

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 848

Introduced by Cavanaugh, J., 9.

Read first time January 08, 2026

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
2 77-2701 and 77-2701.04, Revised Statutes Cumulative Supplement,
3 2024; to exempt sales of certain clothing, personal computers, and
4 school supplies from sales and use tax as prescribed; to harmonize
5 provisions; to provide an operative date; and to repeal the original
6 sections.

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

1 **Section 1.** Section 77-2701, Revised Statutes Cumulative Supplement,
2 2024, is amended to read:

3 77-2701 Sections 77-2701 to 77-27,135.01, 77-27,222, 77-27,235,
4 77-27,236, and 77-27,238 to 77-27,242 and section 3 of this act shall be
5 known and may be cited as the Nebraska Revenue Act of 1967.

6 **Sec. 2.** Section 77-2701.04, Revised Statutes Cumulative Supplement,
7 2024, is amended to read:

8 77-2701.04 For purposes of sections 77-2701.04 to 77-2713 and
9 77-27,239 and section 3 of this act, unless the context otherwise
10 requires, the definitions found in sections 77-2701.05 to 77-2701.56
11 shall be used.

12 **Sec. 3.** (1)(a) The following items are exempted from state and
13 local sales and use taxes during a three-day period beginning at 12:01
14 a.m. on the first Friday in August and ending at midnight on the Sunday
15 following:

16 (i) All retail sales of any article of clothing having a taxable
17 value of one hundred dollars or less;

18 (ii) All retail sales of school supplies not to exceed fifty dollars
19 per purchase;

20 (iii) All computer software with a taxable value of three hundred
21 fifty dollars or less;

22 (iv) All graphing calculators having a taxable value of one hundred
23 fifty dollars or less; and

24 (v) All retail sales of personal computers or computer peripheral
25 devices not to exceed one thousand five hundred dollars.

26 (b) This section applies to sales of items bought for personal use
27 only.

28 (c) Items that are normally sold as a single unit shall continue to
29 be sold in that manner and shall not be priced separately and sold as
30 individual items.

31 (d) The exemption of a bundled transaction shall be calculated as

1 provided by law for all other bundled transactions.

2 (e) If a purchaser and seller are located in two different time
3 zones, the time zone of the purchaser's location shall determine the
4 authorized exemption period.

5 (2) For purposes of this section:

6 (a) Clothing means any article of wearing apparel intended to be
7 worn on or about the human body including, but not limited to, disposable
8 diapers for infants or adults and footwear. The term shall include, but
9 not be limited to, cloth and other material used to make school uniforms
10 or other school clothing. Items normally sold in pairs shall not be
11 separated to qualify for the exemption. The term shall not include
12 watches, watchbands, jewelry, handbags, handkerchiefs, umbrellas,
13 scarves, ties, headbands, or belt buckles;

14 (b) Personal computers means a laptop, desktop, or tower computer
15 system which consists of a central processing unit, random access memory,
16 a storage drive, a display monitor, and a keyboard and devices designed
17 for use in conjunction with a personal computer, such as a disk drive,
18 memory module, compact disk drive, daughterboard, digitizer, microphone,
19 modem, motherboard, mouse, multimedia speaker, printer, scanner, single-
20 user hardware, single-user operating system, soundcard, or video card;
21 and

22 (c) School supplies means any item normally used by students in a
23 standard classroom for educational purposes, including but not limited
24 to, textbooks, notebooks, paper, writing instruments, crayons, art
25 supplies, rulers, book bags, backpacks, handheld calculators, chalk,
26 maps, and globes. The term shall not include watches, radios, CD players,
27 headphones, sporting equipment, portable or desktop telephones, copiers
28 or other office equipment, furniture, or fixtures. School supplies shall
29 also include computer software having a taxable value of three hundred
30 fifty dollars or less and any graphing calculator having a taxable value
31 of one hundred fifty dollars or less.

1 (3) A sale of property that is eligible for an exemption under
2 subsection (1) of this section but is purchased under a layaway sale
3 shall only qualify for an exemption if:

4 (a) Final payment on a layaway order is made by, and the property is
5 given to, the purchaser during the exemption period; or

6 (b) The purchaser selects the property and the seller accepts the
7 order for the property during the exemption period, for immediate
8 delivery upon full payment, even if delivery is made after the exemption
9 period.

10 (4)(a) For any discount offered by a seller that is a reduction of
11 the sales price of the product, the discounted sales price shall
12 determine whether the sales price falls below the price thresholds
13 provided in subsection (1) of this section. A coupon that reduces the
14 sales price shall be treated as a discount only if the seller is not
15 reimbursed for the coupon amount by a third party.

16 (b) If a discount applies to the total amount paid by a purchaser
17 rather than to the sales price of a particular product and the purchaser
18 has purchased both exempt property and taxable property, the seller shall
19 allocate the discount based on the total sales prices of the taxable
20 property compared to the total sales prices of all property sold in the
21 same transaction.

22 (5) Items that are purchased during an exemption period but that are
23 not delivered to the purchaser until after the exemption period due to
24 the item not being in stock shall qualify for an exemption. The
25 provisions of this subsection shall not apply to an item that was
26 delivered during an exemption period but was purchased prior to or after
27 the exemption period.

28 (6)(a) If a purchaser purchases an item of eligible property during
29 an exemption period but later exchanges the item for a similar eligible
30 item after the exemption period, no additional tax shall be due on the
31 new item.

1 (b) If a purchaser purchases an item of eligible property during an
2 exemption period but later returns the item after the exemption period
3 and receives credit on the purchase of a different nonexempt item, the
4 appropriate sales tax shall be due on the sale of the newly purchased
5 item.

6 (c) If a purchaser purchases an item of eligible property before an
7 exemption period but during the exemption period returns the item and
8 receives credit on the purchase of a different item of eligible property,
9 no sales tax shall be due on the sale of the new item if the new item is
10 purchased during the exemption period.

11 (d) For a sixty-day period immediately following the end of the
12 exemption period, if a purchaser returns an exempt item, no credit for or
13 refund of sales tax shall be given unless the purchaser provides a
14 receipt or invoice that shows tax was paid or the seller has sufficient
15 documentation to show that tax was paid on the item being returned.

16 **Sec. 4.** This act becomes operative on January 1, 2027.

17 **Sec. 5.** Original sections 77-2701 and 77-2701.04, Revised Statutes
18 Cumulative Supplement, 2024, are repealed.