

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 901

Introduced by Revenue Committee: von Gillern, 4, Chairperson; Bostar, 29; Ibach, 44; Kauth, 31; Murman, 38.

Read first time January 08, 2026

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend section
2 77-27,132, Revised Statutes Cumulative Supplement, 2024, and section
3 77-2701.02, Revised Statutes Supplement, 2025; to change the sales
4 and use tax rate; to change provisions relating to fund
5 distributions; to harmonize provisions; to provide an operative
6 date; and to repeal the original sections.

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

1 **Section 1.** Section 77-2701.02, Revised Statutes Supplement, 2025, is
2 amended to read:

3 77-2701.02 Pursuant to section 77-2715.01:

4 (1) Until July 1, 1998, the rate of the sales tax levied pursuant to
5 section 77-2703 shall be five percent;

6 (2) Commencing July 1, 1998, and until July 1, 1999, the rate of the
7 sales tax levied pursuant to section 77-2703 shall be four and one-half
8 percent;

9 (3) Commencing July 1, 1999, and until the start of the first
10 calendar quarter after July 20, 2002, the rate of the sales tax levied
11 pursuant to section 77-2703 shall be five percent;

12 (4) Commencing on the start of the first calendar quarter after July
13 20, 2002, and until July 1, 2023, the rate of the sales tax levied
14 pursuant to section 77-2703 shall be five and one-half percent;

15 (5) Commencing July 1, 2023, and until July 1, 2024, the rate of the
16 sales tax levied pursuant to section 77-2703 shall be five and one-half
17 percent, except that such rate shall be two and three-quarters percent on
18 transactions occurring within a good life district as defined in section
19 77-4403;

20 (6) Commencing July 1, 2024, and until October 1, 2025, the rate of
21 the sales tax levied pursuant to section 77-2703 shall be five and one-
22 half percent, except that such rate shall be two and three-quarters
23 percent on transactions that occur within that portion of a good life
24 district established pursuant to the Good Life Transformational Projects
25 Act which is located within the corporate limits of a city or village;
26 and

27 (7) Commencing October 1, 2025, and until July 1, 2027, the rate of
28 the sales tax levied pursuant to section 77-2703 shall be five and one-
29 half percent; and -

30 (8) Commencing July 1, 2027, the rate of the sales tax levied
31 pursuant to section 77-2703 shall be XX percent.

1 **Sec. 2.** Section 77-27,132, Revised Statutes Cumulative Supplement,
2 2024, is amended to read:

3 77-27,132 (1) There is hereby created a fund to be designated the
4 Revenue Distribution Fund which shall be set apart and maintained by the
5 Tax Commissioner. Revenue not required to be credited to the General Fund
6 or any other specified fund may be credited to the Revenue Distribution
7 Fund. Credits and refunds of such revenue shall be paid from the Revenue
8 Distribution Fund. The balance of the amount credited, after credits and
9 refunds, shall be allocated as provided by the statutes creating such
10 revenue.

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

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

23 (ii) For transactions occurring on or after July 1, 2024, credit to
24 the Game and Parks Commission Capital Maintenance Fund all of the
25 proceeds of the sales and use taxes imposed pursuant to section 77-2703
26 on the sale or lease of motorboats as defined in section 37-1204,
27 personal watercraft as defined in section 37-1204.01, all-terrain
28 vehicles as defined in section 60-103, and utility-type vehicles as
29 defined in section 60-135.01, and from such proceeds, transfers shall be
30 made to the Nebraska Emergency Medical System Operations Fund as provided
31 in section 37-327.02;

1 (b) Credit to the Highway Trust Fund all of the proceeds of the
2 sales and use taxes derived from the sale or lease for periods of more
3 than thirty-one days of motor vehicles, trailers, and semitrailers,
4 except that the proceeds equal to any sales tax rate provided for in
5 section 77-2701.02 that is in excess of ~~XX~~ five percent derived from the
6 sale or lease for periods of more than thirty-one days of motor vehicles,
7 trailers, and semitrailers shall be credited to the Highway Allocation
8 Fund;

9 (c) For transactions occurring on or after July 1, 2013, and before
10 July 1, 2042, of the proceeds of the sales and use taxes derived from
11 transactions other than those listed in subdivisions (2)(a), (b), and (e)
12 of this section from a sales tax rate of one-quarter of one percent,
13 credit monthly eighty-five percent to the Highway Trust Fund and fifteen
14 percent to the Highway Allocation Fund;

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

19 (e) For transactions occurring on or after July 1, 2023, credit to
20 the Department of Transportation Aeronautics Capital Improvement Fund all
21 of the proceeds of the sales and use taxes imposed pursuant to section
22 77-2703 on the sale or lease of aircraft as defined in section 3-101.

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

25 **Sec. 3.** This act becomes operative on July 1, 2027.

26 **Sec. 4.** Original section 77-27,132, Revised Statutes Cumulative
27 Supplement, 2024, and section 77-2701.02, Revised Statutes Supplement,
28 2025, are repealed.