

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 269

Introduced by Rountree, 3.

Read first time January 15, 2025

Committee:

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend section
- 2 77-27,143, Reissue Revised Statutes of Nebraska; to mandate an
- 3 address-based boundary database for assigning taxing jurisdictions;
- 4 to harmonize provisions; to provide an operative date; and to repeal
- 5 the original section.
- 6 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 77-27,143, Reissue Revised Statutes of Nebraska,
2 is amended to read:

3 77-27,143 (1) The administration of all sales and use taxes adopted
4 under the Local Option Revenue Act shall be by the Tax Commissioner who
5 may prescribe forms and adopt and promulgate reasonable rules and
6 regulations in conformity with the act for the making of returns and for
7 the ascertainment, assessment, and collection of taxes imposed under such
8 act. The incorporated municipality shall furnish a certified copy of the
9 adopting or repealing ordinance to the Tax Commissioner in accordance
10 with such rules and regulations as he or she may adopt and promulgate.
11 For ordinances passed after October 1, 1969, the effective date shall be
12 the first day of the next calendar quarter which is at least one hundred
13 twenty days following receipt by the Tax Commissioner of the certified
14 copy of the ordinance. The Tax Commissioner shall provide at least sixty
15 days' notice of the change in tax to retailers. Notice shall be provided
16 to retailers within the municipality. Notice to retailers may be provided
17 through the website of the Department of Revenue or by other electronic
18 means.

19 (2) For ordinances containing a termination date and passed after
20 October 1, 1986, the termination date shall be the first day of a
21 calendar quarter. The incorporated municipality shall furnish a certified
22 statement to the Tax Commissioner no more than one hundred eighty days
23 and at least one hundred twenty days prior to the termination date that
24 the termination date stated in the ordinance is still valid. If the
25 certified statement is not furnished within the prescribed time, the tax
26 shall remain in effect, and the Tax Commissioner shall continue to
27 collect the tax until the first day of the calendar quarter which is at
28 least one hundred twenty days after receipt of the certified statement
29 notwithstanding the termination date stated in the ordinance. The Tax
30 Commissioner shall provide at least sixty days' notice of the termination
31 of the tax to retailers. Notice shall be provided to retailers within the

1 municipality. Notice to retailers may be provided through the website of
2 the department or by other electronic means.

3 (3) For sales and use tax purposes only, local jurisdiction boundary
4 changes apply only on the first day of a calendar quarter after a minimum
5 of one hundred twenty days' notice to the Tax Commissioner and sixty
6 days' notice to sellers.

7 (4) The state shall provide and maintain a database that describes
8 boundary changes for all local taxing jurisdictions. This database shall
9 include a description of any change and the effective date of the change
10 for sales and use tax purposes.

11 (5) The state shall provide and maintain a database of all sales and
12 use tax rates for all of the local jurisdictions levying taxes within the
13 state. For the identification of counties, cities, and villages, codes
14 corresponding to the rates shall be provided according to Federal
15 Information Processing Standards as developed by the National Institute
16 of Standards and Technology.

17 ~~(6) The state shall provide and maintain a database that assigns~~
18 ~~each five-digit and nine-digit zip code within the state to the proper~~
19 ~~tax rates and jurisdictions. For purposes of the streamlined sales and~~
20 ~~use tax agreement, the database shall apply the lowest combined tax rate~~
21 ~~imposed in the zip code area if the area includes more than one tax rate~~
22 ~~in any level of taxing jurisdictions. If a nine-digit zip code~~
23 ~~designation is not available for a street address or if a seller is~~
24 ~~unable to determine the nine-digit zip code designation applicable to a~~
25 ~~purchase after exercising due diligence to determine the designation, the~~
26 ~~seller or certified service provider may apply the rate for the five-~~
27 ~~digit zip code area. For purposes of this section, there is a rebuttable~~
28 ~~presumption that a seller or certified service provider has exercised due~~
29 ~~diligence if the seller has attempted to determine the nine-digit zip~~
30 ~~code designation by utilizing software approved by the governing board~~
31 ~~that makes this designation from the street address and the five-digit~~

1 ~~zip code applicable to a purchase.~~

2 (6) The state shall provide and maintain an ~~(7) For purposes of the~~
3 ~~streamlined sales and use tax agreement, the state may provide address-~~
4 ~~based boundary database records for assigning taxing jurisdictions and~~
5 ~~their associated rates that which shall be in addition to the~~
6 ~~requirements of subsection (6) of this section. The database records~~
7 ~~shall be in the same approved format as the database records pursuant to~~
8 ~~subsection (6) of this section and shall meet the requirements developed~~
9 ~~pursuant to the federal Mobile Telecommunications Sourcing Act, 4 U.S.C.~~
10 ~~119(a), as such act existed on January 1, 2003. The governing board may~~
11 ~~allow a member state to require sellers that register under the agreement~~
12 ~~to use an address-based boundary database provided by that member state.~~
13 ~~If any member state develops an address-based boundary database pursuant~~
14 ~~to the agreement, a seller or certified service provider may use those~~
15 ~~database records in place of the five-digit and nine-digit zip code~~
16 ~~database records provided for in subsection (6) of this section. If a~~
17 ~~seller or certified service provider is unable to determine the~~
18 ~~applicable rate and jurisdiction using an address-based boundary database~~
19 ~~after exercising due diligence, the seller or certified service provider~~
20 ~~may utilize the database described in subsection (8) of this section to~~
21 ~~apply the nine-digit zip code designation applicable to a purchase. If a~~
22 ~~nine-digit zip code designation is not available for a street address or~~
23 ~~if a seller or certified service provider is unable to determine the~~
24 ~~nine-digit zip code designation applicable to a purchase after exercising~~
25 ~~due diligence to determine the designation, the seller or certified~~
26 ~~service provider may utilize the database described in subsection (8) of~~
27 ~~this section to apply the rate for the five-digit zip code area. For the~~
28 ~~purposes of this subsection section, there is a rebuttable presumption~~
29 ~~that a seller or certified service provider has exercised due diligence~~
30 ~~if the seller or certified service provider has attempted to determine~~
31 ~~the tax rate and jurisdiction by utilizing the databases described in~~

1 ~~this subsection and subsection (8) of this section software approved by~~
2 ~~the governing board that makes this assignment from the address and zip~~
3 ~~code information applicable to the purchase. The Tax Commissioner shall~~
4 ~~adopt and promulgate rules and regulations requiring verification by the~~
5 ~~Department of Revenue of addresses contained within the state's address-~~
6 ~~based boundary database, and requiring verification by the Department of~~
7 ~~Revenue of appropriate sales and use tax rates utilized on a sales and~~
8 ~~use tax or use tax return when online or remote transactions are~~
9 ~~included.~~

10 (7) (8) The state may certify vendor-provided address-based boundary
11 databases for assigning tax rates and jurisdictions. The databases shall
12 be in the same approved format as the database described in records
13 ~~pursuant to~~ subsection (6) (7) of this section and shall meet the
14 requirements developed pursuant to the federal Mobile Telecommunications
15 Sourcing Act, 4 U.S.C. 119(a) as such act existed on January 1, 2003. If
16 a state certifies a vendor-provided address-based boundary database, a
17 seller or certified service provider may use that database in place of
18 the database provided for in subsection (6) ~~or (7)~~ of this section.
19 Vendors providing address-based boundary databases may request
20 certification of their databases from the governing board. Certification
21 by the governing board does not replace the requirement that the
22 databases be certified by the states individually.

23 (8) The state shall provide and maintain a database that assigns
24 each five-digit and nine-digit zip code within the state to the proper
25 tax rates and jurisdictions in addition to the address-based boundary
26 database required by subsection (6) of this section. Such zip code
27 boundary database shall only be used as described in subsection (6) of
28 this section. For purposes of the streamlined sales and use tax
29 agreement, the zip code boundary database shall apply the lowest combined
30 tax rate imposed in the zip code area if the area includes more than one
31 tax rate in any level of taxing jurisdictions.

1 (9) Pursuant to the streamlined sales and use tax agreement, the
2 state shall relieve retailers and certified service providers using
3 databases pursuant to subsection (6) ~~or (7)~~ of this section from
4 liability to the state and local jurisdictions for having charged and
5 collected the incorrect amount of sales or use tax resulting from the
6 retailer or certified service provider relying on erroneous data provided
7 by a member state on tax rates, boundaries, or taxing jurisdiction
8 assignments. ~~After providing adequate notice determined by the governing~~
9 ~~board, a member state that provides an address-based boundary database~~
10 ~~for assigning taxing jurisdictions pursuant to subsection (7) or (8) of~~
11 ~~this section may cease providing liability relief for errors resulting~~
12 ~~from the reliance on the database provided by the member state under the~~
13 ~~provisions of subsection (6) of this section. If a seller demonstrates~~
14 ~~that requiring the use of the address-based boundary database would~~
15 ~~create an undue hardship, the state and the governing board may extend~~
16 ~~the relief of liability to such seller for a designated period of time.~~

17 (10) The databases provided for in this section shall be in a
18 downloadable format approved by the governing board pursuant to the
19 streamlined sales and use tax agreement. The databases may be directly
20 provided by the state or provided by a vendor as designated by the state.
21 A database provided by a vendor as designated by a state shall be
22 applicable to and subject to all provisions of this section. The
23 databases shall be provided at no cost to the user of the database. The
24 provisions of subsection ~~subsections~~ (6) ~~and (7)~~ of this section do not
25 apply when the purchased product is received by the purchaser at the
26 business location of the seller.

27 (11) A seller that did not have a requirement to register in this
28 state prior to registering pursuant to the agreement or a certified
29 service provider shall not be required to collect sales or use taxes for
30 a state until the first day of the calendar quarter commencing more than
31 sixty days after the state has provided the databases required by this

1 section.

2 **Sec. 2.** This act becomes operative on January 1, 2026.

3 **Sec. 3.** Original section 77-27,143, Reissue Revised Statutes of
4 Nebraska, is repealed.