-2701.16; the gross receipts  
30 from the sale of admissions in this state; the gross receipts from the  
31 sale of warranties, guarantees, service agreements, or maintenance

1 agreements when the items covered are subject to tax under this section;  
2 beginning January 1, 2008, the gross receipts from the sale of bundled  
3 transactions when one or more of the products included in the bundle are  
4 taxable; the gross receipts from the provision of services in this state  
5 ~~defined in subsection (4) of section 77-2701.16~~; and the gross receipts  
6 from the sale of products delivered electronically as described in  
7 subsection (9) of section 77-2701.16. Except as provided in section  
8 77-2701.03, when there is a sale, the tax shall be imposed at the rate in  
9 effect at the time the gross receipts are realized under the accounting  
10 basis used by the retailer to maintain his or her books and records.

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

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

24 (c) The tax required to be collected by the retailer from the  
25 purchaser, unless otherwise provided by statute or by rule and regulation  
26 of the Tax Commissioner, shall be displayed separately from the list  
27 price, the price advertised in the premises, the marked price, or other  
28 price on the sales check or other proof of sales, rentals, or leases.

29 (d) For the purpose of more efficiently securing the payment,  
30 collection, and accounting for the sales tax and for the convenience of  
31 the retailer in collecting the sales tax, it shall be the duty of the Tax

1 Commissioner to provide a schedule or schedules of the amounts to be  
2 collected from the consumer or user to effectuate the computation and  
3 collection of the tax imposed by the Nebraska Revenue Act of 1967. Such  
4 schedule or schedules shall provide that the tax shall be collected from  
5 the consumer or user uniformly on sales according to brackets based on  
6 sales prices of the item or items. Retailers may compute the tax due on  
7 any transaction on an item or an invoice basis. The rounding rule  
8 provided in section 77-3,117 applies.

9 (e) The use of tokens or stamps for the purpose of collecting or  
10 enforcing the collection of the taxes imposed in the Nebraska Revenue Act  
11 of 1967 or for any other purpose in connection with such taxes is  
12 prohibited.

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

26 (g) In the rental or lease of automobiles, trucks, trailers,  
27 semitrailers, and truck-tractors as defined in the Motor Vehicle  
28 Registration Act, the tax shall be collected by the lessor on the rental  
29 or lease price, except as otherwise provided within this section.

30 (h) In the rental or lease of automobiles, trucks, trailers,  
31 semitrailers, and truck-tractors as defined in the act, for periods of

1 one year or more, the lessor may elect not to collect and remit the sales  
2 tax on the gross receipts and instead pay a sales tax on the cost of such  
3 vehicle. If such election is made, it shall be made pursuant to the  
4 following conditions:

5 (i) Notice of the desire to make such election shall be filed with  
6 the Tax Commissioner and shall not become effective until the Tax  
7 Commissioner is satisfied that the taxpayer has complied with all  
8 conditions of this subsection and all rules and regulations of the Tax  
9 Commissioner;

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

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

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

26 (i) The tax imposed by this section on the sales of motor vehicles,  
27 semitrailers, and trailers as defined in sections 60-339, 60-348, and  
28 60-354 shall be the liability of the purchaser and, with the exception of  
29 motor vehicles, semitrailers, and trailers registered pursuant to section  
30 60-3,198, the tax shall be collected by the county treasurer as provided  
31 in the Motor Vehicle Registration Act or by an approved licensed dealer

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

1 of 1967. The county treasurer or Department of Motor Vehicles shall  
2 report and remit the tax so collected to the Tax Commissioner by the  
3 fifteenth day of the following month. The county treasurer, for his or  
4 her collection fee, shall deduct and withhold, from all amounts required  
5 to be collected under this subsection, the collection fee permitted to be  
6 deducted by any retailer collecting the sales tax, all of which shall be  
7 deposited in the county general fund, plus an additional amount equal to  
8 one-half of one percent of all amounts in excess of six thousand dollars  
9 remitted each month. Prior to January 1, 2023, fifty percent of such  
10 additional amount shall be deposited in the county general fund and fifty  
11 percent of such additional amount shall be deposited in the county road  
12 fund. On and after January 1, 2023, seventy-five percent of such  
13 additional amount shall be deposited in the county general fund and  
14 twenty-five percent of such additional amount shall be deposited in the  
15 county road fund. In any county with a population of one hundred fifty  
16 thousand inhabitants or more, the county treasurer shall remit one dollar  
17 of his or her collection fee for each of the first five thousand motor  
18 vehicles, semitrailers, or trailers registered with such county treasurer  
19 on or after January 1, 2020, to the State Treasurer for credit to the  
20 Department of Revenue Enforcement Fund. The Department of Motor Vehicles,  
21 for its collection fee, shall deduct, withhold, and deposit in the Motor  
22 Carrier Division Cash Fund the collection fee permitted to be deducted by  
23 any retailer collecting the sales tax. The collection fee for the county  
24 treasurer or the Department of Motor Vehicles shall be forfeited if the  
25 county treasurer or department violates any rule or regulation pertaining  
26 to the collection of the use tax.

27 (j)(i) The tax imposed by this section on the sale of a motorboat as  
28 defined in section 37-1204 shall be the liability of the purchaser. The  
29 tax shall be collected by the county treasurer at the time the purchaser  
30 makes application for the registration of the motorboat. At the time of  
31 the sale of a motorboat, the seller shall (A) state on the sales invoice

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

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

31 (k)(i) The tax imposed by this section on the sale of an all-terrain



1 vehicle as defined in section 60-103 or a utility-type vehicle as defined  
2 in section 60-135.01 shall be the liability of the purchaser. The tax  
3 shall be collected by the county treasurer or by an approved licensed  
4 dealer participating in the electronic dealer services system pursuant to  
5 section 60-1507 at the time the purchaser makes application for the  
6 certificate of title for the all-terrain vehicle or utility-type vehicle.  
7 At the time of the sale of an all-terrain vehicle or a utility-type  
8 vehicle, the seller shall (A) state on the sales invoice the dollar  
9 amount of the tax imposed under this section and (B) furnish to the  
10 purchaser a certified statement of the transaction, in such form as the  
11 Tax Commissioner prescribes, setting forth as a minimum the total sales  
12 price, the allowance for any trade-in, and the difference between the  
13 two. The sales tax due shall be computed on the difference between the  
14 total sales price and the allowance for any trade-in as disclosed by such  
15 certified statement. Any seller who willfully understates the amount upon  
16 which the sales tax is due shall be subject to a penalty of one thousand  
17 dollars. A copy of such certified statement shall also be furnished to  
18 the Tax Commissioner. Any seller who fails or refuses to furnish such  
19 certified statement shall be guilty of a misdemeanor and shall, upon  
20 conviction thereof, be punished by a fine of not less than twenty-five  
21 dollars nor more than one hundred dollars. If the purchaser does not  
22 obtain a certificate of title for such all-terrain vehicle or utility-  
23 type vehicle within thirty days of the purchase thereof, the tax imposed  
24 by this section shall immediately thereafter be paid by the purchaser to  
25 the county treasurer. If the tax is not paid on or before the thirtieth  
26 day after its purchase, the county treasurer shall also collect from the  
27 purchaser interest from the thirtieth day through the date of payment and  
28 sales tax penalties as provided in the Nebraska Revenue Act of 1967. The  
29 county treasurer shall report and remit the tax so collected to the Tax  
30 Commissioner by the fifteenth day of the following month. The county  
31 treasurer, for his or her collection fee, shall deduct and withhold for

1 the use of the county general fund, from all amounts required to be  
2 collected under this subsection, the collection fee permitted to be  
3 deducted by any retailer collecting the sales tax. The collection fee  
4 shall be forfeited if the county treasurer violates any rule or  
5 regulation pertaining to the collection of the use tax.

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

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

23 (1) The Tax Commissioner shall adopt and promulgate necessary rules  
24 and regulations for determining the amount subject to the taxes imposed  
25 by this section so as to insure that the full amount of any applicable  
26 tax is paid in cases in which a sale is made of which a part is subject  
27 to the taxes imposed by this section and a part of which is not so  
28 subject and a separate accounting is not practical or economical.

29 (2) A use tax is hereby imposed on the storage, use, or other  
30 consumption in this state of property purchased, leased, or rented from  
31 any retailer and on any transaction the gross receipts of which are

1 subject to tax under subsection (1) of this section on or after June 1,  
2 1967, for storage, use, or other consumption in this state at the rate  
3 set as provided in subsection (1) of this section on the sales price of  
4 the property or, in the case of leases or rentals, of the lease or rental  
5 prices.

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

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

27 (c) The Tax Commissioner, in order to facilitate the proper  
28 administration of the use tax, may designate such person or persons as he  
29 or she may deem necessary to be use tax collectors and delegate to such  
30 persons such authority as is necessary to collect any use tax which is  
31 due and payable to the State of Nebraska. The Tax Commissioner may

1 require of all persons so designated a surety bond in favor of the State  
2 of Nebraska to insure against any misappropriation of state funds so  
3 collected. The Tax Commissioner may require any tax official, city,  
4 county, or state, to collect the use tax on behalf of the state. All  
5 persons designated to or required to collect the use tax shall account  
6 for such collections in the manner prescribed by the Tax Commissioner.  
7 Nothing in this subdivision shall be so construed as to prevent the Tax  
8 Commissioner or his or her employees from collecting any use taxes due  
9 and payable to the State of Nebraska.

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

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

26 (f) For the purpose of the proper administration of the Nebraska  
27 Revenue Act of 1967 and to prevent evasion of the use tax, for the sale  
28 of property to an advertising agency which purchases the property as an  
29 agent for a disclosed or undisclosed principal, the advertising agency is  
30 and remains liable for the sales and use tax on the purchase the same as  
31 if the principal had made the purchase directly.

1       **Sec. 11.** Section 77-2703.01, Revised Statutes Cumulative Supplement,  
2       2024, is amended to read:

3       77-2703.01 (1) The determination of whether a sale or use of  
4       property or the provision of services is in this state, in a municipality  
5       that has adopted a tax under the Local Option Revenue Act, or in a county  
6       that has adopted a tax under section 13-319 or 77-6403 shall be governed  
7       by the sourcing rules in sections 77-2703.01 to 77-2703.04.

8       (2) When the property or service is received by the purchaser at a  
9       business location of the retailer, the sale is sourced to that business  
10      location.

11      (3) When the property or service is not received by the purchaser at  
12      a business location of the retailer, the sale is sourced to the location  
13      where receipt by the purchaser or the purchaser's donee, designated as  
14      such by the purchaser, occurs, including the location indicated by  
15      instructions for delivery to the purchaser or donee, known to the  
16      retailer.

17      (4) When subsection (2) or (3) of this section does not apply, the  
18      sale is sourced to the location indicated by an address or other  
19      information for the purchaser that is available from the business records  
20      of the retailer that are maintained in the ordinary course of the  
21      retailer's business when use of this address does not constitute bad  
22      faith.

23      (5) When subsection (2), (3), or (4) of this section does not apply,  
24      the sale is sourced to the location indicated by an address for the  
25      purchaser obtained during the consummation of the sale, including the  
26      address of a purchaser's payment instrument, if no other address is  
27      available, when use of this address does not constitute bad faith.

28      (6) When subsection (2), (3), (4), or (5) of this section does not  
29      apply, including the circumstance in which the retailer is without  
30      sufficient information to apply the rules in any such subsection, then  
31      the location will be determined by the address from which property was

1 shipped, from which the digital good was first available for transmission  
2 by the retailer, or from which the service was provided disregarding for  
3 these purposes any location that merely provided the digital transfer of  
4 the product sold.

5 (7) The lease or rental of tangible personal property, other than  
6 property identified in subsection (8) or (9) of this section, shall be  
7 sourced as follows:

8 (a) For a lease or rental that requires recurring periodic payments,  
9 the first periodic payment is sourced the same as a retail sale in  
10 accordance with the provisions of subsections (2) through (6) of this  
11 section. Periodic payments made subsequent to the first payment are  
12 sourced to the primary property location for each period covered by the  
13 payment. The primary property location shall be as indicated by an  
14 address for the property provided by the lessee that is available to the  
15 lessor from its records maintained in the ordinary course of business  
16 when use of this address does not constitute bad faith. The property  
17 location shall not be altered by intermittent use at different locations,  
18 such as use of business property that accompanies employees on business  
19 trips and service calls; and

20 (b) For a lease or rental that does not require recurring periodic  
21 payments, the payment is sourced the same as a retail sale in accordance  
22 with the provisions of subsections (2) through (6) of this section.

23 This subsection does not affect the imposition or computation of  
24 sales or use tax on leases or rentals based on a lump-sum or accelerated  
25 basis or on the acquisition of property for lease.

26 (8) The lease or rental of motor vehicles, trailers, semitrailers,  
27 or aircraft that do not qualify as transportation equipment under  
28 subsection (9) of this section shall be sourced as follows:

29 (a) For a lease or rental that requires recurring periodic payments,  
30 each periodic payment is sourced to the primary property location. The  
31 primary property location shall be as indicated by an address for the

1 property provided by the lessee that is available to the lessor from its  
2 records maintained in the ordinary course of business when use of this  
3 address does not constitute bad faith. This location shall not be altered  
4 by intermittent use at different locations; and

5 (b) For a lease or rental that does not require recurring periodic  
6 payments, the payment is sourced the same as a retail sale in accordance  
7 with the provisions of subsections (2) through (6) of this section.

8 This subsection does not affect the imposition or computation of  
9 sales or use tax on leases or rentals based on a lump-sum or accelerated  
10 basis or on the acquisition of property for lease.

11 (9) The retail sale, including lease or rental, of transportation  
12 equipment shall be sourced the same as a retail sale in accordance with  
13 subsections (2) through (6) of this section. Transportation equipment  
14 means any of the following:

15 (a) Locomotives and railcars that are utilized for the carriage of  
16 persons or property in interstate commerce;

17 (b) Trucks and truck-tractors with a gross vehicle weight rating of  
18 ten thousand one pounds or greater, trailers, semitrailers, or passenger  
19 buses that are (i) registered through the International Registration Plan  
20 and (ii) operated under authority of a carrier authorized and  
21 certificated by the United States Department of Transportation or another  
22 federal authority to engage in the carriage of persons or property in  
23 interstate commerce;

24 (c) Aircraft operated by air carriers authorized and certificated by  
25 the United States Department of Transportation or another federal  
26 authority or a foreign authority to engage in the carriage of persons or  
27 property in interstate or foreign commerce; and

28 (d) Containers designed for use on and component parts attached or  
29 secured on the items set forth in subdivisions (9)(a) through (c) of this  
30 section.

31 (10) For purposes of this section, receive and receipt mean taking

1 possession of tangible personal property, making first use of services,  
2 or taking possession or making first use of digital goods, whichever  
3 comes first. The terms receive and receipt do not include possession by a  
4 shipping company on behalf of the purchaser. For purposes of sourcing  
5 detective services ~~subject to tax under subdivision (4)(h) of section~~  
6 ~~77-2701.16~~, making first use of a service shall be deemed to be at the  
7 individual's residence, in the case of a customer who is an individual,  
8 or at the principal place of business, in the case of a business  
9 customer.

10 (11) The sale, not including lease or rental, of a motor vehicle,  
11 semitrailer, or trailer as defined in the Motor Vehicle Registration Act  
12 shall be sourced to the place of registration of the motor vehicle,  
13 semitrailer, or trailer for operation upon the highways of this state or,  
14 if no such registration has occurred, the place where such motor vehicle,  
15 semitrailer, or trailer is required to be registered, except that  
16 beginning January 1, 2021, the sale of any motor vehicle or trailer  
17 operated by a public power district and registered under section 60-3,228  
18 shall be sourced to the place where the motor vehicle or trailer has  
19 situs as defined in section 60-349.

20 (12) The sale or lease for one year or more of motorboats shall be  
21 sourced to the place of registration of the motorboat. The lease of  
22 motorboats for less than one year shall be sourced to the point of  
23 delivery.

24 **Sec. 12.** Section 77-2704.03, Reissue Revised Statutes of Nebraska,  
25 is amended to read:

26 77-2704.03 Until January 1, 2027, sales Sales and use taxes shall  
27 not be imposed on the gross receipts from the sale, lease, or rental of  
28 and the storage, use, or other consumption in this state of aircraft fuel  
29 as defined under Chapter 3, article 1.

30 **Sec. 13.** Section 77-2704.04, Reissue Revised Statutes of Nebraska,  
31 is amended to read:



1        77-2704.04 Until January 1, 2027, sales ~~Sales~~ and use taxes shall  
2 not be imposed on the gross receipts from the sale, lease, or rental of  
3 and the storage, use, or other consumption in this state of minerals,  
4 oil, and gas as defined under Chapter 57.

5        **Sec. 14.** Section 77-2704.05, Reissue Revised Statutes of Nebraska,  
6 is amended to read:

7        77-2704.05 Until January 1, 2027, sales ~~Sales~~ and use taxes shall  
8 not be imposed on the gross receipts from the sale, lease, or rental of  
9 and the storage, use, or other consumption in this state of motor vehicle  
10 fuels as defined, taxed, or exempted under Chapter 66, article 4, diesel  
11 fuel as taxed for use on the highways under Chapter 66, article 4,  
12 compressed fuels as taxed for use on the highways under the Compressed  
13 Fuel Tax Act, diesel and compressed fuels used to provide motive power  
14 for railroad rolling stock, and diesel and compressed fuels delivered  
15 into the fuel supply tanks of other vehicles.

16        **Sec. 15.** Section 77-2704.07, Reissue Revised Statutes of Nebraska,  
17 is amended to read:

18        77-2704.07 Until January 1, 2027, sales ~~Sales~~ and use taxes shall  
19 not be imposed on the gross receipts from the sale, lease, or rental of  
20 and the storage, use, or other consumption in this state of any newspaper  
21 regularly issued at average intervals not exceeding one week if such  
22 newspaper contains matters of general interest and reports of current  
23 events.

24        **Sec. 16.** Section 77-2704.10, Reissue Revised Statutes of Nebraska,  
25 is amended to read:

26        77-2704.10 Until January 1, 2027, sales ~~Sales~~ and use taxes shall  
27 not be imposed on the gross receipts from the sale, lease, or rental of  
28 and the storage, use, or other consumption in this state of:

29        (1) Prepared food and food and food ingredients served by public or  
30 private schools, school districts, student organizations, or parent-  
31 teacher associations pursuant to an agreement with the proper school

1 authorities, in an elementary or secondary school or at any institution  
2 of higher education, public or private, during the regular school day or  
3 at an approved function of any such school or institution. This exemption  
4 does not apply to sales by an institution of higher education at any  
5 facility or function which is open to the general public;

6 (2) Prepared food and food and food ingredients sold by a church at  
7 a function of such church;

8 (3) Prepared food and food and food ingredients served to patients  
9 and inmates of hospitals and other institutions licensed by the state for  
10 the care of human beings;

11 (4) Fees and admissions charged for political events by ballot  
12 question committees, candidate committees, independent committees, and  
13 political party committees as defined in the Nebraska Political  
14 Accountability and Disclosure Act;

15 (5) Prepared food and food and food ingredients sold to the elderly,  
16 handicapped, or recipients of Supplemental Security Income by an  
17 organization that actually accepts electronic benefits transfer under  
18 regulations issued by the United States Department of Agriculture  
19 although it is not necessary for the purchaser to use electronic benefits  
20 transfer to pay for the prepared food and food and food ingredients;

21 (6) Fees and admissions charged by a public or private elementary or  
22 secondary school and fees and admissions charged by a school district,  
23 student organization, or parent-teacher association, pursuant to an  
24 agreement with the proper school authorities, in a public or private  
25 elementary or secondary school during the regular school day or at an  
26 approved function of any such school;

27 (7) Fees and admissions charged for participants in any activity  
28 provided by a nonprofit organization that is exempt from income tax under  
29 section 501(c)(3) of the Internal Revenue Code of 1986, as amended, which  
30 organization conducts statewide sport events with multiple sports for  
31 both adults and youth; and

1           (8) Fees and admissions charged for participants in any activity  
2 provided by a nonprofit organization that is exempt from income tax under  
3 section 501(c)(3) of the Internal Revenue Code of 1986, as amended, which  
4 organization is affiliated with a national organization, primarily  
5 dedicated to youth development and healthy living, and offers sports  
6 instruction and sports leagues or sports events in multiple sports.

7           **Sec. 17.** Section 77-2704.12, Revised Statutes Cumulative Supplement,  
8 2024, is amended to read:

9           77-2704.12 (1) Until January 1, 2027, sales ~~Sales~~ and use taxes  
10 shall not be imposed on the gross receipts from the sale, lease, or  
11 rental of and the storage, use, or other consumption in this state of  
12 purchases by (a) any nonprofit organization created exclusively for  
13 religious purposes, (b) any nonprofit organization providing services  
14 exclusively to the blind, (c) any nonprofit private educational  
15 institution established under sections 79-1601 to 79-1607, (d) any  
16 accredited, nonprofit, privately controlled college or university with  
17 its primary campus physically located in Nebraska, (e) any nonprofit (i)  
18 hospital, (ii) health clinic when one or more hospitals or the parent  
19 corporations of the hospitals own or control the health clinic for the  
20 purpose of reducing the cost of health services or when the health clinic  
21 receives federal funds through the United States Public Health Service  
22 for the purpose of serving populations that are medically underserved,  
23 (iii) skilled nursing facility, (iv) intermediate care facility, (v)  
24 assisted-living facility, (vi) intermediate care facility for persons  
25 with developmental disabilities, (vii) nursing facility, (viii) home  
26 health agency, (ix) hospice or hospice service, (x) respite care service,  
27 (xi) mental health substance use treatment center licensed under the  
28 Health Care Facility Licensure Act, or (xii) center for independent  
29 living as defined in 29 U.S.C. 796a, (f) any nonprofit licensed  
30 residential child-caring agency, (g) any nonprofit licensed child-placing  
31 agency, (h) any nonprofit organization certified by the Department of

1 Health and Human Services to provide community-based services for persons  
2 with developmental disabilities, (i) any nonprofit organization certified  
3 or contracted by a regional behavioral health authority or the Division  
4 of Behavioral Health of the Department of Health and Human Services to  
5 provide community-based mental health or substance use services, or (j)  
6 any nonprofit organization for purchases of property that will be  
7 transferred to an organization listed in subdivisions (a) through (i) of  
8 this subsection until the property is transferred or the contract is  
9 completed, provided that the nonprofit organization (i) acquires property  
10 that will be transferred to an organization listed in subdivisions (a)  
11 through (i) of this subsection or (ii) enters into a contract of  
12 construction, improvement, or repair upon property annexed to real estate  
13 if the property will be transferred to an organization listed in  
14 subdivisions (a) through (i) of this subsection.

15 (2) Any organization listed in subsection (1) of this section shall  
16 apply for an exemption on forms provided by the Tax Commissioner. The  
17 application shall be approved and a numbered certificate of exemption  
18 received by the applicant organization in order to be exempt from the  
19 sales and use tax.

20 (3) The appointment of purchasing agents shall be recognized for the  
21 purpose of altering the status of the construction contractor as the  
22 ultimate consumer of building materials which are physically annexed to  
23 the structure and which subsequently belong to the owner of the  
24 organization or institution. The appointment of purchasing agents shall  
25 be in writing and occur prior to having any building materials annexed to  
26 real estate in the construction, improvement, or repair. The contractor  
27 who has been appointed as a purchasing agent may apply for a refund of or  
28 use as a credit against a future use tax liability the tax paid on  
29 inventory items annexed to real estate in the construction, improvement,  
30 or repair of a project for a licensed not-for-profit institution.

31 (4) Any organization listed in subsection (1) of this section which

1 enters into a contract of construction, improvement, or repair upon  
2 property annexed to real estate without first issuing a purchasing agent  
3 authorization to a contractor or repairperson prior to the building  
4 materials being annexed to real estate in the project may apply to the  
5 Tax Commissioner for a refund of any sales and use tax paid by the  
6 contractor or repairperson on the building materials physically annexed  
7 to real estate in the construction, improvement, or repair.

8 (5) Any person purchasing, storing, using, or otherwise consuming  
9 building materials in the performance of any construction, improvement,  
10 or repair by or for any institution enumerated in subsection (1) of this  
11 section which is licensed upon completion although not licensed at the  
12 time of construction or improvement, which building materials are annexed  
13 to real estate and which subsequently belong to the owner of the  
14 institution, shall pay any applicable sales or use tax thereon. Upon  
15 becoming licensed and receiving a numbered certificate of exemption, the  
16 institution organized not for profit shall be entitled to a refund of the  
17 amount of taxes so paid in the performance of such construction,  
18 improvement, or repair and shall submit whatever evidence is required by  
19 the Tax Commissioner sufficient to establish the total sales and use tax  
20 paid upon the building materials physically annexed to real estate in the  
21 construction, improvement, or repair.

22 **Sec. 18.** Section 77-2704.13, Reissue Revised Statutes of Nebraska,  
23 is amended to read:

24 77-2704.13 Until January 1, 2027, sales ~~Sales~~ and use taxes shall  
25 not be imposed on the gross receipts from the sale, lease, or rental of  
26 and the storage, use, or other consumption in this state of:

27 (1) Sales and purchases of electricity, coal, gas, fuel oil, diesel  
28 fuel, tractor fuel, propane, gasoline, coke, nuclear fuel, butane, wood  
29 as fuel, and corn as fuel when more than fifty percent of the amount  
30 purchased is for use directly in irrigation or farming;

31 (2) Sales and purchases of such energy sources or fuels when more

1 than fifty percent of the amount purchased is for use directly in  
2 processing, manufacturing, or refining, in the generation of electricity,  
3 in the compression of natural gas for retail sale as a vehicle fuel, or  
4 by any hospital. For purposes of this subdivision, processing includes  
5 the drying and aerating of grain in commercial agricultural facilities;  
6 and

7 (3) Sales and purchases of water used for irrigation of agricultural  
8 lands and manufacturing purposes.

9 **Sec. 19.** Section 77-2704.14, Reissue Revised Statutes of Nebraska,  
10 is amended to read:

11 77-2704.14 Until January 1, 2027, sales ~~Sales~~ and use taxes shall  
12 not be imposed on the gross receipts from the sale, lease, or rental of  
13 and the storage, use, or other consumption in this state of the use of  
14 coin-operated machines used for laundering and cleaning except the  
15 cleaning or washing of motor vehicles.

16 **Sec. 20.** Section 77-2704.15, Revised Statutes Cumulative Supplement,  
17 2024, is amended to read:

18 77-2704.15 (1)(a) Until January 1, 2027, sales ~~Sales~~ and use taxes  
19 shall not be imposed on the gross receipts from the sale, lease, or  
20 rental of and the storage, use, or other consumption in this state of  
21 purchases by the state, including public educational institutions  
22 recognized or established under the provisions of Chapter 85, or by any  
23 county, township, city, village, rural or suburban fire protection  
24 district, city airport authority, county airport authority, joint airport  
25 authority, drainage district organized under sections 31-401 to 31-450,  
26 sanitary drainage district organized under sections 31-501 to 31-553,  
27 land bank created under the Nebraska Municipal Land Bank Act, natural  
28 resources district, county agricultural society, elected county fair  
29 board, housing agency as defined in section 71-1575 except for purchases  
30 for any commercial operation that does not exclusively benefit the  
31 residents of an affordable housing project, cemetery created under

1 section 12-101, or joint entity or agency formed by any combination of  
2 two or more counties, townships, cities, villages, or other exempt  
3 governmental units pursuant to the Interlocal Cooperation Act, the  
4 Integrated Solid Waste Management Act, or the Joint Public Agency Act,  
5 except for purchases for use in the business of furnishing gas, water,  
6 electricity, or heat, or by any irrigation or reclamation district, the  
7 irrigation division of any public power and irrigation district, or  
8 public schools or learning communities established under Chapter 79.

9 (b) For purposes of this subsection, purchases by the state or by a  
10 governmental unit listed in subdivision (a) of this subsection include  
11 purchases by any nonprofit corporation under a lease-purchase agreement,  
12 financing lease, or other instrument which provides for transfer of title  
13 to the property to the state or governmental unit upon payment of all  
14 amounts due thereunder. If any nonprofit corporation will be making  
15 purchases under a lease-purchase agreement, financing lease, or other  
16 instrument as part of a project with a total estimated cost that exceeds  
17 the threshold amount, then such purchases shall qualify for an exemption  
18 under this section only if the question of proceeding with such project  
19 has been submitted at a primary, general, or special election held within  
20 the governmental unit that will be a party to the lease-purchase  
21 agreement, financing lease, or other instrument and has been approved by  
22 the voters of such governmental unit or the governmental unit's  
23 expenditure towards the project is paid in whole or in part with  
24 redevelopment bonds. For purposes of this subdivision, (i) project means  
25 the acquisition of real property or the construction of a public building  
26 and (ii) threshold amount means the greater of fifty thousand dollars or  
27 six-tenths of one percent of the total actual value of real and personal  
28 property of the governmental unit that will be a party to the lease-  
29 purchase agreement, financing lease, or other instrument as of the end of  
30 the governmental unit's prior fiscal year.

31 (2) The appointment of purchasing agents shall be recognized for the

1 purpose of altering the status of the construction contractor as the  
2 ultimate consumer of building materials which are physically annexed to  
3 the structure and which subsequently belong to the state or the  
4 governmental unit. The appointment of purchasing agents shall be in  
5 writing and occur prior to having any building materials annexed to real  
6 estate in the construction, improvement, or repair. The contractor who  
7 has been appointed as a purchasing agent may apply for a refund of or use  
8 as a credit against a future use tax liability the tax paid on inventory  
9 items annexed to real estate in the construction, improvement, or repair  
10 of a project for the state or a governmental unit.

11 (3) Any governmental unit listed in subsection (1) of this section,  
12 except the state, which enters into a contract of construction,  
13 improvement, or repair upon property annexed to real estate without first  
14 issuing a purchasing agent authorization to a contractor or repairperson  
15 prior to the building materials being annexed to real estate in the  
16 project may apply to the Tax Commissioner for a refund of any sales and  
17 use tax paid by the contractor or repairperson on the building materials  
18 physically annexed to real estate in the construction, improvement, or  
19 repair.

20 **Sec. 21.** Section 77-2704.16, Reissue Revised Statutes of Nebraska,  
21 is amended to read:

22 77-2704.16 Until January 1, 2027, sales ~~Sales~~ and use taxes shall  
23 not be imposed on the gross receipts from the sale, lease, or rental of  
24 and the storage, use, or other consumption in this state of purchases  
25 made by the Nebraska State Fair Board.

26 **Sec. 22.** Section 77-2704.17, Reissue Revised Statutes of Nebraska,  
27 is amended to read:

28 77-2704.17 Until January 1, 2027, sales ~~Sales~~ and use taxes shall  
29 not be imposed on the gross receipts from the sale, lease, or rental of  
30 and the storage, use, or other consumption in this state of purchases  
31 made by the Nebraska Investment Finance Authority.



1       **Sec. 23.** Section 77-2704.20, Revised Statutes Cumulative Supplement,  
2       2024, is amended to read:

3       77-2704.20 Until January 1, 2027, sales ~~Sales~~ and use taxes shall  
4       not be imposed on the gross receipts from the sale, lease, or rental of  
5       and the storage, use, or other consumption in this state of purchases  
6       made by licensees of the State Racing and Gaming Commission.

7       **Sec. 24.** Section 77-2704.22, Reissue Revised Statutes of Nebraska,  
8       is amended to read:

9       77-2704.22 (1) Until January 1, 2027, sales ~~Sales~~ and use taxes  
10      shall not be imposed on the gross receipts from the sale, lease, or  
11      rental and on the storage, use, or other consumption in this state of  
12      manufacturing machinery and equipment.

13      (2) Until January 1, 2027, sales ~~Sales~~ and use taxes shall not be  
14      imposed on the gross receipts from the sale of installation, repair, and  
15      maintenance services performed on or with respect to manufacturing  
16      machinery and equipment.

17      **Sec. 25.** Section 77-2704.23, Reissue Revised Statutes of Nebraska,  
18      is amended to read:

19      77-2704.23 Until January 1, 2027, sales ~~Sales~~ and use taxes shall  
20      not be imposed on the gross receipts from the sale, lease, or rental of  
21      and the storage, use, or other consumption in this state of sales and  
22      purchases of semen and insemination services for use in ranching or  
23      farming or for commercial or industrial uses.

24      **Sec. 26.** Section 77-2704.24, Reissue Revised Statutes of Nebraska,  
25      is amended to read:

26      77-2704.24 (1) Sales and use taxes shall not be imposed on the gross  
27      receipts from the sale, lease, or rental of and the storage, use, or  
28      other consumption in this state of food or food ingredients except for  
29      prepared food and food sold through vending machines.

30      (2) For purposes of this section:

31      (a) Alcoholic beverages means beverages that are suitable for human

1 consumption and contain one-half of one percent or more of alcohol by  
2 volume;

3 (b) Candy means a preparation of sugar, honey, or other natural or  
4 artificial sweeteners in combination with chocolate, fruits, nuts, or  
5 other ingredients or flavorings in the form of bars, drops, or pieces.  
6 Candy does not include any preparation that contains flour or that  
7 requires refrigeration;

8 (c) {b} Dietary supplement means any product, other than tobacco,  
9 intended to supplement the diet that contains one or more of the  
10 following dietary ingredients: (i) A vitamin, (ii) a mineral, (iii) an  
11 herb or other botanical, (iv) an amino acid, (v) a dietary substance for  
12 use by humans to supplement the diet by increasing the total dietary  
13 intake, or (vi) a concentrate, metabolite, constituent, extract, or  
14 combination of any ingredients described in subdivisions (2)(c)(i) {2}(b)  
15 {i} through (v) of this section; that is intended for ingestion in  
16 tablet, capsule, powder, softgel, gelcap, or liquid form or, if not  
17 intended for ingestion in such a form, is not presented as conventional  
18 food and is not represented for use as a sole item of a meal or of the  
19 diet; and that is required to be labeled as a dietary supplement,  
20 identifiable by the supplemental facts box found on the label and as  
21 required pursuant to 21 C.F.R. 101.36, as such regulation existed on  
22 January 1, 2003;

23 (d) {e} Food and food ingredients means substances, whether in  
24 liquid, concentrated, solid, frozen, dried, or dehydrated form, that are  
25 sold for ingestion or chewing by humans and are consumed for their taste  
26 or nutritional value. Food and food ingredients does not include  
27 alcoholic beverages, candy, dietary supplements, soft drinks, or tobacco;

28 (e) {d} Food sold through vending machines means food that is  
29 dispensed from a machine or other mechanical device that accepts payment;

30 (f) {e} Prepared food means:

31 (i) Food sold with eating utensils provided by the seller, including

1 plates, knives, forks, spoons, glasses, cups, napkins, or straws. A plate  
2 does not include a container or packaging used to transport the food; or

3 (ii) Two or more food ingredients mixed or combined by the seller  
4 for sale as a single item and food sold in a heated state or heated by  
5 the seller, except:

6 (A) Food that is only cut, repackaged, or pasteurized by the seller;

7 (B) Eggs, fish, meat, poultry, and foods containing these raw animal  
8 foods requiring cooking by the consumer as recommended by the federal  
9 Food and Drug Administration in chapter 3, part 401.11 of its Food Code,  
10 as it existed on January 1, 2003, so as to prevent food borne illnesses;

11 (C) Food sold by a seller whose proper primary North American  
12 Industry Classification System classification is manufacturing in sector  
13 311, except subsector 3118, bakeries;

14 (D) Food sold in an unheated state by weight or volume as a single  
15 item;

16 (E) Bakery items, including bread, rolls, buns, biscuits, bagels,  
17 croissants, pastries, donuts, danish, cakes, tortes, pies, tarts,  
18 muffins, bars, cookies, and tortillas; and

19 (F) Food that ordinarily requires additional cooking to finish the  
20 product to its desired final condition; and

21 (g) Soft drinks means nonalcoholic beverages that contain natural or  
22 artificial sweeteners. Soft drinks does not include beverages that  
23 contain milk or milk products, soy, rice, or similar milk substitutes or  
24 that contain greater than fifty percent of vegetable or fruit juice by  
25 volume; and

26 (h) {f} Tobacco means cigarettes, cigars, chewing or pipe tobacco,  
27 or any other item that contains tobacco.

28 **Sec. 27.** Section 77-2704.25, Reissue Revised Statutes of Nebraska,  
29 is amended to read:

30 77-2704.25 Until January 1, 2027, sales Sales and use taxes shall  
31 not be imposed on the gross receipts from the sale, lease, or rental of

1 and the storage, use, or other consumption in this state of property sold  
2 by parent-booster clubs, parent-teacher associations, parent-teacher-  
3 student associations, or school-operated stores approved by an elementary  
4 or secondary school, public or private, if the proceeds from such sale  
5 are used to support school activities or the school itself.

6 **Sec. 28.** Section 77-2704.26, Reissue Revised Statutes of Nebraska,  
7 is amended to read:

8 77-2704.26 Until January 1, 2027, sales ~~Sales~~ and use taxes shall  
9 not be imposed on the gross receipts from the sale, lease, or rental of  
10 and the storage, use, or other consumption in this state of an aircraft  
11 delivered in this state to an individual who is a resident of another  
12 state or any other person who has a business location in another state  
13 when the aircraft is not to be registered or based in this state and it  
14 will not remain in this state more than ten days. Sales and use taxes  
15 shall not be imposed on the gross receipts from a service listed in  
16 subsection (4) of section 77-2701.16 that is rendered to an aircraft  
17 brought into this state by an individual who is a resident of another  
18 state or any other person who has a business location in another state  
19 when the aircraft is not to be registered or based in this state and it  
20 will not remain in this state more than ten days after the service is  
21 completed.

22 **Sec. 29.** Section 77-2704.27, Reissue Revised Statutes of Nebraska,  
23 is amended to read:

24 77-2704.27 Until January 1, 2027, sales ~~Sales~~ and use taxes shall  
25 not be imposed on the gross receipts from the sale, lease, or rental of,  
26 the service to, and the storage, use, or other consumption in this state  
27 of railroad rolling stock whether owned by a railroad or by any other  
28 person.

29 **Sec. 30.** Section 77-2704.28, Reissue Revised Statutes of Nebraska,  
30 is amended to read:

31 77-2704.28 Until January 1, 2027, a ~~A~~ lease of property from a

1 subsidiary to the parent company, from a parent company to a subsidiary,  
2 from one subsidiary to another subsidiary of the same parent company, or  
3 between brother-sister companies shall not be subject to the sales and  
4 use tax imposed by the Nebraska Revenue Act of 1967 if such property was  
5 either originally acquired prior to June 1, 1967, or if acquired  
6 thereafter, the seller or transferor directly or indirectly has  
7 previously paid a sales or use tax thereon. Such lessor company shall  
8 have the same sales and use tax liability on the purchase of property to  
9 be leased to the lessee company as the lessee company would have paid if  
10 the lessee company had purchased the property directly.

11 **Sec. 31.** Section 77-2704.30, Reissue Revised Statutes of Nebraska,  
12 is amended to read:

13 77-2704.30 The use tax imposed in the Nebraska Revenue Act of 1967  
14 shall not apply to the : ~~(1) The use in this state of materials and~~  
15 ~~replacement parts which are acquired outside this state and which are~~  
16 ~~moved into this state for use directly in the repair, installation, or~~  
17 ~~application and maintenance or manufacture of motor vehicles, watercraft,~~  
18 ~~railroad rolling stock, whether owned by a railroad or by any person,~~  
19 ~~whether a common or contract carrier or otherwise, or aircraft engaged as~~  
20 ~~common or contract carriers; and (2) The storage, use, or consumption of~~  
21 property which is acquired outside this state, the sale, lease, or rental  
22 or the storage, use, or consumption of which property and any associated  
23 labor would be exempt from the sales or use tax were it purchased within  
24 this state.

25 **Sec. 32.** Section 77-2704.36, Revised Statutes Cumulative Supplement,  
26 2024, is amended to read:

27 77-2704.36 (1) Until January 1, 2027, sales Sales and use tax shall  
28 not be imposed on the gross receipts from the sale, lease, or rental of:

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

1 (b) Net wrap, baling wire, and twine purchased for use in commercial  
2 agriculture.

3 (2) For purposes of this section:

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

11 (ii) Agricultural machinery and equipment includes, but is not  
12 limited to, header trailers, head haulers, header transports, and seed  
13 tender trailers and excludes any current tractor model as defined in  
14 section 2-2701.01 not permitted for sale in Nebraska pursuant to sections  
15 2-2701 to 2-2711;

16 (b) Baling wire means wire used in the baling of livestock feed or  
17 bedding;

18 (c) Net wrap means plastic wrap used in the baling of livestock feed  
19 or bedding; and

20 (d) Twine means a strong string of two or more strands twisted  
21 together used in the baling of livestock feed or bedding.

22 **Sec. 33.** Section 77-2704.38, Reissue Revised Statutes of Nebraska,  
23 is amended to read:

24 77-2704.38 Until January 1, 2027, sales ~~Sales~~ and use taxes shall  
25 not be imposed on the gross receipts from the sale, lease, or rental of  
26 and the storage, use, or other consumption in this state of lottery  
27 tickets purchased pursuant to the State Lottery Act.

28 **Sec. 34.** Section 77-2704.39, Reissue Revised Statutes of Nebraska,  
29 is amended to read:

30 77-2704.39 Until January 1, 2027, sales ~~Sales~~ and use taxes shall  
31 not be imposed on the gross receipts from the sale, lease, license, or

1 rental of or the storage, use, or other consumption in this state of  
2 personal property containing copyrighted material if the purchaser,  
3 lessee, licensee, or renter is operating under a certificate from the  
4 Federal Communications Commission and possesses such personal property  
5 for rebroadcasting to the general public, regardless of whether the  
6 property is in the form of satellite transmissions, films, records,  
7 tapes, discs, or other media.

8 **Sec. 35.** Section 77-2704.40, Reissue Revised Statutes of Nebraska,  
9 is amended to read:

10 77-2704.40 Until January 1, 2027, sales Sales and use taxes shall  
11 not be imposed on the gross receipts from the sale, lease, or rental of  
12 and the storage, use, or other consumption in this state of molds, dies,  
13 and patterns which have been specifically designed and fabricated to the  
14 special order of the customer. This exemption shall not include  
15 machinery, equipment, or tools to which molds, dies, and patterns have  
16 been connected or attached in order to be used for their intended  
17 purpose. For purposes of this section, molds, dies, and patterns shall  
18 mean tools that are built specifically for manufacturing a single  
19 product, which product is either injection molded from plastic or stamped  
20 from metals.

21 **Sec. 36.** Section 77-2704.41, Reissue Revised Statutes of Nebraska,  
22 is amended to read:

23 77-2704.41 (1) Until January 1, 2027, sales Sales and use taxes  
24 shall not be imposed on the gross receipts from the sale, lease, or  
25 rental of and the storage, use, or other consumption in this state of  
26 feed, water, veterinary medicines, and agricultural chemicals for  
27 consumption by, to be used on, or which are otherwise used in caring for  
28 any form of animal life of a kind the products of which ordinarily  
29 constitute food for human consumption or of a kind the pelts of which  
30 ordinarily are used for human apparel.

31 (2) For purposes of this section:

1 (a) Agricultural chemicals shall include insecticides, fungicides,  
2 growth-regulating chemicals, and hormones;

3 (b) Feed shall include all grains, minerals, salts, proteins, fats,  
4 fibers, vitamins, and grit commonly used as feed or feed supplements; and

5 (c) Veterinary medicines shall include medicines for the prevention  
6 or treatment of disease or injury.

7 **Sec. 37.** Section 77-2704.42, Reissue Revised Statutes of Nebraska,  
8 is amended to read:

9 77-2704.42 Until January 1, 2027, sales Sales and use taxes shall  
10 not be imposed on the gross receipts from the sale, lease, or rental of  
11 and the storage, use, or other consumption in this state of copies of  
12 public records as defined in section 84-712.01, except those documents  
13 developed, produced, or acquired and made available for commercial sale  
14 to the general public if the price or reproduction cost of the document  
15 is not fixed by state law, rule, or regulation.

16 **Sec. 38.** Section 77-2704.45, Reissue Revised Statutes of Nebraska,  
17 is amended to read:

18 77-2704.45 Sales and use taxes shall not be imposed on the gross  
19 receipts from the sale, lease, or rental of and the storage, use, or  
20 other consumption in this state of property ~~:(1) Property which will~~  
21 enter into and become an ingredient or component part of property  
22 manufactured, processed, or fabricated for ultimate sale at retail. ~~;- or~~

23 ~~(2) A service listed in subsection (4) of section 77-2701.16 which~~  
24 ~~will become an ingredient or component part of a service listed in~~  
25 ~~subsection (4) of section 77-2701.16 for ultimate sale at retail.~~

26 **Sec. 39.** Section 77-2704.46, Reissue Revised Statutes of Nebraska,  
27 is amended to read:

28 77-2704.46 Until January 1, 2027, sales Sales and use taxes shall  
29 not be imposed on the gross receipts from the sale, lease, or rental of  
30 and the storage, use, or other consumption in this state of:

31 (1) Any form of animal life of a kind the products of which



1 ordinarily constitute food for human consumption. Animal life includes  
2 live poultry, other species of game birds subject to permit and  
3 regulation by the Game and Parks Commission, and livestock on the hoof  
4 when sales are made by the grower, producer, feeder, or any person  
5 engaged in the business of bartering, buying, or selling live poultry,  
6 other species of game birds subject to permit and regulation by the Game  
7 and Parks Commission, or livestock on the hoof;

8 (2) Seeds and annual plants, the products of which ordinarily  
9 constitute food for human consumption and which seeds and annual plants  
10 are sold to commercial producers of such products, and seed legumes, seed  
11 grasses, and seed grains when sold to be used exclusively for  
12 agricultural purposes;

13 (3) Agricultural chemicals, adjuvants, surfactants, bonding agents,  
14 clays, oils, and any other additives or compatibility agents for use in  
15 commercial agriculture and applied to land or crops and sold in any tax  
16 period that has not been closed by the applicable statute of limitations.  
17 Agricultural chemicals does not mean chemicals, adjuvants, surfactants,  
18 bonding agents, clays, oils, and any other additives or compatibility  
19 agents applied to harvested grains stored in commercial elevators; or

20 (4) Oxygen for use in aquaculture as defined in section 2-3804.01.

21 **Sec. 40.** Section 77-2704.47, Reissue Revised Statutes of Nebraska,  
22 is amended to read:

23 77-2704.47 Until January 1, 2027, sales Sales and use taxes shall  
24 not be imposed on the gross receipts from the sale, lease, or rental of  
25 and the storage, use, or other consumption in this state of:

26 (1) Nonreturnable containers when sold without contents to persons  
27 who place contents in the container and sell the contents together with  
28 the container;

29 (2) Containers when sold with contents if the sales price of the  
30 contents is not required to be included in the measure of the taxes  
31 imposed by the Nebraska Revenue Act of 1967; and

1           (3) Returnable containers when sold with contents in connection with  
2 a retail sale of the contents or when resold for refilling.

3           For purposes of this section, returnable containers means containers  
4 of a kind customarily returned by the buyer of the contents for reuse.  
5 All other containers are nonreturnable containers.

6           **Sec. 41.** Section 77-2704.48, Reissue Revised Statutes of Nebraska,  
7 is amended to read:

8           77-2704.48 Until January 1, 2027, sales ~~Sales~~ and use taxes shall  
9 not be imposed on the gross receipts from the sale, lease, or rental of  
10 and the storage, use, or other consumption in this state of property or  
11 services the transfer of which to the consumer constitutes an occasional  
12 sale or the transfer of which to the consumer is made by way of an  
13 occasional sale.

14          **Sec. 42.** Section 77-2704.50, Reissue Revised Statutes of Nebraska,  
15 is amended to read:

16          77-2704.50 Until January 1, 2027, sales ~~Sales~~ and use taxes shall  
17 not be imposed on the gross receipts from the sale, lease, or rental of  
18 and the storage, use, or other consumption in this state from the  
19 purchase in this state or the purchase outside this state, with title  
20 passing in this state, of materials and replacement parts and any  
21 associated labor used as or used directly in the repair and maintenance  
22 or manufacture of railroad rolling stock, whether owned by a railroad or  
23 by any person, whether a common or contract carrier or otherwise, motor  
24 vehicles, watercraft, or aircraft engaged as common or contract carriers  
25 or the purchase in such manner of motor vehicles, watercraft, or aircraft  
26 to be used as common or contract carriers. All purchasers seeking to take  
27 advantage of the exemption shall apply to the Tax Commissioner for a  
28 common or contract carrier exemption. All common or contract carrier  
29 exemption certificates shall expire on October 31, 2013, and on October  
30 31 every five years thereafter. All persons seeking to continue to take  
31 advantage of the common or contract carrier exemption shall apply for a

1 new certificate at the expiration of the prior certificate. The Tax  
2 Commissioner shall notify such exemption certificate holders at least  
3 sixty days prior to the expiration date of such certificate that the  
4 certificate will expire and be null and void as of such date.

5 **Sec. 43.** Section 77-2704.51, Reissue Revised Statutes of Nebraska,  
6 is amended to read:

7 77-2704.51 Until January 1, 2027, sales ~~Sales~~ and use taxes shall  
8 not be imposed on the gross receipts from the sale, lease, or rental of  
9 and the storage, use, or other consumption in this state of:

10 (1) Telecommunications service between telecommunications companies,  
11 including division of revenue, settlements, or carrier access charges; or

12 (2) Dark fiber as defined in section 86-574 between  
13 telecommunications companies.

14 **Sec. 44.** Section 77-2704.52, Reissue Revised Statutes of Nebraska,  
15 is amended to read:

16 77-2704.52 Until January 1, 2027, sales ~~Sales~~ and use taxes shall  
17 not be imposed on the gross receipts from the sale, lease, or rental of  
18 and the storage, use, or other consumption in this state of services  
19 rendered using a prepaid calling service or a prepaid wireless calling  
20 service.

21 **Sec. 45.** Section 77-2704.53, Reissue Revised Statutes of Nebraska,  
22 is amended to read:

23 77-2704.53 Until January 1, 2027, sales ~~Sales~~ and use taxes shall  
24 not be imposed on the gross receipts from the sale, lease, or rental of  
25 and the storage, use, or other consumption in this state from the sale or  
26 rental of videotape and film rentals, satellite programming, and  
27 satellite programming service when the sales tax or the admission tax is  
28 charged under the Nebraska Revenue Act of 1967 and except as provided in  
29 section 77-2704.39.

30 **Sec. 46.** Section 77-2704.56, Reissue Revised Statutes of Nebraska,  
31 is amended to read:

1        77-2704.56 Until January 1, 2027, sales Sales and use taxes shall  
2 not be imposed on the gross receipts from the sale, lease, or rental of  
3 and the storage, use, or other consumption in this state of purchases of  
4 property as defined in subdivision (8) of section 51-702 or fine art by  
5 any museum as defined in subdivision (6) of section 51-702.

6        **Sec. 47.** Section 77-2704.57, Reissue Revised Statutes of Nebraska,  
7 is amended to read:

8        77-2704.57 (1) Until January 1, 2027, sales Sales and use tax shall  
9 not be imposed on the gross receipts from the sale, lease, or rental of  
10 personal property for use in a C-BED project or community-based energy  
11 development project. This exemption shall be conditioned upon filing  
12 requirements for the exemption as imposed by the Tax Commissioner. The  
13 requirements imposed by the Tax Commissioner shall be related to ensuring  
14 that the property purchased qualifies for the exemption. The Tax  
15 Commissioner may require the filing of the documents showing compliance  
16 with section 70-1907, the organization of the project, the distribution  
17 of the payments, the power purchase agreements, the project pro forma,  
18 articles of incorporation, operating agreements, and any amendments or  
19 changes to these documents during the life of the power purchase  
20 agreement.

21        (2) The Tax Commissioner shall notify an electric supplier that has  
22 a power purchase agreement with a C-BED project if there is a change in  
23 project ownership which makes the project no longer eligible as a C-BED  
24 project. Purchase of a C-BED project by an electric supplier prior to the  
25 end of the power purchase agreement disqualifies the C-BED project for  
26 the exemption, but the Department of Revenue may not recover the amount  
27 of the sales and use tax that was not paid by the project prior to the  
28 purchase.

29        (3) For purposes of this section, the terms (a) C-BED project or  
30 community-based energy development project, (b) electric supplier, (c)  
31 gross power purchase agreement payments, (d) payments to the local

1 community, and (e) qualified owner have the definitions found in section  
2 70-1903.

3 (4) The Department of Revenue may examine the actual payments and  
4 the distribution of the payments to determine if the projected  
5 distributions were met. If the payment distributions to qualified owners  
6 do not meet the requirements of this section, the department may recover  
7 the amount of the sales or use tax that was not paid by the project at  
8 any time up until the end of three years after the end of the power  
9 purchase agreement.

10 (5) At any time prior to the end of the power purchase agreements,  
11 the project may voluntarily surrender the exemption granted by the Tax  
12 Commissioner and pay the amount of sales and use tax that would otherwise  
13 have been due.

14 (6) The amount of the tax due under either subsection (4) or (5) of  
15 this section shall be increased by interest at the rate specified in  
16 section 45-104.02, as such rate may from time to time be adjusted, from  
17 the date the tax would have been due if no exemption was granted until  
18 the date paid.

19 **Sec. 48.** Section 77-2704.58, Reissue Revised Statutes of Nebraska,  
20 is amended to read:

21 77-2704.58 Until January 1, 2027, sales ~~Sales~~ and use taxes shall  
22 not be imposed on the gross receipts from the sale, use, or other  
23 consumption in this state of depositions, bills of exceptions, and  
24 transcripts or copies of such depositions, bills of exceptions, and  
25 transcripts prepared and sold by a court reporter.

26 **Sec. 49.** Section 77-2704.60, Reissue Revised Statutes of Nebraska,  
27 is amended to read:

28 77-2704.60 Until January 1, 2027, sales ~~Sales~~ and use taxes shall  
29 not be imposed on the gross receipts from the sale, lease, or rental of  
30 and the storage, use, or other consumption in this state of mineral oil  
31 to be applied to grain as a dust suppressant.

1           **Sec. 50.** Section 77-2704.61, Reissue Revised Statutes of Nebraska,  
2 is amended to read:

3           77-2704.61 (1) Until January 1, 2027, sales ~~Sales~~ and use taxes  
4 shall not be imposed on the gross receipts from the sale, lease, or  
5 rental of and the storage, use, or other consumption in this state of  
6 biochips used for the purposes of conducting genotyping or the analysis  
7 of gene expression, protein expression, genomic sequencing, or protein  
8 profiling of plants, animals, or nonhuman laboratory research model  
9 organisms.

10          (2) For purposes of this section, a biochip is a solid substrate  
11 upon or into which is incorporated specific genetic or protein  
12 information or chemicals that are queried through one or more chemical  
13 interactions allowing (a) an isolation of one or more single nucleotide  
14 polymorphisms which constitute an animal or plant genotype, (b) an  
15 expression profile which measures activity of genes or the presence of  
16 proteins, or (c) a detailed genomic sequence or protein profile. The  
17 specific genetic or protein information or chemicals incorporated upon or  
18 into the biochip are consumed in the process of conducting the analysis.

19           **Sec. 51.** Section 77-2704.62, Reissue Revised Statutes of Nebraska,  
20 is amended to read:

21          77-2704.62 Until January 1, 2027, sales ~~Sales~~ and use taxes shall  
22 not be imposed on the gross receipts from the sale, lease, or rental of  
23 and the storage, use, or other consumption in this state of tangible  
24 personal property and services acquired by a person operating a data  
25 center located in this state that are assembled, engineered, processed,  
26 fabricated, manufactured into, attached to, or incorporated into other  
27 tangible personal property for the purpose of subsequent use at a  
28 physical location outside this state. Such exemption extends to keeping,  
29 retaining, or exercising any right or power over such tangible personal  
30 property in this state for the purpose of subsequently transporting it  
31 outside this state for use thereafter outside this state.

1       **Sec. 52.** Section 77-2704.63, Reissue Revised Statutes of Nebraska,  
2 is amended to read:

3       77-2704.63 (1) Until January 1, 2027, sales ~~Sales~~ and use taxes  
4 shall not be imposed on the gross receipts from the sale, use, or other  
5 consumption of amounts charged to participate in a youth sports event,  
6 youth sports league, or youth competitive educational activity by  
7 political subdivisions or organizations that are exempt from income tax  
8 under section 501(c)(3) of the Internal Revenue Code.

9       (2) For purposes of this section:

10       (a) Competitive educational activity means a tournament or a single  
11 competition that occurs over a limited period of time annually or  
12 intermittently where the participants engage in a competitive educational  
13 activity;

14       (b) Sports event means a tournament or a single competition that  
15 occurs over a limited period of time annually or intermittently where the  
16 participants engage in a sport;

17       (c) Sports league means an organized series of sports competitions  
18 taking place over several weeks or months between teams or individuals  
19 that are members of the league; and

20       (d) Youth sports event, youth sports league, or youth competitive  
21 educational activity means an event, league, or activity that is  
22 restricted to participants who are less than nineteen years of age.

23       **Sec. 53.** Section 77-2704.64, Reissue Revised Statutes of Nebraska,  
24 is amended to read:

25       77-2704.64 Until January 1, 2027, sales ~~Sales~~ and use taxes shall  
26 not be imposed on the gross receipts from the sale, lease, or rental of  
27 and the storage, use, or other consumption in this state of repair or  
28 replacement parts for agricultural machinery and equipment used in  
29 commercial agriculture.

30       **Sec. 54.** Section 77-2704.65, Reissue Revised Statutes of Nebraska,  
31 is amended to read:

1           77-2704.65 (1) Until January 1, 2027, sales ~~Sales~~ and use taxes  
2 shall not be imposed on the gross receipts from the sale, lease, or  
3 rental of and the storage, use, or other consumption in this state of  
4 purchases by any historic automobile museum of items which are displayed  
5 or held for display by such historic automobile museum and which are  
6 reasonably related to the general purpose of such historic automobile  
7 museum.

8           (2) For purposes of this section, historic automobile museum means a  
9 museum as defined in section 51-702 that:

10          (a) Is used to maintain and exhibit to the public a collection of at  
11 least one hundred fifty motor vehicles; and

12          (b) Was open to the public an average of four or more hours per week  
13 during the previous calendar year.

14          (3) A museum in its first year of existence may qualify as a  
15 historic automobile museum under this section without complying with  
16 subdivision (2)(b) of this section if all other requirements of  
17 subsection (2) of this section are met.

18          (4) If a museum that has claimed an exemption under this section  
19 fails to qualify as a historic automobile museum, such museum shall be  
20 subject to a deficiency determination under section 77-2709 and notice of  
21 such deficiency determination may be served or mailed within the  
22 applicable period provided in subdivision (5)(c) of section 77-2709.

23          **Sec. 55.** Section 77-2704.67, Reissue Revised Statutes of Nebraska,  
24 is amended to read:

25          77-2704.67 Until January 1, 2027, sales ~~Sales~~ and use taxes shall  
26 not be imposed on the gross receipts from the sale, lease, or rental of  
27 and the storage, use, or other consumption in this state of any sale of a  
28 membership in or an admission to or any purchase by a nationally  
29 accredited zoo or aquarium operated by a public agency or nonprofit  
30 corporation primarily for educational, scientific, or tourism purposes.

31          **Sec. 56.** Section 77-2704.68, Revised Statutes Cumulative Supplement,



1 2024, is amended to read:

2 77-2704.68 Until January 1, 2027, sales Sales and use taxes shall  
3 not be imposed on the gross receipts from the sale, lease, or rental of  
4 and the storage, use, or other consumption in this state of residential  
5 water service.

6 **Sec. 57.** Section 77-2704.69, Revised Statutes Cumulative Supplement,  
7 2024, is amended to read:

8 77-2704.69 Until January 1, 2027, sales Sales and use taxes shall  
9 not be imposed on the gross receipts from the sale, lease, or rental of  
10 and the storage, use, or other consumption in this state of all  
11 catalysts, chemicals, and materials used in the process of manufacturing  
12 ethyl alcohol and the production of coproducts.

13 **Sec. 58.** Sales and use taxes shall not be imposed on the gross  
14 receipts from the following services enumerated in the Standard  
15 Industrial Classification Manual, 1987, as prepared by the Statistical  
16 Policy Division of the Office of Management and Budget, Office of the  
17 President: Health services, major group 80.

18 **Sec. 59.** Section 77-2706, Reissue Revised Statutes of Nebraska, is  
19 amended to read:

20 77-2706 (1) A resale certificate may be given by a purchaser who at  
21 the time of purchasing the property intends to sell, lease, or rent it in  
22 the regular course of business. A seller making repeated sales of the  
23 same type to the same purchaser shall not be required to take a separate  
24 resale certificate for each individual sale, but may, at his or her own  
25 risk, take a blanket certificate covering all such sales made to the same  
26 purchaser.

27 (2) The resale certificate shall be on such form and require the  
28 furnishing of such information as the Tax Commissioner may require by  
29 rule and regulation.

30 (3) If a purchaser who gives a resale certificate makes any use of  
31 the property other than retention, demonstration, or display while

1 holding it for sale, lease, or rental in the regular course of business,  
2 the use shall be taxable to the purchaser as of the time when the  
3 property is first so used and the sales price of the property to him or  
4 her shall be deemed the measure of the tax.

5 (4) Any person who gives a resale certificate to the seller for  
6 property which he or she knows, at the time of purchase, is purchased for  
7 the purpose of use rather than for the purpose of resale, lease, or  
8 rental by him or her in the regular course of business and each officer  
9 of any corporation which so gives a resale certificate shall be guilty of  
10 a misdemeanor.

11 (5) If a purchaser gives a resale certificate with respect to the  
12 purchase of tangible goods and thereafter commingles such goods with  
13 other tangible goods not so purchased but of such similarity that the  
14 identity of the constituent goods in the commingled mass cannot be  
15 determined, sales from the mass of commingled goods shall be deemed to be  
16 sales of the goods covered by the resale certificate until a quantity of  
17 commingled goods equal to the quantity of such goods so commingled has  
18 been sold.

19 (6) Until January 1, 2027, any Any person, firm, or corporation  
20 engaged in multistate operations and engaged as a common or contract  
21 carrier may apply to the Tax Commissioner for an exemption certificate  
22 which will permit such person or corporation to make purchases of any  
23 nature within this state or without this state and bring such purchases  
24 into this state for use both within and without this state, for storage  
25 in this state, and when withdrawn from storage to be used within or  
26 without the state without paying the sales or use tax thereon, until such  
27 articles, materials, or supplies or finished products are placed in use  
28 within this state. When such articles, materials, supplies, or finished  
29 products are used within this state, a person to whom such exemption  
30 certificate has been issued shall, on the last day of the first following  
31 month after which such articles, materials, supplies, or finished

1 products are put to use within this state, make a report to the Tax  
2 Commissioner as to the amount of use or sales tax, if any, which is due  
3 the state and make the payments to the state at the time of making the  
4 return. If the Tax Commissioner, after investigation, finds that the  
5 applicant maintains satisfactory books of account and that granting such  
6 exemption would not result in the evasion or avoidance of any tax  
7 otherwise properly due, he or she shall issue such exemption certificate.  
8 Any person granted such an exemption certificate shall furnish a copy  
9 thereof to any vendor from whom purchases are made and such vendor may  
10 deliver any such purchases to the holder of any such certificate without  
11 collection of any such sales tax. The fee for such exemption certificate  
12 shall be ten dollars. The revenue from such fees shall be placed in the  
13 General Fund.

14 (7) If any person, firm, corporation, association, or the agent  
15 thereof presents a resale certificate to the seller for property which is  
16 purchased for a use other than for resale, lease, or rental by him or her  
17 in the regular course of business, the Tax Commissioner may impose,  
18 assess, and collect from the purchaser or the agent thereof a penalty of  
19 one hundred dollars or ten times the tax, whichever amount is larger, for  
20 each instance of such presentation and misuse of a resale certificate.  
21 This amount shall be in addition to any tax, interest, or penalty  
22 otherwise imposed.

23 Any report, name, or information which is supplied to the Tax  
24 Commissioner regarding a violation specified in this section, including  
25 the identity of the informer, shall be subject to the pertinent  
26 provisions regarding wrongful disclosure in section 77-2711.

27 **Sec. 60.** Section 77-2706.02, Revised Statutes Supplement, 2025, is  
28 amended to read:

29 77-2706.02 (1) This section applies on and after July 1, 2026, and  
30 until January 1, 2027.

31 (2) The appointment of purchasing agents shall be recognized for the

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

13 (3) A client described in subsection (2) of this section which  
14 enters into a contract of construction, improvement, or repair with  
15 respect to buyer-based tax-exempt items annexed to real estate without  
16 first issuing a purchasing agent authorization to a construction  
17 contractor prior to such items being annexed to real estate in the  
18 project may apply to the Tax Commissioner for a refund of any sales and  
19 use tax paid by the contractor on such items physically annexed to real  
20 estate in the construction, improvement, or repair.

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

22 **Sec. 61.** Section 77-27,132, Revised Statutes Cumulative Supplement,  
23 2024, is amended to read:

24 77-27,132 (1) There is hereby created a fund to be designated the  
25 Revenue Distribution Fund which shall be set apart and maintained by the  
26 Tax Commissioner. Revenue not required to be credited to the General Fund  
27 or any other specified fund may be credited to the Revenue Distribution  
28 Fund. Credits and refunds of such revenue shall be paid from the Revenue  
29 Distribution Fund. The balance of the amount credited, after credits and  
30 refunds, shall be allocated as provided by the statutes creating such  
31 revenue.

1           (2) The Tax Commissioner shall pay to a depository bank designated  
2 by the State Treasurer all amounts collected under the Nebraska Revenue  
3 Act of 1967. The Tax Commissioner shall present to the State Treasurer  
4 bank receipts showing amounts so deposited in the bank, and of the  
5 amounts so deposited the State Treasurer shall:

6           (a)(i) For transactions occurring on or after October 1, 2014, and  
7 before July 1, 2024, credit to the Game and Parks Commission Capital  
8 Maintenance Fund all of the proceeds of the sales and use taxes imposed  
9 pursuant to section 77-2703 on the sale or lease of motorboats as defined  
10 in section 37-1204, personal watercraft as defined in section 37-1204.01,  
11 all-terrain vehicles as defined in section 60-103, and utility-type  
12 vehicles as defined in section 60-135.01; and

13           (ii) For transactions occurring on or after July 1, 2024, credit to  
14 the Game and Parks Commission Capital Maintenance Fund all of the  
15 proceeds of the sales and use taxes imposed pursuant to section 77-2703  
16 on the sale or lease of motorboats as defined in section 37-1204,  
17 personal watercraft as defined in section 37-1204.01, all-terrain  
18 vehicles as defined in section 60-103, and utility-type vehicles as  
19 defined in section 60-135.01, and from such proceeds, transfers shall be  
20 made to the Nebraska Emergency Medical System Operations Fund as provided  
21 in section 37-327.02;

22           (b) Credit to the Highway Trust Fund all of the proceeds of the  
23 sales and use taxes derived from the sale or lease for periods of more  
24 than thirty-one days of motor vehicles, trailers, and semitrailers,  
25 except that the proceeds equal to any sales tax rate provided for in  
26 section 77-2701.02 that is in excess of five percent derived from the  
27 sale or lease for periods of more than thirty-one days of motor vehicles,  
28 trailers, and semitrailers shall be credited to the Highway Allocation  
29 Fund;

30           (c) For transactions occurring on or after July 1, 2013, and before  
31 July 1, 2042, of the proceeds of the sales and use taxes derived from

1 transactions other than those listed in subdivisions (2)(a), (b), and (e)  
2 of this section from a sales tax rate of one-quarter of one percent,  
3 credit monthly eighty-five percent to the Highway Trust Fund and fifteen  
4 percent to the Highway Allocation Fund;

5 (d) Of the proceeds of the sales and use taxes derived from  
6 transactions other than those listed in subdivisions (2)(a), (b), and (e)  
7 of this section, credit to the Property Tax Credit Cash Fund the amount  
8 certified under section 77-27,237, if any such certification is made; and

9 (e) For transactions occurring on or after July 1, 2023, credit to  
10 the Department of Transportation Aeronautics Capital Improvement Fund all  
11 of the proceeds of the sales and use taxes imposed pursuant to section  
12 77-2703 on the sale or lease of aircraft as defined in section 3-101;  
13 and -

14 (f) For transactions occurring on or after January 1, 2027, credit  
15 to the New School Relief Fund an amount equal to the increase in sales  
16 and use tax revenue received as a result of the changes made by this  
17 legislative bill. The amount to be credited under this subdivision shall  
18 be determined annually by the Tax Commissioner on or before July 1.

19 The balance of all amounts collected under the Nebraska Revenue Act  
20 of 1967 shall be credited to the General Fund.

21 **Sec. 62.** Section 77-27,235, Reissue Revised Statutes of Nebraska, is  
22 amended to read:

23 77-27,235 (1) Any producer of electricity generated by a new  
24 renewable electric generation facility shall earn a renewable energy tax  
25 credit. For electricity generated on or after July 14, 2006, and before  
26 October 1, 2007, the credit shall be .075 cent for each kilowatt-hour of  
27 electricity generated by a new renewable electric generation facility.  
28 For electricity generated on or after October 1, 2007, and before January  
29 1, 2010, the credit shall be .1 cent for each kilowatt-hour of  
30 electricity generated by a new renewable electric generation facility.  
31 For electricity generated on or after January 1, 2010, and before January

1 1, 2013, the credit shall be .075 cent per kilowatt-hour for electricity  
2 generated by a new renewable electric generation facility. For  
3 electricity generated on or after January 1, 2013, the credit shall be  
4 .05 cent per kilowatt-hour for electricity generated by a new renewable  
5 electric generation facility. The credit may be earned for production of  
6 electricity for ten years after the date that the facility is placed in  
7 operation on or after July 14, 2006.

8 (2) For purposes of this section:

9 (a) Electricity generated by a new renewable electric generation  
10 facility means electricity that is exclusively produced by a new  
11 renewable electric generation facility;

12 (b) Eligible renewable resources means wind, moving water, solar,  
13 geothermal, fuel cell, methane gas, or photovoltaic technology; and

14 (c) New renewable electric generation facility means an electrical  
15 generating facility located in this state that is first placed into  
16 service on or after July 14, 2006, which utilizes eligible renewable  
17 resources as its fuel source.

18 (3) The credit allowed under this section may be used to reduce the  
19 producer's Nebraska income tax liability or to obtain a refund of state  
20 sales and use taxes paid by the producer of electricity generated by a  
21 new renewable electric generation facility. A claim to use the credit for  
22 refund of the state sales and use taxes paid, either directly or  
23 indirectly, by the producer may be filed quarterly for electricity  
24 generated during the previous quarter by the twentieth day of the month  
25 following the end of the calendar quarter. The credit may be used to  
26 obtain a refund of state sales and use taxes paid during the quarter  
27 immediately preceding the quarter in which the claim for refund is made,  
28 except that the amount refunded under this subsection shall not exceed  
29 the amount of the state sales and use taxes paid during the quarter.

30 (4) The Department of Revenue may adopt and promulgate rules and  
31 regulations to permit verification of the validity and timeliness of any

1 renewable energy tax credit claimed.

2 (5) The total amount of renewable energy tax credits that may be  
3 used by all taxpayers shall be limited to fifty thousand dollars without  
4 further authorization from the Legislature.

5 ~~(6) The credit allowed under this section may not be claimed by a~~  
6 ~~producer who received a sales tax exemption under section 77-2704.57 for~~  
7 ~~the new renewable electric generation facility.~~

8 ~~(6) (7)~~ Interest shall not be allowed on any refund paid under this  
9 section.

10 **Sec. 63.** Section 77-3442, Revised Statutes Supplement, 2025, is  
11 amended to read:

12 77-3442 (1) Property tax levies for the support of local governments  
13 for fiscal years beginning on or after July 1, 1998, shall be limited to  
14 the amounts set forth in this section except as provided in section  
15 77-3444.

16 (2)(a) Except as provided in subdivisions (2)(b) and (2)(e) of this  
17 section, school districts and multiple-district school systems may levy a  
18 maximum levy of:

19 (i) For fiscal years prior to fiscal year 2027-28, one dollar and  
20 five cents per one hundred dollars of taxable valuation of property  
21 subject to the levy; -

22 (ii) For fiscal year 2027-28, eighty-five cents per one hundred  
23 dollars of taxable valuation of property subject to the levy; and

24 (iii) For fiscal year 2028-29 and each fiscal year thereafter, sixty  
25 cents per one hundred dollars of taxable valuation of property subject to  
26 the levy.

27 (b) For each fiscal year prior to fiscal year 2017-18, learning  
28 communities may levy a maximum levy for the general fund budgets of  
29 member school districts of ninety-five cents per one hundred dollars of  
30 taxable valuation of property subject to the levy. The proceeds from the  
31 levy pursuant to this subdivision shall be distributed pursuant to



1 section 79-1073.

2 (c) Except as provided in subdivision (2)(e) of this section, for  
3 each fiscal year prior to fiscal year 2017-18, school districts that are  
4 members of learning communities may levy for purposes of such districts'  
5 general fund budget and special building funds a maximum combined levy of  
6 the difference of one dollar and five cents on each one hundred dollars  
7 of taxable property subject to the levy minus the learning community levy  
8 pursuant to subdivision (2)(b) of this section for such learning  
9 community.

10 (d) Excluded from the limitations in subdivisions (2)(a) and (2)(c)  
11 of this section are (i) amounts levied to pay for current and future sums  
12 agreed to be paid by a school district to certificated employees in  
13 exchange for a voluntary termination of employment occurring prior to  
14 September 1, 2017, (ii) amounts levied by a school district otherwise at  
15 the maximum levy pursuant to subdivision (2)(a) of this section to pay  
16 for current and future qualified voluntary termination incentives for  
17 certificated teachers pursuant to subsection (3) of section 79-8,142 that  
18 are not otherwise included in an exclusion pursuant to subdivision (2)(d)  
19 of this section, (iii) amounts levied by a school district otherwise at  
20 the maximum levy pursuant to subdivision (2)(a) of this section to pay  
21 for seventy-five percent of the current and future sums agreed to be paid  
22 to certificated employees in exchange for a voluntary termination of  
23 employment occurring between September 1, 2017, and August 31, 2018, as a  
24 result of a collective-bargaining agreement in force and effect on  
25 September 1, 2017, that are not otherwise included in an exclusion  
26 pursuant to subdivision (2)(d) of this section, (iv) amounts levied by a  
27 school district otherwise at the maximum levy pursuant to subdivision (2)  
28 (a) of this section to pay for fifty percent of the current and future  
29 sums agreed to be paid to certificated employees in exchange for a  
30 voluntary termination of employment occurring between September 1, 2018,  
31 and August 31, 2019, as a result of a collective-bargaining agreement in

1 force and effect on September 1, 2017, that are not otherwise included in  
2 an exclusion pursuant to subdivision (2)(d) of this section, (v) amounts  
3 levied by a school district otherwise at the maximum levy pursuant to  
4 subdivision (2)(a) of this section to pay for twenty-five percent of the  
5 current and future sums agreed to be paid to certificated employees in  
6 exchange for a voluntary termination of employment occurring between  
7 September 1, 2019, and August 31, 2020, as a result of a collective-  
8 bargaining agreement in force and effect on September 1, 2017, that are  
9 not otherwise included in an exclusion pursuant to subdivision (2)(d) of  
10 this section, (vi) amounts levied in compliance with sections 79-10,110  
11 and 79-10,110.02, (vii) amounts levied pursuant to section 71 of this  
12 act, and (viii) ~~(vii)~~ amounts levied to pay for special building funds  
13 and sinking funds established for projects commenced prior to April 1,  
14 1996, for construction, expansion, or alteration of school district  
15 buildings. For purposes of this subsection, commenced means any action  
16 taken by the school board on the record which commits the board to expend  
17 district funds in planning, constructing, or carrying out the project.

18 (e) Federal aid school districts may exceed the maximum levy  
19 prescribed by subdivision (2)(a) or (2)(c) of this section only to the  
20 extent necessary to qualify to receive federal aid pursuant to Title VIII  
21 of Public Law 103-382, as such title existed on September 1, 2001. For  
22 purposes of this subdivision, federal aid school district means any  
23 school district which receives ten percent or more of the revenue for its  
24 general fund budget from federal government sources pursuant to Title  
25 VIII of Public Law 103-382, as such title existed on September 1, 2001.

26 (f) For each fiscal year, learning communities may levy a maximum  
27 levy of one-half cent on each one hundred dollars of taxable property  
28 subject to the levy for elementary learning center facility leases, for  
29 remodeling of leased elementary learning center facilities, and for up to  
30 fifty percent of the estimated cost for focus school or program capital  
31 projects approved by the learning community coordinating council pursuant

1 to section 79-2111.

2 (g) For each fiscal year, learning communities may levy a maximum  
3 levy of one and one-half cents on each one hundred dollars of taxable  
4 property subject to the levy for early childhood education programs for  
5 children in poverty, for elementary learning center employees, for  
6 contracts with other entities or individuals who are not employees of the  
7 learning community for elementary learning center programs and services,  
8 and for pilot projects, except that no more than ten percent of such levy  
9 may be used for elementary learning center employees.

10 (3) For each fiscal year through fiscal year 2023-24, community  
11 college areas may levy the levies provided in subdivisions (2)(a) through  
12 (c) of section 85-1517, in accordance with the provisions of such  
13 subdivisions. For fiscal year 2024-25 and each fiscal year thereafter,  
14 community college areas may levy the levies provided in subdivisions (2)  
15 (a) and (b) of section 85-1517, in accordance with the provisions of such  
16 subdivisions. A community college area may exceed the levy provided in  
17 subdivision (2)(a) of section 85-1517 by the amount necessary to generate  
18 sufficient revenue as described in section 85-1543 or 85-2238. A  
19 community college area may exceed the levy provided in subdivision (2)(b)  
20 of section 85-1517 by the amount necessary to retire general obligation  
21 bonds assumed by the community college area or issued pursuant to section  
22 85-1515 according to the terms of such bonds or for any obligation  
23 pursuant to section 85-1535 entered into prior to January 1, 1997.

24 (4)(a) Natural resources districts may levy a maximum levy of four  
25 and one-half cents per one hundred dollars of taxable valuation of  
26 property subject to the levy.

27 (b) Natural resources districts shall also have the power and  
28 authority to levy a tax equal to the dollar amount by which their  
29 restricted funds budgeted to administer and implement ground water  
30 management activities and integrated management activities under the  
31 Nebraska Ground Water Management and Protection Act exceed their

1 restricted funds budgeted to administer and implement ground water  
2 management activities and integrated management activities for FY2003-04,  
3 not to exceed one cent on each one hundred dollars of taxable valuation  
4 annually on all of the taxable property within the district.

5 (c) In addition, natural resources districts located in a river  
6 basin, subbasin, or reach that has been determined to be fully  
7 appropriated pursuant to section 46-714 or designated as overappropriated  
8 pursuant to section 46-713 by the Chief Water Officer of the Department  
9 of Water, Energy, and Environment shall also have the power and authority  
10 to levy a tax equal to the dollar amount by which their restricted funds  
11 budgeted to administer and implement ground water management activities  
12 and integrated management activities under the Nebraska Ground Water  
13 Management and Protection Act exceed their restricted funds budgeted to  
14 administer and implement ground water management activities and  
15 integrated management activities for FY2005-06, not to exceed three cents  
16 on each one hundred dollars of taxable valuation on all of the taxable  
17 property within the district for fiscal year 2006-07 and each fiscal year  
18 thereafter through fiscal year 2017-18.

19 (5) Any educational service unit authorized to levy a property tax  
20 pursuant to section 79-1225 may levy a maximum levy of one and one-half  
21 cents per one hundred dollars of taxable valuation of property subject to  
22 the levy.

23 (6)(a) Incorporated cities and villages which are not within the  
24 boundaries of a municipal county may levy a maximum levy of forty-five  
25 cents per one hundred dollars of taxable valuation of property subject to  
26 the levy plus an additional five cents per one hundred dollars of taxable  
27 valuation to provide financing for the municipality's share of revenue  
28 required under an agreement or agreements executed pursuant to the  
29 Interlocal Cooperation Act or the Joint Public Agency Act. The maximum  
30 levy shall include amounts levied to pay for sums to support a library  
31 pursuant to section 51-201, museum pursuant to section 51-501, visiting

1 community nurse, home health nurse, or home health agency pursuant to  
2 section 71-1637, or statue, memorial, or monument pursuant to section  
3 80-202.

4 (b) Incorporated cities and villages which are within the boundaries  
5 of a municipal county may levy a maximum levy of ninety cents per one  
6 hundred dollars of taxable valuation of property subject to the levy. The  
7 maximum levy shall include amounts paid to a municipal county for county  
8 services, amounts levied to pay for sums to support a library pursuant to  
9 section 51-201, a museum pursuant to section 51-501, a visiting community  
10 nurse, home health nurse, or home health agency pursuant to section  
11 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

12 (7) Sanitary and improvement districts which have been in existence  
13 for more than five years may levy a maximum levy of forty cents per one  
14 hundred dollars of taxable valuation of property subject to the levy, and  
15 sanitary and improvement districts which have been in existence for five  
16 years or less shall not have a maximum levy. Unconsolidated sanitary and  
17 improvement districts which have been in existence for more than five  
18 years and are located in a municipal county may levy a maximum of eighty-  
19 five cents per hundred dollars of taxable valuation of property subject  
20 to the levy.

21 (8) Counties may levy or authorize a maximum levy of fifty cents per  
22 one hundred dollars of taxable valuation of property subject to the levy,  
23 except that five cents per one hundred dollars of taxable valuation of  
24 property subject to the levy may only be levied to provide financing for  
25 the county's share of revenue required under an agreement or agreements  
26 executed pursuant to the Interlocal Cooperation Act or the Joint Public  
27 Agency Act. The maximum levy shall include amounts levied to pay for sums  
28 to support a library pursuant to section 51-201 or museum pursuant to  
29 section 51-501. The county may allocate up to fifteen cents of its  
30 authority to other political subdivisions subject to allocation of  
31 property tax authority under subsection (1) of section 77-3443 and not

1 specifically covered in this section to levy taxes as authorized by law  
2 which do not collectively exceed fifteen cents per one hundred dollars of  
3 taxable valuation on any parcel or item of taxable property. The county  
4 may allocate to one or more other political subdivisions subject to  
5 allocation of property tax authority by the county under subsection (1)  
6 of section 77-3443 some or all of the county's five cents per one hundred  
7 dollars of valuation authorized for support of an agreement or agreements  
8 to be levied by the political subdivision for the purpose of supporting  
9 that political subdivision's share of revenue required under an agreement  
10 or agreements executed pursuant to the Interlocal Cooperation Act or the  
11 Joint Public Agency Act. If an allocation by a county would cause another  
12 county to exceed its levy authority under this section, the second county  
13 may exceed the levy authority in order to levy the amount allocated.

14 (9) Municipal counties may levy or authorize a maximum levy of one  
15 dollar per one hundred dollars of taxable valuation of property subject  
16 to the levy. The municipal county may allocate levy authority to any  
17 political subdivision or entity subject to allocation under section  
18 77-3443.

19 (10) Beginning July 1, 2016, rural and suburban fire protection  
20 districts may levy a maximum levy of ten and one-half cents per one  
21 hundred dollars of taxable valuation of property subject to the levy if  
22 (a) such district is located in a county that had a levy pursuant to  
23 subsection (8) of this section in the previous year of at least forty  
24 cents per one hundred dollars of taxable valuation of property subject to  
25 the levy or (b) such district had a levy request pursuant to section  
26 77-3443 in any of the three previous years and the county board of the  
27 county in which the greatest portion of the valuation of such district is  
28 located did not authorize any levy authority to such district in such  
29 year.

30 (11) A regional metropolitan transit authority may levy a maximum  
31 levy of ten cents per one hundred dollars of taxable valuation of

1 property subject to the levy for each fiscal year that commences on the  
2 January 1 that follows the effective date of the conversion of the  
3 transit authority established under the Transit Authority Law into the  
4 regional metropolitan transit authority.

5 (12) Property tax levies (a) for judgments, except judgments or  
6 orders from the Commission of Industrial Relations, obtained against a  
7 political subdivision which require or obligate a political subdivision  
8 to pay such judgment, to the extent such judgment is not paid by  
9 liability insurance coverage of a political subdivision, (b) for  
10 preexisting lease-purchase contracts approved prior to July 1, 1998, (c)  
11 for bonds as defined in section 10-134 approved according to law and  
12 secured by a levy on property except as provided in section 44-4317 for  
13 bonded indebtedness issued by educational service units and school  
14 districts, (d) for payments by a public airport to retire interest-free  
15 loans from the Division of Aeronautics of the Department of  
16 Transportation in lieu of bonded indebtedness at a lower cost to the  
17 public airport, and (e) to pay for cancer benefits provided on or after  
18 January 1, 2022, pursuant to the Firefighter Cancer Benefits Act are not  
19 included in the levy limits established by this section.

20 (13) The limitations on tax levies provided in this section are to  
21 include all other general or special levies provided by law.  
22 Notwithstanding other provisions of law, the only exceptions to the  
23 limits in this section are those provided by or authorized by sections  
24 77-3442 to 77-3444.

25 (14) Tax levies in excess of the limitations in this section shall  
26 be considered unauthorized levies under section 77-1606 unless approved  
27 under section 77-3444.

28 (15) For purposes of sections 77-3442 to 77-3444, political  
29 subdivision means a political subdivision of this state and a county  
30 agricultural society.

31 (16) For school districts that file a binding resolution on or

1 before May 9, 2008, with the county assessors, county clerks, and county  
2 treasurers for all counties in which the school district has territory  
3 pursuant to subsection (7) of section 79-458, if the combined levies,  
4 except levies for bonded indebtedness approved by the voters of the  
5 school district and levies for the refinancing of such bonded  
6 indebtedness, are in excess of the greater of (a) one dollar and twenty  
7 cents per one hundred dollars of taxable valuation of property subject to  
8 the levy or (b) the maximum levy authorized by a vote pursuant to section  
9 77-3444, all school district levies, except levies for bonded  
10 indebtedness approved by the voters of the school district and levies for  
11 the refinancing of such bonded indebtedness, shall be considered  
12 unauthorized levies under section 77-1606.

13 **Sec. 64.** Section 77-4403, Revised Statutes Supplement, 2025, is  
14 amended to read:

15 77-4403 For purposes of the Good Life Transformational Projects Act:

16 (1) Additional good life district retailer means a for-profit, as  
17 described in subdivision (8)(c) of this section, retailer that opens a  
18 new location in a good life district, has retail space at the time the  
19 good life district was established within the good life district or  
20 within forty miles of the district, and maintains the new location within  
21 the good life district plus all locations existing at the time the good  
22 life district was established within the good life district or within  
23 forty miles of the district for three years from the date when the  
24 additional good life district retailer first located within the good life  
25 district. If the number of locations within the good life district or  
26 within forty miles of the district falls below the number required to be  
27 an additional good life district retailer but is at least equal to the  
28 number that existed at the time the good life district was established  
29 within three years, such retailer shall qualify as a relocated good life  
30 district retailer subject to the restrictions and requirements of  
31 subdivision (14) of this section. The term includes a related person;



1           (2) Controlling property rights means, with respect to real estate  
2 in a good life district, the authority of a good life district applicant  
3 or project area applicant to manage and control the development of real  
4 estate, including through direct ownership or through leasehold rights,  
5 joint ventures, purchase contracts, restrictive covenants, or any other  
6 similar arrangement. Whenever such property rights do not include direct  
7 ownership, the good life district applicant or project area applicant  
8 shall not be considered to have controlling property rights unless such  
9 applicant has submitted to the department a waiver and acknowledgment  
10 from the property owner that (a) the owner consents to his or her  
11 property being included in the project area, (b) the owner acknowledges  
12 that the applicant or city, as applicable, will have certain rights with  
13 respect to how local sources of revenue from the owner's property will be  
14 spent or allocated, and (c) the owner is waiving any and all rights with  
15 respect to all such revenues for the duration of the good life district  
16 and that such waiver will apply to all subsequent owners of the property;

17           (3) Department means the Department of Economic Development;

18           (4) Enhanced employment area good life district retailer means (a) a  
19 retailer located within an enhanced employment area designated for a city  
20 of the metropolitan class under the Community Development Law and within  
21 a good life district who has opted to be a good life district retailer  
22 and (b) any related person. A tenant of a good life district applicant  
23 who has a development agreement with a city of the metropolitan class for  
24 occupation tax in an enhanced employment area within a good life district  
25 shall be deemed to have opted to be a good life district retailer;

26           (5) Good life district means a district established pursuant to  
27 section 77-4405;

28           (6) Good life district applicant means (a) the person who applies  
29 for the applicable good life district pursuant to section 77-4404 and (b)  
30 any related person;

31           (7) Good life district retailer means a retailer with taxable sales

1 that is located in a good life district. The term includes a related  
2 person;

3 (8)(a) New business means (i) a new-to-market sales tax collecting  
4 business that was not legally licensed and located within the good life  
5 district or within forty miles of the good life district prior to the  
6 creation of such district and (ii) any related person.

7 (b) New business does not include the residential portion of any  
8 business.

9 (c)(i) New business does not include the location of any entity that  
10 for purposes of the Nebraska Revenue Act of 1967 is either (A) not  
11 subject to sales and use taxes or (B) not subject to either an income tax  
12 or a franchise tax under sections 77-3801 to 77-3807 , ~~except that a~~  
13 ~~location owned by a political subdivision shall be allowed to the extent~~  
14 ~~that the political subdivision is liable for sales taxes pursuant to~~  
15 ~~subsection (12) of section 77-4405.~~

16 (ii) For purposes of this subdivision (c):

17 (A) Political subdivision includes any public corporation created  
18 for the benefit of a political subdivision and any group of political  
19 subdivisions forming a joint public agency, organized by interlocal  
20 agreement, or utilizing any other method of joint action; and

21 (B) Any partnership that would be liable for an income tax if it  
22 were to make an election under subsection (6) of section 77-2727 is  
23 subject to an income tax.

24 (d) The following transactions or activities shall not be considered  
25 to have created a new business:

26 (i) The acquisition of a business that (A) does not qualify as a new  
27 business, (B) is continued by the purchaser, and (C) was operated within  
28 the good life district during the three hundred sixty-six days prior to  
29 the date of acquisition;

30 (ii) The acquisition of a business that (A) does not qualify as a  
31 new business, (B) is continued by the purchaser, and (C) was operated

1 within this state and within forty miles of the good life district during  
2 the three hundred sixty-six days prior to the date of acquisition;

3 (iii) The moving of a business from a location within this state and  
4 within forty miles of the good life district into the good life district;  
5 or

6 (iv) Any purchase or lease of property from a related person;

7 (9)(a) New development costs means development costs that are  
8 incurred as part of a project located in a good life district.

9 (b) The value of the new development costs for any project shall be  
10 equal to the construction and improvement costs of real property and the  
11 acquisition costs of personal property that are part of such project,  
12 including:

13 (i) Improvements to real property located in the good life district;

14 (ii) New construction of and additions to existing buildings;

15 (iii) Construction and acquisition of infrastructure improvements in  
16 and related to the good life district; and

17 (iv) Acquisition of personal property located and used in the good  
18 life district.

19 (c) The following transactions or activities shall not be considered  
20 new development costs:

21 (i) The acquisition of a business that (A) does not qualify as a new  
22 business, (B) is continued by the purchaser, and (C) was operated within  
23 the good life district during the three hundred sixty-six days prior to  
24 the date of acquisition; or

25 (ii) The acquisition of a business that (A) does not qualify as a  
26 new business, (B) is continued by the purchaser, and (C) was operated  
27 within this state and within forty miles of the good life district during  
28 the three hundred sixty-six days prior to the date of acquisition;

29 (10) Project area means an area designated as a project within a  
30 good life district pursuant to subsection (13) ~~(14)~~ of section 77-4405;

31 (11) Project area applicant means (a) the person who files an

1 application for a project area designation pursuant to subsection (13)  
2 ~~(14)~~ of section 77-4405 and (b) any related person;

3 (12) Qualified inland port district means an inland port district  
4 created pursuant to the Municipal Inland Port Authority Act that is  
5 located within a city of the metropolitan class;

6 (13) Related persons means any corporations, partnerships, limited  
7 liability companies, or joint ventures which are or would otherwise be  
8 members of the same unitary group, if incorporated, or any persons who  
9 are considered to be related persons under either section 267(b) and (c)  
10 or section 707(b) of the Internal Revenue Code of 1986, as amended;

11 (14) Relocated good life district retailer means (a) a retailer that  
12 relocates to a good life district and that has less than one hundred  
13 thousand square feet of retail space at the time the good life district  
14 was established for any single location that is outside of the good life  
15 district but located within forty miles of the good life district with no  
16 location being equal to or greater than one hundred thousand square feet  
17 and (b) any related person. After ten years from the date when the  
18 relocated good life district retailer first located within the good life  
19 district or exceeded one hundred thousand square feet of retail space,  
20 such retailer shall no longer qualify as a relocated good life district  
21 retailer; and

22 (15) Viable development means the proposed development is  
23 demonstrated to be not inconsistent with the statutory requirements of  
24 the good life district where the project is located.

25 **Sec. 65.** Section 77-4405, Revised Statutes Supplement, 2025, is  
26 amended to read:

27 77-4405 (1) If the department finds that creation of the good life  
28 district would not exceed the limits prescribed in subsection (4) of  
29 section 77-4404 and the project described in the application meets the  
30 eligibility requirements of this section, the application shall be  
31 approved.

1 (2) A project is eligible if:

2 (a) The good life district applicant demonstrates that the total new  
3 development costs of the project will exceed:

4 (i) One billion dollars if the project will be located in a city of  
5 the metropolitan class;

6 (ii) Seven hundred fifty million dollars if the project will be  
7 located in a city of the primary class;

8 (iii) Five hundred million dollars if the project will be located in  
9 a city of the first class, city of the second class, or village within a  
10 county with a population of one hundred thousand inhabitants or more; or

11 (iv) One hundred million dollars if the project will be located in a  
12 city of the first class, city of the second class, village, or sanitary  
13 and improvement district within a county with a population of less than  
14 one hundred thousand inhabitants;

15 (b) The good life district applicant demonstrates that the project  
16 will directly or indirectly result in the creation of:

17 (i) One thousand new jobs if the project will be located in a city  
18 of the metropolitan class;

19 (ii) Five hundred new jobs if the project will be located in a city  
20 of the primary class;

21 (iii) Two hundred fifty new jobs if the project will be located in a  
22 city of the first class, city of the second class, or village within a  
23 county with a population of one hundred thousand inhabitants or more; or

24 (iv) Fifty new jobs if the project will be located in a city of the  
25 first class, city of the second class, village, or sanitary and  
26 improvement district within a county with a population of less than one  
27 hundred thousand inhabitants; and

28 (c)(i) For a project that will be located in a county with a  
29 population of one hundred thousand inhabitants or more, the good life  
30 district applicant demonstrates that, upon completion of the project, at  
31 least twenty percent of sales at the project will be made to persons

1 residing outside the State of Nebraska or the project will generate a  
2 minimum of six hundred thousand visitors per year who reside outside the  
3 State of Nebraska and the project will attract new-to-market retail to  
4 the state and will generate a minimum of three million visitors per year  
5 in total. Students from another state who attend a Nebraska public or  
6 private university shall not be counted as out-of-state residents for  
7 purposes of this subdivision; or

8 (ii) For a project that will be located in a county with a  
9 population of less than one hundred thousand inhabitants, the good life  
10 district applicant demonstrates that, upon completion of the project, at  
11 least twenty percent of sales at the project will be made to persons  
12 residing outside the State of Nebraska. Students from another state who  
13 attend a Nebraska public or private university shall not be counted as  
14 out-of-state residents for purposes of this subdivision.

15 (3) The good life district applicant must certify that any  
16 anticipated diversion of state sales tax revenue will be offset or  
17 exceeded by sales tax paid on anticipated development costs, including  
18 construction to real property, during the same period.

19 (4) Beginning on June 5, 2025, before an application may be  
20 approved, the good life district applicant shall submit a report to the  
21 department and to any city or village that will include the good life  
22 district. Such report shall:

23 (a) Provide evidence satisfactory to the department and such city or  
24 village that such applicant has sufficient financing for the project and  
25 the project is financially viable;

26 (b) Provide evidence that such applicant has land ownership within  
27 the proposed boundaries of the good life district or a contract giving  
28 the applicant an option to purchase land within the proposed boundaries  
29 of the good life district within one hundred eighty days of contract  
30 signing; and

31 (c) Provide information regarding any ownership interest held by

1 such applicant in any existing retail business within the proposed good  
2 life district.

3 (5) A project is not eligible if:

4 (a) The project includes a licensed racetrack enclosure or an  
5 authorized gaming operator as such terms are defined in section 9-1103,  
6 except that this subdivision shall not apply to infrastructure or  
7 facilities that are (i) publicly owned or (ii) used by or at the  
8 direction of the Nebraska State Fair Board, so long as no gaming devices  
9 or games of chance are expected to be operated by an authorized gaming  
10 operator within any such facilities;

11 (b) The project received funds pursuant to the Shovel-Ready Capital  
12 Recovery and Investment Act or the Economic Recovery Act, except that  
13 this subdivision shall not apply to any project located in a qualified  
14 inland port district; or

15 (c) The project includes any portion of a public or private  
16 university.

17 (6) Approval of an application under this section shall establish  
18 the good life district as that area depicted in the map accompanying the  
19 application as submitted pursuant to subdivision (1)(b) of section  
20 77-4404 or, for any application approved on or after June 5, 2025, the  
21 map as approved by the department. Such district shall last for thirty  
22 years and shall not exceed two thousand acres in size if in a city of the  
23 metropolitan class, three thousand acres in size if in any other class of  
24 city or village, or, for any good life district created within a  
25 qualified inland port district, the size of the qualified inland port  
26 district. All property within a good life district shall be contiguous.

27 (7)(a) Prior to July 1, 2024, any transactions occurring within a  
28 good life district shall be subject to a reduced state sales tax rate as  
29 provided in subdivision (5) of section 77-2701.02.

30 (b) On and after July 1, 2024, and until October 1, 2025, any  
31 transactions occurring within a good life district shall be subject to a

1 reduced state sales tax rate as provided in subdivision (6) of section  
2 77-2701.02.

3 (c) On and after October 1, 2025, any transactions, excluding sales  
4 of aircraft, all-terrain vehicles, barges, motor vehicles, motorboats,  
5 railroad rolling stock, semitrailers, and trailers, by a good life  
6 district applicant or an enhanced employment area good life district  
7 retailer that physically occur within a good life district and within the  
8 corporate limits of a city of the metropolitan class shall be subject to  
9 a state sales tax rate that is fifty percent of the state sales tax rate  
10 provided in section 77-2701.02.

11 (d) On and after October 1, 2025, a good life district applicant or  
12 good life district retailer shall be eligible for a state refund of fifty  
13 percent of the state sales tax paid on new development costs for a new  
14 business, additional good life district retailer, or relocated good life  
15 district retailer to the extent there is excess allocation available  
16 under subdivision (e) of this subsection at the time they are placed in  
17 service.

18 (e) After the amount of sales tax collected in the portion of the  
19 good life district located within the boundaries of a city of the  
20 metropolitan class by a good life district applicant or good life  
21 district retailer that is a relocated good life district retailer reaches  
22 an aggregate total of five million dollars per year, the state shall  
23 offset from the city's local sales tax remittance, pursuant to the Local  
24 Option Revenue Act, any additional amount of lost state sales tax  
25 pursuant to subdivision (c) of this subsection, and such amount shall be  
26 credited to the General Fund, except that relocated good life district  
27 retailers shall exceed the five-million-dollar cap to the extent there  
28 are taxes received by the state from new businesses and additional good  
29 life district retailers net of any allocation or refund reduction from  
30 allocated amounts within the good life district in the amount of five  
31 million dollars plus the excess allocation or reduction over five million



1 dollars. The city may take funds collected from the enhanced employment  
2 area occupation tax to offset the obligation. The Tax Commissioner shall  
3 inform the city of the amount of the monthly offset.

4 (8) After establishment of a good life district pursuant to this  
5 section, a good life district applicant or the city or village in which  
6 all or a portion of the good life district is located may request that  
7 the size of the good life district be reduced by filing an amended map  
8 with the department and updates or supplements to the application  
9 materials originally submitted by the good life district applicant to  
10 demonstrate the eligibility criteria in subsection (2) of this section  
11 will be met after the boundaries are adjusted. The department may approve  
12 the new boundaries if the following conditions are met:

13 (a) The department determines that the eligibility criteria in  
14 subsection (2) of this section will continue to be met after the proposed  
15 boundary adjustment based on the materials submitted by the party  
16 requesting the boundary adjustment;

17 (b) The adjustment is mutually agreed to by the good life district  
18 applicant and the city or village in which all or a portion of the good  
19 life district is located;

20 (c) The department shall solicit and receive from the city or  
21 village in which all or a portion of the good life district is located  
22 confirmation that no area being removed is attributable to local sources  
23 of revenue which have been pledged for payment of bonds issued pursuant  
24 to the Good Life District Economic Development Act. Confirmation may  
25 include resolutions, meeting minutes, or other official measures adopted  
26 or taken by the city council or village board of trustees;

27 (d) Either the department has received written consent from the  
28 owners of real estate proposed to be removed from the good life district,  
29 or a hearing is held by the department in the manner described in this  
30 subdivision and the department finds that the removal of the affected  
31 property is in the best interests of the state and that the removal is

1 consistent with the goals and purposes of the approved application for  
2 the good life district. In determining whether removal of the affected  
3 property is consistent with the goals and purposes of the approved  
4 application for the good life district, the department may consider any  
5 formal action taken by the city council or village board of trustees.  
6 Proof of such formal action may include resolutions, meeting minutes, or  
7 other official measures adopted or taken. Such hearing must be held at  
8 least ninety days after delivering written notice via certified mail to  
9 the owners of record for the affected real estate proposed to be removed  
10 from the good life district. The hearing must be open to the public and  
11 for the stated purpose of hearing testimony regarding the proposed  
12 removal of property from the good life district. Attendees must be given  
13 the opportunity to speak and submit documentary evidence at, prior to, or  
14 contemporaneously with such hearing for the department to consider in  
15 making its findings; and

16 (e) The department shall not remove an approved project area from a  
17 good life district.

18 (9) After establishment of a good life district pursuant to this  
19 section, no property shall be added to the good life district and its  
20 boundaries shall not be expanded.

21 (10) After establishment of a good life district pursuant to this  
22 section and after any reduction is made to a good life district pursuant  
23 to this section, the department shall transmit to any city or village  
24 which includes such good life district within its boundaries or within  
25 its extraterritorial zoning jurisdiction (a) all information held by the  
26 department related to the application and approval of the application,  
27 (b) all documentation which describes the property included within the  
28 good life district, and (c) all documentation transmitted to the  
29 applicant for such good life district with approval of the application  
30 and establishment of the good life district. Such city or village shall  
31 be subject to the same confidentiality restrictions as provided in

1 subsection (3) of section 77-4404, except that all such documents, plans,  
2 and specifications included in the application which the city or village  
3 determine define or describe the project may be provided upon written  
4 request of any person who owns property in the applicable good life  
5 district. The department shall also transmit a copy of the map of the  
6 good life district, a list of all known good life district retailers and  
7 enhanced employment area good life district retailers, and any ownership  
8 updates to the Department of Revenue.

9 (11) After establishment of a good life district that exceeds one  
10 thousand acres in size, the good life district applicant may apply to the  
11 city or village in which all or a portion of the good life district is  
12 located to establish development and design standards for the good life  
13 district. Such standards may include, but are not limited to, standards  
14 for architectural design, landscape design, construction materials, and  
15 sustainability, but may not require property owners to utilize specific  
16 contractors, professionals, suppliers, or service providers. The city or  
17 village may approve the standards after holding a hearing after one  
18 hundred eighty days' notice to all property owners in the district if the  
19 city or village finds that the standards will ensure a comprehensive and  
20 cohesive character and aesthetic for development in the good life  
21 district, and that the standards will further the purposes of the Good  
22 Life Transformational Projects Act. The development and design standards  
23 must be commercially reasonable and consistent with terminology and  
24 accepted practices in the architecture industry, must not conflict with  
25 any building code or other similar law or regulation, and must not impose  
26 an undue burden on property owners in the district. If approved, the  
27 standards shall apply to all new construction inside of the good life  
28 district. Any such standards shall be in addition and supplemental to any  
29 local zoning, building code, comprehensive plan, or similar requirements  
30 of the city or village.

31 ~~(12) If the good life district applicant for an approved good life~~

~~1 district is a political subdivision, such political subdivision shall not~~  
~~2 be exempt from sales tax as provided in section 77-2704.15 on building~~  
~~3 material purchases for a new business that will or is intended to offer~~  
~~4 taxable sales in the good life district. For purposes of this subsection,~~  
~~5 political subdivision includes any public corporation created for the~~  
~~6 benefit of a political subdivision and any group of political~~  
~~7 subdivisions forming a joint public agency, organized by interlocal~~  
~~8 agreement, or utilizing any other method of joint action.~~

9       (12) ~~(13)~~ After establishment of a good life district pursuant to  
10 this section, the good life district applicant and any other recipient of  
11 allocated sales taxes, as defined in section 77-4410, or reduced sales  
12 taxes shall submit an annual report to the department and to any city or  
13 village that includes any portion of the good life district. Such report  
14 shall be submitted by December 31 of each year that the good life  
15 district is in existence. Such report shall include the same information  
16 required under subsection (4) of this section.

17       (13)(a) ~~(14)(a)~~ After establishment of a good life district that is  
18 located in a city of the first class, city of the second class, or  
19 village within a county with a population of one hundred thousand  
20 inhabitants or more and establishment of a good life district economic  
21 development program in such city or village, up to six project areas may  
22 be established in the good life district as provided in this subsection.  
23 In a city of the metropolitan class, the good life district applicant  
24 shall be the only project area applicant, and the good life district  
25 applicant's project area shall be the only approved project area.

26       (b) Any good life district applicant who does not have controlling  
27 property rights over the entirety of the property in the good life  
28 district may submit an application to the department to designate a  
29 portion of the good life district as a project area. The application  
30 shall include (i) evidence of the applicant's controlling property rights  
31 for the proposed project area within the good life district, (ii) a map

1 of the proposed project area, (iii) a description of the development to  
2 be pursued within the proposed project area, and (iv) a description of  
3 how the project area is a viable development. A good life district  
4 applicant may amend the project area application any time after it is  
5 submitted. Any amendment must include an amended map of the proposed  
6 project area. An application for a project area shall be subject to the  
7 same confidentiality restrictions as provided in subsection (3) of  
8 section 77-4404.

9 (c) The department may only approve an application for a project  
10 area if, based on the evidence submitted to and considered by the  
11 department, the department concludes that a viable development is  
12 included in the project area application. The department shall provide  
13 notice of its decision to the project area applicant and the city or  
14 village that includes any portion of the applicable good life district.

15 (d) Approval of the project area shall establish the project area as  
16 that area depicted in the map accompanying the application. An approved  
17 project area shall last for the duration of the underlying good life  
18 district unless the project area applicant requests termination of the  
19 project area or assigns the project area to another project area  
20 applicant.

21 (e) Upon approval of a project area, the project area applicant, the  
22 department, and the city or village that includes any part of the  
23 applicable good life district shall enter into a memorandum of  
24 understanding as described in subsection (8) of section 77-4412. Such  
25 memorandum of understanding shall require that the local sources of  
26 revenue, as defined in section 77-4410, derived from within a project  
27 area shall be used for eligible costs incurred within or related to the  
28 project area, including payment of debt service for bonds issued pursuant  
29 to the Good Life District Economic Development Act, and to pay other  
30 costs of the city's or village's good life district economic development  
31 program created under such act.

1 (f) A good life district applicant may submit an application for a  
2 project area under this subsection within ninety days after June 5, 2025.  
3 Subject to subdivision (g) of this subsection, any other person or entity  
4 may submit an application for a project area beginning ninety days after  
5 June 5, 2025. Such other person or entity shall follow the same  
6 application process as described in this subsection for a good life  
7 district applicant. Project areas shall not overlap.

8 (g) The department shall not approve any other person's or entity's  
9 project area application until one of the following occurs:

10 (i) The department approves the good life district applicant's  
11 project area application and the applicant, department, and city or  
12 village enter into a memorandum of understanding pursuant to subsection  
13 (8) of section 77-4412; or

14 (ii) The good life district applicant fails to submit an application  
15 within ninety days after June 5, 2025.

16 (h) The department shall adopt and promulgate rules and regulations  
17 or publish guidance regarding the process and timeline for approving  
18 project areas. Any such rules and regulations or published guidance shall  
19 further the state's goal of maximizing transformative development  
20 outcomes in a timely way.

21 (i) An approved project area shall not be considered a separate good  
22 life district for purposes of subsection (4) of section 77-4404.

23 (j) After the establishment of a project area, the project area  
24 applicant may apply to expand its project area with approval from the  
25 department. The department may only approve an expansion if (i) the  
26 project area applicant has controlling property rights with respect to  
27 property proposed to be added to the project area and submits evidence of  
28 such controlling property rights to the department and the city or  
29 village in which the good life district is located and (ii) all of the  
30 property proposed to be added to the project area is within the  
31 boundaries of the good life district.

1 (k) The department may remove property from a project area if the  
2 project area applicant no longer has controlling property rights with  
3 respect to such property.

4 (l) The department may adopt and promulgate rules and regulations  
5 governing the expansion of and removal of property from project areas.

6 (m) After the establishment of a project area, the project area  
7 applicant shall submit an annual report to the department and to any city  
8 or village that includes any portion of the good life district. Such  
9 report shall be submitted by December 31 of each year that the good life  
10 district is in existence. Such report shall include the same information  
11 required under subsection (4) of this section.

12 ~~(14) (15)~~ Demonstration of meeting the required new development  
13 costs for purposes of subdivision (2)(a) of this section may be  
14 established by evidence submitted by the good life district applicant,  
15 the city or village where the good life district is located, or any other  
16 person that submits satisfactory evidence to the department.

17 **Sec. 66.** Section 77-4602, Revised Statutes Supplement, 2025, is  
18 amended to read:

19 77-4602 (1) Within fifteen days after the end of each month, the Tax  
20 Commissioner shall provide a public statement of actual General Fund net  
21 receipts, a comparison of such actual net receipts to the monthly  
22 estimated net receipts from the most recent forecast provided by the  
23 Nebraska Economic Forecasting Advisory Board pursuant to section  
24 77-27,158, and a comparison of such actual net receipts to the monthly  
25 actual net receipts for the same month of the previous fiscal year.

26 (2) Within fifteen days after the end of each fiscal year, the  
27 public statement shall also include (a) a summary of actual General Fund  
28 net receipts and estimated General Fund net receipts for the fiscal year  
29 as certified pursuant to sections 77-4601 and 77-4603 and (b) a  
30 comparison of the actual General Fund net receipts for the fiscal year to  
31 the actual General Fund net receipts for the previous fiscal year.

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

3           (i) Actual General Fund net receipts for the most recently completed  
4 fiscal year minus estimated General Fund net receipts for such fiscal  
5 year as certified pursuant to sections 77-4601 and 77-4603; and

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

9           (b) If the amount calculated in subdivision (3)(a)(i) of this  
10 section is a positive number and the amount calculated in subdivision (3)  
11 (a)(ii) of this section is a negative number, the Tax Commissioner shall  
12 certify the amount calculated in subdivision (3)(a)(i) of this section to  
13 the State Treasurer. The State Treasurer shall transfer such certified  
14 amount to the Cash Reserve Fund.

15           (c) If the amounts calculated in subdivisions (3)(a)(i) and (3)(a)  
16 (ii) of this section are both positive numbers and the amount calculated  
17 in subdivision (3)(a)(i) of this section exceeds the amount calculated in  
18 subdivision (3)(a)(ii) of this section, the Tax Commissioner shall  
19 certify the amounts calculated in subdivisions (3)(a)(i) and (3)(a)(ii)  
20 of this section to the State Treasurer. The State Treasurer shall  
21 transfer the difference between the two certified numbers to the Cash  
22 Reserve Fund. Through fiscal year 2026-27, the ~~The~~ State Treasurer shall  
23 transfer the amount certified for subdivision (3)(a)(ii) of this section  
24 to the School District Property Tax Relief Credit Fund. For fiscal year  
25 2027-28 and every fiscal year thereafter, the State Treasurer shall  
26 transfer the amount certified for subdivision (3)(a)(ii) of this section  
27 to the New School Relief Fund.

28           (d) If the amounts calculated in subdivisions (3)(a)(i) and (3)(a)  
29 (ii) of this section are both positive numbers and the amount calculated  
30 in subdivision (3)(a)(i) of this section is less than the amount  
31 calculated in subdivision (3)(a)(ii) of this section, the Tax



1 Commissioner shall certify the amount calculated in subdivision (3)(a)(i)  
2 of this section to the State Treasurer. Through fiscal year 2026-27, the  
3 ~~The~~ State Treasurer shall transfer such certified amount to the School  
4 District Property Tax Relief Credit Fund. For fiscal year 2027-28 and  
5 every fiscal year thereafter, the State Treasurer shall transfer such  
6 certified amount to the New School Relief Fund.

7 **Sec. 67.** Section 77-7304, Revised Statutes Supplement, 2025, is  
8 amended to read:

9 77-7304 (1) The School District Property Tax Relief Credit Fund is  
10 created. The fund shall only be used pursuant to the School District  
11 Property Tax Relief Act. Any money in the fund available for investment  
12 shall be invested by the state investment officer pursuant to the  
13 Nebraska Capital Expansion Act and the Nebraska State Funds Investment  
14 Act.

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

20 (b) For fiscal years Beginning in fiscal year 2025-26 through  
21 2026-27, it is the intent of the Legislature that an amount sufficient to  
22 provide the amount of property tax relief required by subdivision (1)(a)  
23 of section 77-7305 for each tax year be transferred from the General Fund  
24 to the School District Property Tax Relief Credit Fund.

25 (3) The School District Property Tax Relief Credit Fund terminates  
26 on July 1, 2027, and the State Treasurer shall transfer any money in the  
27 fund on such date to the New School Relief Fund.

28 **Sec. 68.** Section 77-7305, Revised Statutes Supplement, 2025, is  
29 amended to read:

30 77-7305 (1) The School District Property Tax Relief Act shall apply  
31 to tax year 2024 through tax year 2026 ~~and each tax year thereafter.~~ The

1 property tax relief shall be in the form of property tax credits which  
2 appear on property tax statements. Property tax credits granted under the  
3 act shall be credited against the amount of property taxes owed to school  
4 districts. The total amount of property tax relief granted under the act  
5 shall be determined as follows:

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

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

29 (2) To determine the amount of the property tax credit for each  
30 parcel, the county treasurer shall multiply the amount disbursed to the  
31 county under subsection (4) of this section by the ratio of the school

1 district taxes levied in the current year on the parcel to the school  
2 district taxes levied in the current year on all real property in the  
3 county. The amount so determined shall be the property tax credit for  
4 that parcel.

5 (3) If the real property owner qualifies for a homestead exemption  
6 under sections 77-3501 to 77-3529, the owner shall also be qualified for  
7 the property tax credit provided in this section to the extent of any  
8 remaining liability after calculation of the homestead exemption. If the  
9 property tax credit provided in this section results in a property tax  
10 liability on the homestead that is less than zero, the amount of the  
11 credit which cannot be used by the taxpayer shall be returned to the  
12 Property Tax Administrator by July 1 of the year the amount disbursed to  
13 the county was disbursed. For fiscal years 2024-25 through 2026-27, the  
14 ~~The~~ Property Tax Administrator shall immediately credit any funds  
15 returned under this subsection to the School District Property Tax Relief  
16 Credit Fund. Beginning July 1, 2027, the Property Tax Administrator shall  
17 credit such funds to the New School Relief Fund. Upon the return of any  
18 funds under this subsection, the county treasurer shall electronically  
19 file a report with the Property Tax Administrator, on a form prescribed  
20 by the Tax Commissioner, indicating the amount of funds distributed to  
21 each school district in the county in the year the funds were returned  
22 and the amount of unused credits returned.

23 (4) The amount disbursed to each county under this section shall be  
24 equal to the amount available for disbursement under subsection (1) of  
25 this section multiplied by the ratio of the school district taxes levied  
26 in the prior year on all real property in the county to the school  
27 district taxes levied in the prior year on all real property in the  
28 state. By September 15, 2024, and by September 15, 2026 ~~of each year~~  
29 ~~thereafter~~, the Property Tax Administrator shall determine the amount to  
30 be disbursed under this subsection to each county and shall certify such  
31 amounts to the State Treasurer and to each county. The disbursements to

1 the counties shall occur in two equal payments, the first on or before  
2 January 31 and the second on or before April 1.

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

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

15 **Sec. 69.** Section 79-1006, Reissue Revised Statutes of Nebraska, is  
16 amended to read:

17 79-1006 (1) For school fiscal year 2023-24 and each school fiscal  
18 year thereafter, the department shall determine the foundation aid to be  
19 paid to each school district in accordance with subsection (2) of this  
20 section.

21 (2)(a) For school fiscal years prior to school fiscal year 2027-28,  
22 the ~~(2)~~ The foundation aid to be paid to each school district in each  
23 school fiscal year shall equal one thousand five hundred dollars  
24 multiplied by the number of formula students for such school district.

25 (b) For school fiscal year 2027-28 and each school fiscal year  
26 thereafter, the foundation aid to be paid to each school district in each  
27 school fiscal year shall equal the number of formula students for such  
28 school district multiplied by the sum of:

29 (i) One thousand five hundred dollars; and

30 (ii) The amount determined pursuant to subsection (3) of this  
31 section.

1        (3) For school fiscal year 2027-28 and each school fiscal year  
2        thereafter, the department shall determine an amount of additional  
3        foundation aid to be paid per formula student out of funds available in  
4        the New School Relief Fund. Such amount shall be equal to the total  
5        amount available in the New School Relief Fund divided by the total  
6        number of formula students in all school districts in the state.

7        (4) {3} Twenty-four percent of the total amount of foundation aid  
8        paid each school fiscal year, excluding any foundation aid paid from the  
9        New School Relief Fund, shall be paid from money appropriated from the  
10       Education Future Fund.

11       (5) {4} For school fiscal years 2023-24 and 2024-25, one hundred  
12       percent of foundation aid shall be included as a formula resource  
13       pursuant to section 79-1017.01. For school fiscal year 2025-26 and each  
14       school fiscal year thereafter, sixty percent of foundation aid shall be  
15       included as a formula resource pursuant to section 79-1017.01.

16       **Sec. 70.** Section 79-3405, Reissue Revised Statutes of Nebraska, is  
17       amended to read:

18       79-3405 (1) A school district's property tax request may exceed its  
19       property tax request authority by an amount approved by a sixty percent  
20       majority of legal voters voting on the issue at a special election called  
21       for such purpose upon the recommendation of the school board of such  
22       school district or upon the receipt by the county clerk or election  
23       commissioner of a petition requesting an election signed by at least five  
24       percent of the legal voters of the school district. The recommendation of  
25       the school board or the petition of the legal voters shall include the  
26       amount by which the school board would increase its property tax request  
27       for the year over and above the property tax request authority of such  
28       school district. The county clerk or election commissioner shall call for  
29       a special election on the issue within thirty days after the receipt of  
30       such school board recommendation or legal voter petition. The election  
31       shall be held pursuant to the Election Act, and all costs shall be paid

1 by the school district.

2 (2)(a) A school district may increase the base growth percentage  
3 used to determine its property tax request authority under section  
4 79-3403 by a percentage approved by an affirmative vote of at least  
5 seventy percent of the school board of such school district. The maximum  
6 base growth percentage that may be approved under this subsection shall  
7 be:

8 (i) The base growth percentage that would otherwise be applicable  
9 plus an additional seven percent for school districts with an average  
10 daily membership of no more than four hundred seventy-one students;

11 (ii) The base growth percentage that would otherwise be applicable  
12 plus an additional six percent for school districts with an average daily  
13 membership of more than four hundred seventy-one students but no more  
14 than three thousand forty-four students;

15 (iii) The base growth percentage that would otherwise be applicable  
16 plus an additional five percent for school districts with an average  
17 daily membership of more than three thousand forty-four students but no  
18 more than ten thousand students; or

19 (iv) The base growth percentage that would otherwise be applicable  
20 plus an additional four percent for school districts with an average  
21 daily membership of more than ten thousand students.

22 (b) Before a school board votes to increase a school district's base  
23 growth percentage under this subsection, the school board shall publish  
24 notice of the upcoming vote in a legal newspaper of general circulation  
25 in the school district. Such publication shall occur at least one week  
26 prior to the public meeting at which the vote will be taken.

27 (3) A school district's property tax request may exceed its property  
28 tax request authority pursuant to any property tax authority approved by  
29 the voters at a levy override election under section 77-3444 held prior  
30 to January 1, 2024.

31 (4) A school district may exceed its property tax request authority

1 without the approval of the voters by an amount equal to six percent of  
2 the school district's prior year property tax request authority. Such  
3 increase shall be used to pay for teacher salaries, wages, and benefits.  
4 For purposes of this subsection, teacher means any certified employee who  
5 is regularly employed for the instruction of pupils in the public  
6 schools.

7       **Sec. 71.** (1) The New School Relief Fund is hereby created. The fund  
8 shall be administered by the State Department of Education and shall  
9 consist of money transferred pursuant to subdivision (2)(f) of section  
10 77-27,132 and the amount transferred pursuant to subsection (2) of this  
11 section. Any money in the fund available for investment shall be invested  
12 by the state investment officer pursuant to the Nebraska Capital  
13 Expansion Act and the Nebraska State Funds Investment Act. The fund shall  
14 be used to provide additional foundation aid to school districts pursuant  
15 to subsection (3) of section 79-1006.

16       (2) Beginning in fiscal year 2027-28, the State Treasurer shall  
17 transfer eight hundred thirty-eight million dollars from the General Fund  
18 to the New School Relief Fund on or before September 1, 2027, and on or  
19 before September 1 of each year thereafter.

20       (3) Beginning in fiscal year 2027-28, if the state fails to use all  
21 funds available in the New School Relief Fund for the additional  
22 foundation aid described in subsection (3) of section 79-1006 for any  
23 fiscal year, each school district may, if approved by a majority vote of  
24 the school board for the school district, levy an amount for such fiscal  
25 year sufficient to generate revenue equal to the amount of foundation aid  
26 that should have been provided to such school district, not to exceed  
27 three cents per one hundred dollars of taxable valuation of property  
28 subject to the levy. The property tax levy provided for in this  
29 subsection is in addition to the maximum allowable property tax levy  
30 described in subdivision (2)(a) of section 77-3442.

31       **Sec. 72.** This act becomes operative on January 1, 2027.

1           **Sec. 73.**       Original sections 2-2701, 77-2701.24, 77-2701.36,  
2   77-2704.03, 77-2704.04, 77-2704.05, 77-2704.07, 77-2704.10, 77-2704.13,  
3   77-2704.14, 77-2704.16, 77-2704.17, 77-2704.22, 77-2704.23, 77-2704.24,  
4   77-2704.25, 77-2704.26, 77-2704.27, 77-2704.28, 77-2704.30, 77-2704.38,  
5   77-2704.39, 77-2704.40, 77-2704.41, 77-2704.42, 77-2704.45, 77-2704.46,  
6   77-2704.47, 77-2704.48, 77-2704.50, 77-2704.51, 77-2704.52, 77-2704.53,  
7   77-2704.56, 77-2704.57, 77-2704.58, 77-2704.60, 77-2704.61, 77-2704.62,  
8   77-2704.63, 77-2704.64, 77-2704.65, 77-2704.67, 77-2706, 77-27,235,  
9   79-1006, and 79-3405, Reissue Revised Statutes of Nebraska, sections  
10  77-382, 77-2701, 77-2701.04, 77-2701.32, 77-2703.01, 77-2704.12,  
11  77-2704.15, 77-2704.20, 77-2704.36, 77-2704.68, 77-2704.69, and  
12  77-27,132, Revised Statutes Cumulative Supplement, 2024, and sections  
13  77-2701.16, 77-2703, 77-2706.02, 77-3442, 77-4403, 77-4405, 77-4602,  
14  77-7304, and 77-7305, Revised Statutes Supplement, 2025, are repealed.  
15           **Sec. 74.**       The following section is outright repealed: Section  
16  77-2701.56, Revised Statutes Cumulative Supplement, 2024.