

COMMITTEE ON REVENUE

One Hundredth Legislature

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COMMITTEE ON REVENUE

SUMMARY AND DISPOSITION OF BILLS

ONE HUNDREDTH LEGISLATURE
SECOND SESSION - 2008

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DEPARTMENT OF REVENUE - STATE TAX ADMINISTRATION

LB 896 (Janssen, 2008) Update references to the Internal Revenue Code - Enacted

LB 896 was the annual bill that is needed to update statutory references to the Internal Revenue Code that are outside the income tax statutes. The bill amended section 49-801.01 to state that references to the Internal Revenue Code mean the Code as it existed on the effective date of LB 896 instead of February 15, 2008.

LB 898 (Janssen, 2008) Change provisions of the Unfair Cigarette Sales Act - Enacted

LB 898 was a bill to modify provisions of the Unfair Cigarette Sales Act that was introduced at the request of the Tax Commissioner. The revisions changed the definition of cost of cigarettes from the lowest of two methods of defining cost to a single definition of cost. This new definition of cost is replacement cost without subtracting any discounts. An additional change established the cost of doing business as 4¾ percent of the basic cost to the wholesaler. This percentage is to be used in enforcement of the Act's provisions in the absence of a filing of proof of a higher or lower cost by the wholesaler.

LB 914 (Revenue Committee, 2008) Change provisions relating to taxes and funds - Enacted (Speaker Priority Bill)

LB 914 amended 13 sections of statute to change deadlines for filing returns or amending returns to a uniform 60 days. In the sales tax and motor fuel statutes, this change generally grants the taxpayer more time, from 30 days to 60. In the income tax statutes, however, the time is generally shorter, from 90 days to 60.

The bill also amended two sections to grant the Tax Commissioner general authority to waive interest. Currently, interest may only be abated in certain, defined circumstances. The bill also clarified that members of an LLC that act as managers are liable for unpaid taxes to the same extent as corporate officers, and struck the Tax Commissioner as a person to receive the report from county treasurers summarizing the disposition of fines and penalties.

Finally, the bill amended six sections to unify cash funds dealing with tax incentive programs. In other words, the bill changed the "Nebraska Advantage Fund," the Nebraska Advantage Rural Development Fund," and the others into a single, "Nebraska

Incentives Fund.” These cash funds are where application fees are deposited and the Revenue Department appropriation includes the money in these various cash funds.

Section by section summary

Section 1 amended section 21-2612 to clarify that members of a limited liability corporation who act as managers of the organization and who are responsible for paying or accounting for taxes are personally liable for willful failure to pay taxes in the same manner as corporate officers.

Sections 2, 3, & 4 amended sections 66-720, 722, & 723 (motor fuel taxes) to expand the deadline for filing for reconsideration of a license suspension, a deficiency determination, and an assessment of personal liability from 30 days to 60 days.

Section 5 amended section 66-1344 (ethanol production incentive) to expand the time for appealing a finding of excess credits from 30 days to 60 days.

Section 6 amended the corporate officer liability section, section 77-1783.01, to lengthen the time for a corporate officer to appeal a determination of personal liability from 30 days to 60.

Section 7 amended section 77-2709 (sales tax enforcement) to expand the deadline for filing for a re-determination from 30 days to 60 days.

Section 8 amended section 77-2711 (sales tax enforcement) to authorize the Tax Commissioner to waive interest as well as penalties that may be assessed for late filings or payments.

Sections 9, 10, 11 and 12 amended sections 77-2775, 77-2777, 77-2778, & 77-2780 (income taxes) to reduce the deadline for filing an amended state tax return after a federal correction, or for appealing a deficiency assessment, from 90 days to 60 days. If the dispute involves withholding, the deadline increased from 30 days to 60. Finally, the deadline remains 150 days if the taxpayer is outside the U.S.

Section 13 amended section 77-2792 to allow the Tax Commissioner to waive interest in any dispute and eliminate the current limitations on waiver of interest. Those current situations are (a) error or unreasonable delay by the Department of Revenue, (b) the amount is attributable to a previously-refunded tax amount, whether or not the refund was sought by the taxpayer, or (c) interest on the related federal amount was abated.

Section 14 amended section 77-2793 (claims for refund of income taxes) to bar interest on the refund if the amended return is not filed for any length of time greater than 60 days (currently 90 days) after notice of the change.

Sections 15 and 16 amended sections 77-2796 & 77-27,100 to shorten the deadline for appealing the disallowance of a claim for refund from 90 days to 60 days.

Section 17 amended section 77-27,187.02 to require application fees paid seeking benefits under the Nebraska Advantage Rural Development Act to be deposited in the Nebraska Incentives Fund rather than the Nebraska Advantage Rural Development Fund.

Section 18 amended section 77-4104 to require application fees paid seeking benefits under the Employment and Investment Growth Act to be deposited in the Nebraska Incentives Fund rather than the Employment and Investment Growth Fund.

Section 19 amended section 77-4928 to require application fees paid seeking benefits under the Quality Jobs Act to be deposited in the Nebraska Incentives Fund rather than the Quality Jobs Fund.

Section 20 amended section 77-5405 to require application fees paid seeking benefits under the Rural Economic Opportunities Act to be deposited in the Nebraska Incentives Fund rather than the Rural Economic Opportunities Fund.

Section 21 amended section 77-5534 to require application fees paid seeking benefits under the Invest Nebraska Act to be deposited in the Nebraska Incentives Fund rather than the Invest Nebraska Fund.

Section 22 amended section 77-5723 to require application fees paid seeking benefits under the Nebraska Advantage Act to be deposited in the Nebraska Incentives Fund rather than the Nebraska Advantage Fund.

Section 23 amended section 77-5726 to lengthen the statute of limitation for appealing a denial or recapture of benefits under the Nebraska Advantage Act from 30 days to 60 days.

Section 24 created the Nebraska Incentives Fund and lapsed any balances in the other funds into it.

Section 25 amended section 79-1034 to strike the Tax Commissioner from the notification of fines and penalties turned over to the various schools. The State Treasurer will still receive the semi-annual report.

Section 26 provided that the responsible party, waiver of interest and incentive act changes be operative on the effective date and the statute of limitations sections be operative on January 1, 2009.

Section 27 and 28 repealed the original sections, and

Section 29 repealed section 77-5732 outright. This section created the Nebraska Advantage Fund.

LB 915 (Revenue Committee, 2008) Change income tax and disclosure provisions - Enacted

LB 915 amended three sections of income tax law (specifically estates and trust income taxes, partnership allocation, and corporate income allocation) to substitute the nonresident grantor of a grantor trust for the beneficiary for income tax withholding purposes. Under LB 915, if the member, partner, or beneficiary of a pass-through entity is a grantor trust, the pass-through entity will withhold Nebraska income tax from a non-resident grantor rather than the beneficiary.

Section 4 amended section 77-2769 to increase the under-withholding threshold at which quarterly estimates are required from \$300 to \$500. Section 5 amended section 77-2794 to abate interest during a period covered by an agreement between the IRS and the taxpayer.

Section 6 amended section 77-27,119 (confidentiality of tax information) to allow disclosure of some information in the context of Medicaid eligibility, child support enforcement, and the R & D credit.

Section 7 amended the Nebraska Advantage Research and Development Act, section 77-5803, to provide for the apportionment of the federal credit among the states that the business operates for purposes of the Nebraska credit.

This change apportions the federal credit to Nebraska based either on the total expenditures in Nebraska compared to total expenditures by the company, or on the basis of the property employed in the state compared to the total property employed by the company.

The provisions dealing with grantor trusts and the withholding threshold were operative for tax years beginning on or after January 1, 2008. The interest abatement and confidentiality provisions were operative on their effective date.

LB 916 (Revenue Committee, 2008) Change sales tax provisions - Enacted (Revenue Committee Priority Bill)

LB 916 amended several sections of the sales tax statutes to enact definitions, clarify definitions, and otherwise aid the Department of Revenue in enforcing the sales tax statutes. It also provided for enforcement of sales tax through a responsible officer or employee and allowed the taxpayer and Tax Commissioner to waive the deadline for resolving disputes by agreement. It was a combination of two different requests for legislation proposed by the Department of Revenue. The Committee amendment added new sales tax exemptions for medical records, court documents prepared by court

reporters, and game birds. These ideas were originally introduced as LB 1126 and LB 1134. The Committee amendment also added provisions of LB 1137 to clarify various aspects of the sales tax exemption granted last year for community-based wind energy projects.

Section by section summary of the bill as amended and enacted

Section 1 amended section 70-1903, the definition of C-BED projects for purposes of the development act and the sales tax exemption. This change clarifies that the restrictions on ownership prohibits "individuals" from owning "directly or indirectly" more than 15 percent of the project. These changes recognize ownership by partnerships, cooperatives, and other pass-through entities. Changes to these sections also clarified the restrictions requiring that at least 33 percent of the "gross" power purchase payments must go to the owners or local community. Currently, the restrictions do not specify whether the calculation is to be on the gross or the net receipts. *(LB 1137)*

Section 2 amended section 70-1904, dealing with the negotiated power purchase agreements, to require the C-BED developer to notify the utility if there is a change in ownership that would disqualify the project from the benefits of the act. *(LB 1137)*

Section 3 amended section 70-1905 to require utilities to report by each March 1st their efforts to purchase power from C-BED projects. *(LB 1137)*

Section 4 amended section 70-1907 to clarify that an investor must be a qualified owner under the act. *(LB 1137)*

Sections 5 and 6 amended sections 77-2701 and 77-2701.04 to include five new definitions and two new exemptions into the revenue act and the sales tax statutes. *(Original LB 916 and LB 1126)*

Section 7 amended section 77-2701.16, the definition of "gross receipts" (our sales tax base) to strike the first six subsections. Pursuant to LB 759 (2003) the first six subsections terminated January 1, 2004, while the next eight became operative on that date. LB 916 deleted these obsolete sections from the statute.

This section inserted satellite TV installation as taxable alongside cable services. Under current law, installation of utilities including cable is taxable. However, contractor labor performed by a public utility that is an option 2 or option 3 contractor is not taxable with regard to any work performed on the customer's side of the demarcation point. The bill also clarified that if a third party pays for installation, that third party is responsible for paying the tax to the installer.

Finally, this section provided that the retail sale of digital goods delivered electronically is taxable if the sale would be taxable had the product been delivered on a tangible

medium like a CD or video disk. This is consistent with case law in Nebraska, but not general practice. *(Original LB 916)*

Sections 8, 15, 16, 18, and 19 amended sections 77-2701.32, 77-2703, 77-2703.01, 77-2704.26, and 77-2704.45 to harmonize the renumbered subsections of section 77-2701.16. Section 15 also added a reference to digital goods to the section that imposes the sales tax. *(Original LB 916)*

Section 9 defined "delivered electronically" as a means other than delivery of tangible storage media. Section 10 defined "digital audio works" as any sounds including ring tones. Section 11 defined "digital audiovisual works" as pictures and sound, and section 12 defined "digital books" as something which would be recognized as a book. Section 13 defined "digital code" a code granting the purchaser a right to access products delivered electronically. Sales of all of these products are taxable under Nebraska sales tax law as interpreted by the Nebraska Supreme Court. LB 916 stated this in statute. *(Original LB 916)*

Section 14 amended section 77-2701.34, the definition of sale for resale, to specifically include digital products within the exclusion of sales for resale. *(Added clarification to original LB 916)*

Section 17 amended section 77-2704.09 to rewrite the sales tax exemption for insulin, prescription drugs and prosthetic devices. Under LB 916, there are three categories of exemption: (a) insulin, in all cases, (b) drugs, when dispensed pursuant to a prescription, and (c) durable medical equipment, home medical supplies, and prostheses when sold under a prescription *and* eligible for reimbursement under the Medical Assistance Act. Previously, there was some ambiguity, resolved by the regulations of the Department, as to whether or not prescription drugs must also be reimbursable under Medicaid. *(Original LB 916)*

Section 20 amended section 77-2704.48 to add species of game birds subject to permit and regulation of the Game and Parks Commission to the sales tax exemption for animal life. *(LB 1134)*

Section 21 amended section 77-2704.57 to require the C-BED developer to show the Tax Commissioner the ownership structure and the power purchase agreement to assure qualification. Also, the Tax Commissioner is to notify the utility if there is a change in ownership that disqualifies the project. If an electric utility purchases a project, the sales tax exemption will be extinguished, but there will be no recovery of past benefits that were received. This section also clarified that a new wind energy project means tangible personal property which is used to convert wind energy into electricity.

This section also added definitions of "power purchase agreements payments" as the total payments during the life of the agreement. Payments to the local community are to include payments for real and personal property leases and real and personal property

tax receipts. The Department of Revenue may examine the receipts and other records to determine if the projected payment agreements were met. If not, the department may “recover” all of sales tax that was not paid until three years after the end of the power purchase agreement. Also the project may voluntarily surrender the sales tax exemption and pay the amount of sales and use taxes that would have been due. Interest shall be paid on recovered sales taxes at the statutory rate. *(LB 1137 with amendments.)*

Section 22 enacted a new sales tax exemption for originals and copies of depositions, bills of exceptions, and transcripts prepared by a court reporter. *(LB 1126 with clarifying amendment.)*

Section 23 enacted a new sales tax exemption for copies of medical records provided to the patient or another person holding the patient’s power of attorney for health care. *(LB 1126 with clarifying amendment.)*

Section 24 amended section 77-2705 to require retailers to register the name and address of any employee, officer, director, shareholder, member, or any other person who will be responsible for collecting and remitting sales taxes. These person’s actions are then attributed to the business for purposes of audit or misrepresentation. Such persons may also be personally liable for the unpaid sales tax of the business. *(Original LB 916)*

Section 25 amended section 77-2708 (sales tax enforcement) to allow the Tax Commissioner and any taxpayer seeking a refund to agree to waive the 180-day deadline for resolving disputes. A request for a hearing on the refund claim would automatically be considered a waiver of the 180-day period. Under previous law, if the Tax Commissioner does not rule within 180 days, the claim is deemed to be allowed. LB 916 provided for waiver under these conditions. *(Original LB 916)*

Section 26 provided an operative date of October 1, 2008, except the prescription drug section which will be operative December 1, 2008. Sections 27 and 28 would repeal the original sections.

LB 98 (Flood, 2007) Eliminate references to a fund that terminated - *Died on Select File*

LB 98 would have amended section 77-5601 to strike references to the Department of Revenue Enforcement Technology Fund. The Fund was created by LB 1017 in 2004. Among many other provisions, LB 1017 authorized a Tax Amnesty Program which ran from August 1 through October 31, 2004. Participants in the Tax Amnesty Program could report unreported taxes that were due, and could pay the taxes and receive a waiver of interest and penalties. Part of the funds were deposited in the Technology

Fund and used to acquire software, lists, and other technological tools. This phase of the Tax Amnesty Program has concluded. LB 98 would have struck references to the Fund.

LB 344 (Burling, 2007) Change the termination date of the Tax Policy Reform Commission - Died on General File

LB 344 would have amended sections 77-6004 and 77-6007 to delay the final report deadline of the Tax Policy Reform Commission from November 15, 2007 to November 15, 2008 and the termination date of the Commission from the end of 2007 to the end of 2008.

SALES TAX EXEMPTIONS

LB 575 (Kruse, 2007) Exempt assisted-living facilities from sales and use tax - Enacted (Wallman Priority Bill)

LB 575 amended section 77-2704.12, the sales tax exemption for charitable, religious or educational institutions, to expand the exemption for health care institutions to include assisted living facilities. The bill also clarified that all charitable, religious, educational or health care institution must be organized as a non-profit organization to receive the exemption. The bill is operative October 1, 2008.

LB 890 (Flood, 2008) Exempt postage charges and certain magazines or journal subscriptions from sales and use tax - Died on General File

As introduced, LB 890 would have enacted two new sales tax exemptions. First, the bill struck "postage" from the definition of delivery charges (which are taxable in Nebraska). Second, the bill added a new section exempting sales of magazines or journals that are issued at least monthly.

The Committee amendments would have replaced the entire bill with a one section amendment. As amended, LB 890 would have amended section 77-2701.35, the definition of "sales price" to exclude from that definition, "delivery charges for direct mail". This would have excluded direct mail charges from the sales tax base in a manner consistent with the Streamlined Sales and Use Tax Agreement. The bill was to be operative October 1, 2008.

LB 159 (Heidemann, 2007) Exempt agricultural machinery repairs and parts from sales tax - Died in Committee

LB 159 would have amended section 77-2704.36, the sales tax exemption for purchases of agricultural machinery, to add a broad exemption for repair or replacement parts for agricultural machinery used in commercial agriculture.

LB 494 (White, 2007) Change the sales and use tax exemption on manufacturing machinery and equipment - Died in Committee

LB 494 would have amended section 77-2701.47 to expand the definition of manufacturing machinery and equipment, the purchase of which is exempt from sales

tax. Currently, the exemption extends to machinery and tooling purchased by a manufacturer and used to produce or transport tangible personal property or maintain unique environmental circumstances necessary for manufacturing. LB 494 would have expanded this definition to include such products purchased by contractors for manufacturers.

Section 2 would have amended section 77-2704.22, the exemption for manufacturing machinery and equipment, to allow manufacturers to obtain a refund of any sales tax paid by a contractor on manufacturing machinery and equipment. The bill was to be operative October 1, 2007.

LB 944 (Synowiecki, 2008) Exempt certain purchases by museums from sales and use taxes - Died in Committee

LB 944 would have amended section 77-2704.56 to expand the exemption for purchases of fine art by museums to include purchases related to performing arts, including costumes, scripts and materials for set construction. The bill was to be operative October 1, 2008.

LB 1126 (White, 2008) Exempt documents prepared by court reporters and copies of medical records from sales and use taxes - Died in Committee

(NOTE: The provisions of LB 1126, with clarifications, were amended into LB 916 and Enacted.)

LB 1126 would have exempted sales of copies of depositions, bills of exceptions, and transcripts prepared by court reporters from sales taxes. Copies of medical records would have also been exempted by the bill.

LB 1134 (Langemeier, 2008) Redefine animal life for sales and use tax purposes - Died in Committee

(NOTE: The provisions of LB 1134 were amended into LB 916 and Enacted.)

LB 1134 would have added game birds to the list of animals whose sale is not subject to sales tax. The birds exempted must be species subject to permit and regulation by the Game and Parks Commission.

LB 1137 (Preister, 2008) Change provisions relating to new wind energy projects and a sales and use tax exemption - Died in Committee

(NOTE: The provisions of LB 1137 as clarified were amended into LB 916 and Enacted.)

LB 1137 would have amended several sections of the Community-Based Energy Development Act and the sales tax exemption for such projects to clarify the statutes that were enacted last year in LB 626 and LB 367. The bill clarified diversity of ownership and the necessity of community benefit. Also the Department of Revenue benefited from reporting and enforcement provisions to be added in the bill. Finally, the department could have recovered forgone sales tax if a project becomes disqualified or voluntarily surrenders its eligibility for the exemption.

LB 718 (Schimek, 2008) Exempt purchases by organizations like Habitat for Humanity from sales tax - Indefinitely Postponed by Committee

LB 718 would have enacted a new sales tax exemption for building materials purchased by a nonprofit Nebraska affiliate of a nonprofit international organization engaged in the construction or remodeling of single family homes or duplexes for use by low-income families. In other words, the bill would have created an exemption for building materials purchased by Habitat for Humanity or a similar entity.

LB 762 (Avery, 2008) Create a sales tax holiday for school-related purchases - Indefinitely Postponed by Committee

LB 762 would have provided for a sales tax holiday from the first Friday in August through the following Sunday. The sales of these listed items would have been exempt from sales tax: a) clothing with a sales price of \$100 or less; b) school supplies with a price of \$100 or less; and c) computers with a price of \$1,500 or less. The holiday did not apply to clothing accessories, software, sport or recreational equipment, art supplies, instructional material, business purchases, or any rentals. The retailer was to report the amount of tax exempt sales made on the usual sales tax return.

LB 762 contained a number of conditions, calculations, or qualifications that conformed to the requirements of the Streamlined Sales and Use Tax Agreement. The purchase qualified even if the good is placed on layaway so long as it was selected and paid for during the holiday. Discounts and store coupons could be subtracted to allow the products to qualify for the price thresholds. Products, like shoes, that are usually sold as a unit remained so for purposes of the price thresholds. Purchases using a rain check could have qualified. A product purchased that qualified for the holiday could be exchanged for another outside the holiday and the exchange would still qualify.

Delivery charges were to be part of the sales price, but if the delivery charges included both items within the holiday and those that weren't, the delivery charges were to be allocated on price or weight. An item purchased and paid for during the holiday qualified, even if it was delivered later. If an item that would be eligible for the holiday was returned to a store within 60 days of the end of the holiday, the refund or credit could not include sales tax unless the customer had a receipt showing that tax was paid.

LB 949 (Christensen, 2008) Change a sales tax exemption for health clinics - Indefinitely Postponed by Committee

LB 949 would have amended section 77-2704.12, dealing with exemptions for not-for-profit entities, to eliminate the restriction that rural health clinics must be affiliated with two or more hospitals to be exempt from sales tax. Under LB 949, rural health clinics needed only be affiliated with one existing hospital to be sales tax exempt.

SALES TAX - OTHER

LB 1001 (White, 2008) Adopt the Low-Income Home Energy Conservation Act and provide for a sales and use tax exemption - Enacted (White Priority Bill)

LB 1001 allows electric utilities to opt into a program for providing grants for low-income Nebraska residents to make energy-saving improvements to their homes. The fund created for the grants consisted of up to 5 percent of the sales and use tax collected by the utility matched dollar for dollar from the utility's own funds. "Low income" means less than 150 percent of the federal poverty level.

The Committee amendments also added provisions of LB 1175, adding a new withholding requirement for any business making payments of more than \$600 for construction services to persons that are not employees

Section by section summary of the bill as amended and enacted

Section 1 named the act the Low-Income Home Energy Conservation Act.

Section 2 stated legislative findings, declaring that funding energy conservation for low income people serves a public purpose.

Section 3 provided definitions. "Eligible energy conservation improvements" means a device, method, or equipment to reduce energy consumption or increase efficiency, including insulation weather stripping, furnace efficiency modifications, or thermostat or lighting controls. "Eligible entity" means an electric utility that provides matching funds. "Eligible person" means any Nebraska resident with a household income that is less than 150 percent of the federal poverty level.

Section 4 created the Energy Conservation Improvement Fund to be administered by the Department of Revenue. There is to be a sub account for each eligible entity providing matching funds for an eligible conservation improvement program. The Fund and the respective sub account will consist of a designated portion of the sales tax collected by the eligible entity from customers, not to exceed five percent of the total taxes remitted in the period, plus an equal amount of matching funds.

The Department of Revenue is to develop a form to be attached to the sales tax return to designate a portion of remitted sales tax and pay the matching funds.

Section 5 allows the electric utility that has provided the matching funds to establish and administer a grant program for eligible persons to make eligible energy conservation improvements to his or her residence. The utility is required to verify that the

improvements have been made. The utility may require the eligible person to pay for a portion of the cost not to exceed twenty percent by adding an amount to the monthly bill.

Section 6 allows the utility to contract with any qualified third party to make the eligibility determinations for grants. This could be for purposes of determining both low-income eligibility and the eligibility of the improvement.

Section 7 required annual reporting of the grants by the utility.

Section 8 allows the Department of Revenue to adopt rules and regulations to carry out its responsibilities under the Low-Income Home Energy Conservation Act.

Sections 9 through 13 were from original LB 1175. Section 9 amended the income tax withholding statute (section 77-2753), to add a new withholding requirement for any contractor making payments of more than \$600 for construction services to a contractor or a person that is not an employee. The withholding is five percent. This requirement does not apply if the payee shows that any income that is earned would not be subject to income tax because of a treaty obligation of the United States, or that the payor determines that the payee is a contractor that is registered under the Contractor Registration Act.

Sections 10, 11, & 12 amended sections 77-3102, 77-3104, and 77-3105 to add references to withholding from contractors in these three sections of the nonresident contractor registration act.

Section 13 amended section 77-3106 to require contractors to withhold from subcontractors an amount sufficient to guarantee that all taxes including unemployment taxes and the withholding required by section 9 are paid. Failure to comply or obtain clearance from the Department of Revenue renders such contractor liable for the amount of the bond that is required of such subcontractors under section 77-3104. The previous penalty was liability for the taxes owed by the subcontractor.

This withholding requirement shall not apply if the payee shows that any income that is earned would not be subject to income tax because of a treaty obligation of the United States, or that the payor determines that the payee is a contractor that is registered under the Contractor Registration Act.

Section 14 provided an operative date of January 1, 2009.

Section 15 repealed the original sections.

LB 708 (Pahls, 2008) Adopt the Sales Tax Holiday Act - Died on General File

LB 708 would have established what would be called the Sales Tax Holiday Act. It would have allowed retailers to not collect sales tax from consumers from the first Friday in August through the following Sunday. Instead, the sales tax could be included in the sales price and the retailer could have advertised that the sales tax will be absorbed by the retailer. The retailer could have chosen which items will be subject to the holiday and advertise as such. Finally, the retailer could advertise such sales as tax-free.

Section 4 amended section 77-2703 to allow the absorption and non-itemization of the sales tax allowed in the Sales Tax Holiday Act. The bill carried the emergency clause.

LB 1037 (Janssen, 2008) Change income and sales and use tax rates - Died in Committee

LB 1037 would have amended sections 77-2701.01 and 77-2701.02 to amend the primary state income tax rate and the state sales tax rate in an unspecified way. The income tax change would have been operative for all taxable years beginning on or after January 1, 2009, and the sales tax rate change would have been operative on January 1, 2009.

LB 1010 (Hudkins, 2008) Change sales and use tax collection fees - Indefinitely Postponed by Committee

LB 1010 would have reinstated the sales tax collection fee amounts paid to retailers prior to 2002. To compensate retailers for collecting the state and local sales tax, the state has provided a sales tax collection fee to businesses since 1967. Since 2002, retailers have been paid 2.5 percent of the first \$3,000, or no more than \$70 per month for collection activities. Prior to 2002, the retailer was authorized to receive this amount plus one-half of one percent of all amounts above \$3,000 in one month. The Legislature reduced the amount paid in 2002 as part of an effort to generate more funds to offset reduced income and sales taxes during a recession.

INCOME TAX REDUCTIONS

LB 888 (Burling, 2008) Change corporate income tax calculations - Enacted (Lautenbaugh Priority Bill)

LB 888 amended section 77-2734.02 to expand the corporate income tax lower bracket. Under current law, the first \$50,000 of corporate income is taxed at a rate of 158.8 percent of the primary rate (for a tax rate of 5.58 percent). Income in excess of \$50,000 is taxed at 211 percent of the primary rate (7.81 percent tax rate).

LB 888 extended the first bracket from \$50,000 to \$100,000. Corporate income in excess of \$100,000 will still be taxed at the current rate of 7.81 percent. The bill was operative for tax years beginning or deemed to begin on or after January 1, 2008.

LB 488 (Wallman, 2007) Authorize an income tax credit for perpetual conservation easement donations - Died on General File

As amended with the adopted Committee amendments, LB 488 would have allowed an income tax credit to a taxpayer that donates a perpetual conservation easement to the state or a charitable organization accredited to hold conservation easements by the applicable local Natural Resources District. In the absence of accreditation, the charitable organization was to name a government agency that will accept the easement should the charitable organization cease to exist. The credit was to apply only for a donation that qualifies for a federal tax deduction pursuant to section 170 (h) of the Internal Revenue Code. The amount of the credit was not to include any portion located in another state.

The taxpayer was to apply to the Department of Natural Resources, which was to approve applications for up to \$5 million in tax credits, if the land is in: (a) areas designated as quick response water shortage areas in over-appropriated basins, (b) areas in basins subject to interstate compacts or, (c) areas designated by the Game and Parks Commission as biologically unique.

Applications were to be submitted no later than August 1 of the year the easement is to be granted. Applications were to be approved by the Department by November 1. If the value of the easements would otherwise exceed \$33.3 million (this amount times fifteen percent would be \$5 million), the Department was to prioritize the applications so as not to approve more than \$33.3 million. Criteria for prioritization were to be set by the Department, but the criteria are to assure the greatest amount of groundwater or unique landscapes are preserved.

The easements were to be perpetual and have a monitoring program to assure the easement is enforced. The credit was to be 15 percent of the value of the easement, not to exceed \$250,000. The credit was to be distributed to the owners of pass-through entities in the same way income is distributed. The credit was refundable, and a taxpayer could only claim one credit per tax year.

The Department of Revenue was to issue an annual report, beginning January 1, 2009, detailing use of the income tax credit without revealing confidential information.

LB 983 (Cornett, 2008) Change an income tax credit for planned gifts - Died on General File (Pankonin Priority Bill)

LB 983 would have amended several statutes that currently allow an income tax credit for planned gift or direct contributions to Nebraska based charitable endowments. The bill proposed to 1) increase the calculation of the credit amount and the maximum credit allowed, 2) eliminate subchapter S corporations from receiving the credit, 3) allow any unused credit to be carried forward, 4) extend the sunset date for the program, and 5) cap the amount of credits granted.

Section by section summary

Section 1 would have amended section 77-2701 to incorporate the new sections 5 and 9 into the revenue act.

Section 2 would have amended section 77-27,228 to update Internal Revenue Code references in the descriptions of "pooled income funds" and "charitable gift annuities". These are two types of planned gifts which allow the donor to take an immediate tax credit under current law.

Section 3 would have amended section 77-27,229 (the definitions under the endowment tax credit act) to include a cross reference to the definition of "endowment fund" that is found in the new Nebraska Uniform Prudent Management of Institutional Funds Act. This act was adopted last year by LB 136(2007). This section also clarified that a "tax-exempt organization" meant exempt under IRC section 501 (c) (3).

Section 4 would have amended section 77-27,230 to increase the credit available to a resident individual from 15 percent of the present value of a planned gift to 50 percent. The maximum credit was to also increase from \$5,000 to \$10,000. Finally, the bill allowed the credit to be carried forward for five years. Currently, no carry-forward or carry-back is allowed.

Section 5 was a new section that allowed a tax credit of 25 percent for a direct gift by an individual to a qualified endowment. The maximum credit under this section was to be \$5,000 and it could have been carried forward for five years.

Section 6 would have amended section 77-27,231 to strike limited liability companies from the list of pass-through entities that are allowed to receive the same credit as individuals. The only pass-through entities eligible under LB 983 were to be partnerships and Subchapter S corporations. The maximum credit received by each partner or shareholder was increased from \$5,000 to \$10,000 and the credit could be carried forward for five years.

Section 7 would have amended section 77-27,232 to increase the amount of the credit for direct contributions by C corporations from 10 percent of the value of the gift to 50 percent. The maximum credit was also increased from \$5,000 to \$10,000. Again, the credit could be carried forward for five years.

Section 8 would have amended section 77-27,233 to make these same changes with regard to a planned gift by an estate or trust. The maximum amount was to be \$10,000 and it could be carried forward for five years.

Section 9 would have been a new section limiting the total credits for any one year to \$5 million. The Committee amendment would have lowered the cap to \$3.5 million. As amended, this section required the beneficiaries of the credit to apply for the credit first. The Department of Revenue accepted the applications in the order received and assigned tentative tax credits to the applications. After the threshold was reached, the Department could approve no more applications for tentative tax credits for that year. Tentative tax credits were limited to \$20,000 for a joint return and \$10,000 for all other returns.

It should be noted that the carryover provision meant that, even if only \$3.5 million in credits were granted in any one year, the credits could be carried over and exercised in a later year so the amount of credits taken could be more or less than \$3.5 million in any one year.

Section 10 would have amended section 77-27,234 to extend the sunset date for the credits from tax years beginning after 2009 to tax years beginning after 2016. The carry-forward period could have extended beyond 2016.

Section 11 would have provided an operative date of all tax years beginning on or after January 1, 2008.

Section 12 repealed the original sections.

LB 783 (Howard, 2008) Provide an income tax credit for adoption expenses as prescribed - Died in Committee

LB 783 would have amended section 77-2715.07 (individual income tax credits) to grant a new credit for resident individuals who adopt under certain conditions. The credit was to be a one-time, refundable credit equal to \$500. The new language stated that the credit shall be placed in the Nebraska educational savings plan as if the participant was making a contribution. In other words, the state was to transfer the \$500 into an educational savings plan rather than allow it on the return. It was unclear which tax years the credit and contribution deduction were to apply. The participant was allowed to take the educational savings plan deduction but this provision did not increase the maximum deduction. The taxpayer was to prove the adoption and remit a copy of the educational savings plan agreement.

The bill also stated that the Legislature is to review the amount of the tax credit every biennium. The bill was to be operative for all taxable years beginning on or after January 1, 2008.

LB 863 (Langemeier, 2008) Change income tax calculations - Died in Committee

LB 863 would have amended section 77-2715,02 to change individual income tax brackets as follows:

Current	LB 863, beginning January 1, 2009	Rate
Single – \$0 - \$2,400 \$2,401 - \$17,500 \$17,501 - \$27,000 \$27,001 and over	\$0 - \$5,000 \$5,001 - \$20,000 \$20,001 - \$35,000 \$35,001 and over	2.56% 3.49% 5.12% 6.84%
Joint – \$0 - \$4,800 \$4,801 - \$35,000 \$35,001 - \$54,000 \$54,001 and over	\$0 - \$10,000 \$10,001 - \$40,000 \$40,001 - \$70,000 \$70,001 and over	2.56% 3.49% 5.12% 6.84%
Head of Household – \$0 - \$4,500 \$4,501 - \$28,000 \$28,001 - \$40,000 \$40,001 and over	\$0 - \$9,500 \$9,501 - \$32,000 \$32,001 - \$52,500 \$52,501 and over	2.56% 3.49% 5.12% 6.84%
Estates and Trusts – \$0 - \$500 \$501 - \$4,700 \$4,701 - \$15,150 \$15,151 and over	\$0 - \$1,000 \$1,001 - \$5,000 \$5,001 - \$20,000 \$20,001 and over	2.56% 3.49% 5.12% 6.84%

Married filing separate returns were the same as single returns.

As noted in the third column, there was no change in rates, only an expansion in brackets.

LB 891 (Gay, 2008) Provide an income tax credit for certain health-related expenditures - Died in Committee

LB 891 would have amended section 77-2715.07 (individual income tax credits) to adopt a new credit for resident individuals equal to twenty percent of the amount expended by the taxpayer for specialized medical equipment, supplies, or home modifications. The taxpayer was required to provide a certification by a physician that the equipment, supplies, or modifications assist in life functions and allowed the taxpayer or his or her spouse to live at home. The credit could not have exceeded \$1,500. It was to be operative for tax years beginning on or after January 1, 2008.

LB 894 (Gay, 2008) Increase tax deductions allowed under the Long-Term Care Savings Plan - Died in Committee (Speaker Priority Bill)

LB 894 would have amended section 77-2716, Nebraska adjustments to federal adjusted gross income, to increase the allowed deduction for contributions to a long term savings plan. Under LB 894, taxpayers would have been able to deduct up to \$5,000 for a joint return or \$2,500 for all other returns. The current limits are \$2,000 and \$1,000. The bill had no operative date.

LB 9 (Preister, 2007) Provide an income tax credit for energy conservation and renewable energy generation - Indefinitely Postponed by Committee

LB 9 would have amended section 77-908 (insurance premium tax); 77-2715.07 (individual income tax); 77-2717 (estate and trust income tax); 77-2734.03 (corporate income tax); and 77-3806 (financial institutions deposit tax) to allow a credit against these taxes as set out in section 3 of the bill. Section 2 amended section 77-2701 to incorporate the new tax credit in section 3 into the Revenue Act.

Section 3 would have allowed a tax credit equal to 25 percent of the costs incurred by the taxpayer for installation of energy conservation or renewable energy generation improvements for home or business. The credit was for costs incurred after January 1, 2007 and could not exceed \$500. Renewable energy generation meant power generated by wind, solar, geothermal resources or biomass. The Department of Energy and the Department of Revenue were allowed to adopt rules and regulations.

The credit was to be effective beginning with taxable years beginning on or after January 1, 2007.

LB 169 (Cornett, 2007) Exclude military retirement benefits from income taxation - Indefinitely Postponed by Committee

LB 169 would have amended section 77-2716, Nebraska adjustments to federal adjusted gross income, to exclude an increasing portion of military retirement benefits from adjusted gross income and, therefore, from income taxation. The portion excluded was 10 percent for tax year 2007, 20 percent for tax year 2008, and increased ten percent each tax year until becoming totally exempt beginning with tax year 2016.

LB 714 (Pahls, 2008) Exclude social security benefits from income tax and homestead exemption calculations - Indefinitely Postponed by Committee

LB 714 would have amended section 77-2716, adjustments to federal adjusted gross income for Nebraska tax purposes, to exclude any social security benefits that are taxable federally. Section 2 would have amended section 77-3504, definitions under the homestead exemption act, to exclude from the definition of household income any social security that is excluded for federal tax purposes. The income tax change was operative for tax years beginning on or after January 1, 2008 and the homestead change was operative beginning in 2009.

LB 737 (Fulton, 2008) Provide income tax credits for returns filed claiming dependents eligible for assistance - Indefinitely Postponed by Committee

LB 737 would have amended section 77-2715.07 to increase the child and dependent care tax credit to resident individuals in cases where a dependent is eligible for medical assistance under sections 68-1001 to 68-1008. This means the dependent is Medicaid eligible.

LB 737 would have provided that if the federal AGI is greater than \$29,000, and a dependent is eligible for medical assistance under sections 68-1001 to 68-1008, the credit was to be 100 percent of the federal credit. It was still nonrefundable. If federal AGI is \$29,000 or less and the taxpayer has such a dependent, the credit would have also been 100 percent of the federal credit but was refundable.

The bill also stated that the total amount of tax credits could not exceed \$1 million. If too much in credits was claimed, they were to be prorated.

The bill would have been operative for tax years beginning on or after January 1, 2008.

LB 757 (Hudkins, 2008) Adopt the Volunteer Emergency Responders Incentive Act - Indefinitely Postponed by Committee

LB 757 would have amended section 77-2715.07 to grant a \$500 refundable individual income tax credit for individuals who qualify as active emergency responders, active rescue squad members, or active volunteer firefighters. The qualifications were established by sections 1 through 5 of the bill. Essentially, the individuals were to be approved by the authority in control of a volunteer fire department and meet criteria based points awarded for certain service, training and other activities to receive the credit.

LB 770 (Cornett, 2008) Exclude military retirement benefits from taxation - Indefinitely Postponed by Committee

LB 770 would have amended section 77-2716, Nebraska adjustments to federal adjusted gross income, to exclude some or all military retirement benefits from adjusted gross income and, therefore, from Nebraska income taxation. The military retirement excluded was to be limited to \$48,000 for a joint return if both spouses are receiving military retirement or \$24,000 for all other taxpayers. LB 770 defined military retirement benefits to mean periodic payments attributable to uniformed services of the United States. The exclusion was for taxable years beginning on or after January 1, 2008.

LB 887 (Burling, 2008) Change the corporate tax rate - Indefinitely Postponed by Committee

LB 887 would have amended section 77-2734.02 to lower the top corporate income tax rate and expand the lower bracket. Under current law, the first \$50,000 of corporate income is taxed at a rate of 158.8 percent of the primary rate (for a tax rate of 5.58 percent). Income in excess of \$50,000 is taxed at 211 percent of the primary rate (7.81 percent tax rate).

LB 887 would have extended the first bracket from \$50,000 to \$100,000. Corporate income in excess of \$100,000 was to be taxed at a rate of 185 percent of the primary rate (6.85 percent tax rate). The bill was to be operative for tax years beginning or deemed to begin on or after January 1, 2008.

LB 974 (Gay, 2008) Provides an income tax credit for health insurance or care expenses of certain employers - Indefinitely Postponed by Committee

LB 974 would have amended section 77-2715.07 (individual income tax credits) and section 77-2734.03 (corporate income tax credits) to provide a new credit for employers which begin paying for health insurance for employees for taxable years between 2009 and 2012. The credit was to be limited to resident individuals or corporations employing 25 or fewer employees in Nebraska. The credit amount was 25 percent of the employer paid portions if the taxpayer had not contributed to health insurance premiums of employees within the previous two years unless the previous premiums paid were limited to the taxpayer or his or her dependents.

The bill stated that, if the credit was taken, any deduction taken must be reduced by the amount of the credit. For a pass-through entity, the credit was to be distributed in proportion to the ownership interests.

LB 1000 (Pirsch, 2008) Change income tax calculations and property tax relief funding and transfer cash reserve funds - Indefinitely Postponed by Committee

LB 1000 would have amended section 77-2715.02 to broaden the lowest individual income tax bracket for all filers as follows:

Current	LB 1000, beginning January 1, 2008	Rate
Single –		
\$0 - \$2,400	\$0 - \$5,000	2.56%
\$2,401 - \$17,500	\$5,001 - \$17,500	3.49%
\$17,501 - \$27,000	\$17,501 - \$27,000	5.12%
\$27,001 and over	\$27,001 and over	6.84%
Joint –		
\$0 - \$4,800	\$0 - \$10,000	2.56%
\$4,801 - \$35,000	\$10,001 - \$35,000	3.49%
\$35,001 - \$54,000	\$35,001 - \$54,000	5.12%
\$54,001 and over	\$54,001 and over	6.84%
Head of Household –		
\$0 - \$4,500	\$0 - \$8,000	2.56%
\$4,501 - \$28,000	\$8,001 - \$28,000	3.49%
\$28,001 - \$40,000	\$28,001 - \$40,000	5.12%
\$40,001 and over	\$40,001 and over	6.84%
Estates and Trusts –		
\$0 - \$500	\$0 - \$1,000	2.56%
\$501 - \$4,700	\$1,001 - \$4,700	3.49%
\$4,701 - \$15,150	\$4,701 - \$15,150	5.12%
\$15,151 and over	\$15,151 and over	6.84%

Married filing separate returns were the same as single returns.

As noted in the third column, there was no change in rates, only an expansion in the first bracket.

Section 2 would have amended section 77-4212, which is last year's property tax credit section, to increase the amount distributed to taxpayers as property tax credits for 2008 from \$115 million to \$215 million. This would have increased the credit for 2008 from an estimated eight cents per \$100 of valuation to sixteen. The additional \$100 million was

to be supplied by an additional \$13 million from the General Fund and \$87 million from the Cash Reserve Fund.

In addition to the transfer from the Cash Reserve Fund for property tax credits, Section 3 would have also amended section 84-612 to transfer \$33 million from the Cash Reserve Fund to the General Fund by June 30, 2008, 2009, and 2010. The bill carried the emergency clause.

LB 1012 (Gay, 2008) Allow an income tax credit for certain long-term care insurance policy premiums - Indefinitely Postponed by Committee

LB 1012 would have amended section 77-2715.07 to allow a taxpayer a tax credit equal to 25 percent of the premium costs paid for a long-term care policy for the taxpayer, his or her spouse, parent, or immediate family member or dependent. Excluded were amounts already claimed by another and amounts expended from a long-term care savings plan. The credit was not to exceed \$500 or the tax liability of the taxpayer. Any unused credit was not to be carried forward.

The bill would have been effective for all tax years beginning or deemed to begin on or after January 1, 2008.

LB 1140 (Pedersen, 2008) Exempt social security and government retirement benefits from income tax as prescribed - Indefinitely Postponed by Committee

LB 1140 would have amended section 77-2716, Nebraska adjustments to federal adjusted gross income, to exclude from Nebraska income tax some or all social security benefits to the extent included in federal adjusted gross income and some or all benefits from public retirement systems. The exclusion extended to retirement benefits from the county, judges, state patrol, school employees, including for Class V districts, state employees, U.S. civil service, and military retirement systems.

Beginning with tax year 2008, the exclusion would have been limited to \$30,000 for a joint return if both spouses receive such retirement income and \$15,000 for all other taxpayers. For 2009, the exclusion cap rose to \$60,000 and \$30,000. For 2010, it was \$90,000 and \$45,000; in 2011, \$120,000 and \$60,000; and in 2012 and beyond, \$150,000 and \$75,000.

The bill was to be operative for all taxable years beginning or deemed to begin on or after January 1, 2008.

INCOME TAX - OTHER

LB 1004 (Cornett, 2008) Change an income tax withholding amount - Enacted

LB 1004 amended sections 77-2753 and 77-2790, to change the assumed minimum withholding amount from 3 percent of the gross wages minus qualified deductions to 1½ percent. Under current law, withholding from employees is to be at least this minimum amount unless the employee provides satisfactory evidence that a lower amount is justified.

LB 1038 (Janssen, 2008) Change an income tax adjustment relating to interest and dividends - Died in Committee

LB 1038 would have amended section 77-2716, adjustments to federal adjusted gross income for Nebraska individual income tax purposes, to limit the exclusion for income from public indebtedness to bonds issued on or after January 1, 2009. The bill was intended to serve as a vehicle for dealing with a case currently before the U.S. Supreme Court that may declare our practice of exempting Nebraska municipal bond income from state income tax while not exempting income from bonds issued by local governments in other states unconstitutional.

LB 1175 (White, 2008) Change income tax withholding provisions - Indefinitely Postponed by Committee

(NOTE: The provisions of LB 1175, as clarified by the Committee, were amended into LB 1001 and Enacted.)

LB 1175 would have amended the income tax withholding statute, (section 77-2753), to add a new withholding requirement for any business making payments of more than \$600 for construction services or for arranging for construction labor to persons that are not employees. The withholding was to be five percent, but the independent contractor may provide the payor with evidence of expenses that can be deducted before the five percent withholding is calculated. This requirement would not apply if the payee showed that any income that is earned would not be subject to income tax because of a treaty obligation of the United States.

Sections 2, 3, & 4 would have amended sections 77-3102, 77-3104, and 77-3105 to add references to withholding from contractors in these three sections of the nonresident contractor registration act. Section 5 would have amended section 77-3106 to require

resident and nonresident contractors to withhold from subcontractors, any individuals that are not employees, or labor contractors, an amount sufficient to guarantee that all taxes including unemployment taxes and the withholding required by section 1 are paid. Failure to comply rendered such contractor liable for the amount of the bond currently required of such subcontractors under section 77-3104. This amount could be reduced to the extent the contractor can show that the subcontractor has paid taxes and contributions to the state.

EXCISE TAXES

LB 846 (Fischer, 2008) Change motor fuel taxes - Enacted (Fischer Priority Bill)

LB 846 changed the way fuel taxes are levied and collected in Nebraska. A price related tax was added to the existing excise tax. Section 11 establishes a tax of five percent of the wholesale price of gasoline. The proceeds from this tax will be distributed 66 percent to the state with the remaining 34 percent evenly split between cities and counties. The current excise tax levied per gallon will be reduced from 10½ cents per gallon to 7½ cents and the 2 cent excise tax levied exclusively for cities and counties will be increased to 2.8 cents. It is expected that the variable tax will decline from 14 cents to 4 cents, resulting in no net change in tax rates.

Section by section summary as amended and enacted

Section 1 amended section 39-2215 to cross-reference the new sections 11 and 17 to the Highway Trust Fund.

Sections 2 through 7 and 9 and 10 amended eight sections of the motor fuel tax statutes to add harmonizing cross-references to the wholesale price tax created by Section 11.

Sections 5, 10, and 16 reduced the statutory excise tax from 10½ cents per gallon to 7½ cents.

Section 8 amended section 66-499 to direct that credits and refunds shall be paid from the Highway Trust Fund. All proceeds from the 7½ cent tax after refunds shall be credited to the Highway Cash Fund.

Section 11 adopted a new tax of five percent of the wholesale price. The wholesale price and five percent rate establishes a cents per gallon equivalent that is set every six months. The rate established may not be adjusted more than one cent every six months. Sixty-six percent of the new tax will be deposited in the State Highway Cash Fund, 17 percent to the counties through the Highway Allocation Fund, and 17 percent to the cities using the Highway Allocation Fund.

Sections 12 and 13 amended section 66-4,114 and 66-4,145 to harmonize references to the new wholesale tax.

Sections 13, 14 and 18 amended sections 66-4,145, 66-4,146 and 66-6,109 to increase the tax for cities and counties from 2 cents per gallon to 2.8 cents.

Sections 16 through 18 made these same changes regarding the taxation of compressed fuels.

Section 20 amended section 66-726 to harmonize the new wholesale price tax into the motor fuel tax exemption statutes.

Section 21 amended 84-612 dealing with the Cash Reserve Fund to transfer \$5 million to the Roads Operations Cash Fund in 2009-10, 2010-11, and 2011-12 to match congressional earmarks.

Section 22 provided an operative date of July 1, 2009 for the tax changes and the regular operative date for the other sections.

Sections 23 and 24 repealed the original sections.

LB 722 (Engel, 2008) Change the tax on tobacco products - Died on General File

LB 722 would have amended the Tobacco Products Tax Act, sections 77-4001, 4002, 4004, 4007, 4008, 4009, 4014, 4017, 4018, and 4024. The primary purpose of this bill was to change the tax on snuff from one based on the wholesale price of the product to a tax based on weight.

Sections 1 through 3 would have incorporated the new term "smoking tobacco."

Section 4 would have defined smoking tobacco to include several items, but not to include cigarettes. (Cigarettes are defined in 77-2601.) Smoking tobacco included cigars and other items designed to be smoked.

Section 5 would have defined tobacco products as everything else, including snuff and chewing tobacco.

Section 6 would have amended the calculation of the tax so that snuff and other tobacco products were taxed at a rate of 65 cents per ounce or fraction thereof. The tax on smoking tobacco products would continue to be the current 20 percent of first owners purchase price or wholesale price.

Section 7 would have added the term smoking tobacco to a statute requiring persons shipping tobacco products into Nebraska to have a license from the Tax Commissioner to engage in such activities.

Section 8 required retailers to also list the weight of snuff sold on their returns.

Section 9 made weight reporting mandatory for recordkeeping purposes.

Section 10 added smoking tobacco to a credit and refund statute.

Section 11 added smoking tobacco to a fines and penalty statute.

Section 12 established an operative date of October 1,2008.

Section 13 repealed the original sections.

LB 501 (Mines, 2007) Provide for cigarette tax collection by direct sellers - Died in Committee

LB 501 would have regulated direct sellers of cigarettes to Nebraska residents. Section 3 would have amended section 77-2601 to name sections 77-2601 to 77-2622 the Cigarette Tax Act, include new sections 19 and 20 into this act, and define "direct seller" as a person that receives orders by Internet, mail order or other means and causes cigarettes to be delivered to a consumer in this state. Sections 1, 2, and 4 through 17 would have amended fifteen sections to harmonize the naming of the act or include "direct sellers" within the provisions of the act.

Sections 6 and 12 would have amended sections 77-2603 and 77-2612 to require direct sellers to obtain a retailer's license. The direct seller was to annually apply for the license with the Tax Commissioner and pay a \$25 fee. Fees were to be deposited in the General Fund. The direct seller was required to collect tax and affix stamps to cigarettes to be delivered in the state. Section 18 amended section 77-2621 to prohibit unstamped cigarettes from being delivered anywhere in the state except to a licensed wholesaler.

Section 19 was a new section prohibiting direct sellers from accepting orders from persons less than 19 years of age. All cigarettes shipped to a customer in this state were to be tax paid and stamped. Packages containing cigarettes were to be clearly stamped with the word CIGARETTES.

Section 20 was a new section prohibiting common carriers from delivering cigarettes to a customer unless the shipper is licensed to sell cigarettes in this state. The Tax Commissioner was to maintain a database with a list of licensed sellers. The list was to be updated monthly. The Tax Commissioner was required to provide ten days notice before removing a retailer from the list.

The common carrier had no obligation to inspect packages to determine if they contain cigarettes and was not liable if the common carrier did not know the package contained cigarettes. Common carriers, officers, or employees who refuse to make deliveries of cigarettes for persons not on the list, make deliveries of cigarettes in this state, or who collect an additional fee for delivering cigarettes were not to be held liable for criminal or civil penalties.

Section 21 provided severability. Section 22 repealed the original sections. The bill had no operative date.

LB 758 (Hudkins, 2008) Increase motor fuel taxes and allocate and reallocate revenue - Indefinitely Postponed by Committee

LB 758 would have increased motor vehicles fuel taxes by three cents. One cent would have been deposited in the Highway Trust Fund for distribution to cities, counties, and the state highway program. Two cents would have been deposited in the Highway Allocation Fund which is split equally between cities and counties only. A one-half cent portion of the state sales tax that had been collected and distributed through the Highway Allocation Fund was to be returned to the Highway Trust Fund. The bill was to be operative October 1, 2008.

LB 881 (Stuthman, 2008) Impose an excise tax on production of ethanol - Indefinitely Postponed by Committee

LB 881 would have established a three cent per gallon tax on ethanol production and directed that the tax be collected by the Revenue Department and paid into the Highway Trust Fund quarterly.

Proceeds were to be distributed by a formula giving 50 percent to the state for the Highway Cash Fund, and 25 percent each to the cities and counties through the Highway Allocation Fund formula.

LB 913 (Wightman, 2008) Change inheritance tax provisions - Indefinitely Postponed by Committee

LB 913 would have amended section 77-2005 to lower the rate of inheritance tax on remote relatives from 13 to 10 percent of the clear market value of the property received in excess of \$15,000. Property with clear market value of \$15,000 or less is not subject to tax.

LB 922 (Dubas, 2008) Adopt the Cellulosic Biomass Renewable Energy Initiative and impose and change taxes - Indefinitely Postponed by Committee

LB 922 would have created a fund and a program for granting incentives to cellulosic ethanol production. There were to be three types of incentives: 1) grant incentives for pilot projects or special circumstances, 2) loan incentives for bringing technology to commercial scale, and 3) production incentives of 20 cents per megajoule for commercial production of cellulosic ethanol.

The fund was to collect money from a new one cent per million BTU tax on natural gas imported into Nebraska, an increase in the severance tax on non-stripper oil from three percent to five percent and a doubling of the train mile tax to fifteen cents per train mile. The three excise taxes would have been suspended if the amount of money in the Fund exceeded \$10 million and restarted if the balance in the Fund fell to \$5 million.

LB 946 (Burling, 2008) Impose an excise tax on ethanol production - Indefinitely Postponed by Committee

LB 946 would have repealed the existing excise tax on grain devoted to ethanol funding beginning in 2009. The bill imposed a tax on Nebraska ethanol production of two cents per gallon. The proceeds of the tax were to go to the Ethanol Production Incentive Cash Fund through the year 2012, and the Water Resources Cash Fund in the years 2013 and after.

LB 1040 (Louden, 2008) Impose a tax on ethanol production, terminate an excise tax, and change funding for the Water Resources Cash Fund - Indefinitely Postponed by Committee

LB 1040 would have created a one cent per gallon excise tax on ethanol production beginning in the year 2012 and repealed a grain excise tax now imposed. The ethanol tax imposed, beginning in 2012, was to be placed in the Water Resources Cash Fund. The proposed tax expired in the year 2019.

LB 1071 (Karpisek, 2008) Impose an excise tax on wire transfers - Indefinitely Postponed by Committee

LB 1071 would have imposed a new excise tax on wire transfers of money initiated from this state. The tax rate was to be one percent of the amount of the wire transfer. The company handling the wire transfer was to collect the tax from the customer and remit the tax to the Department of Revenue accompanied by a report. The tax was to be

remitted within 30 days after the end of each calendar quarter. Proceeds from the tax were to be deposited in the Tax Equity and Educational Opportunities Fund.

Violation of the section was a class III misdemeanor. The Department could have promulgated rules and regulations.

LB 1149 (Johnson, 2008) Provide funding for behavioral health workforce development - *Bill Withdrawn*

PROPERTY TAX ADMINISTRATION

LB 710 (Pahls, 2008) Require notice of sale of real property by a land reutilization authority - Enacted

LB 710 requires that adjacent property owners receive a notice 45 days before a parcel is to be sold by a land reutilization authority.

LB 777 (Hudkins, 2008) Change provisions relating to property valuation for taxation purposes - Enacted (Hudkins Priority Bill)

LB 777 amended section 77-1359, the definition of agricultural and horticultural land. Under the bill, a parcel of land, excluding any buildings and land directly associated with such buildings, shall be examined in total. If the primary use of this part of the parcel is agricultural or horticultural, the land qualifies for classification as agricultural or horticultural land. The bill carried the emergency clause.

LB 893 (Langemeier, 2008) Change provisions relating to tax deeds and foreclosures - Enacted

LB 893 amended section 77-1834 to require persons holding publicly-recorded encumbrances to be notified in the case of a tax lien delinquency. A newspaper notice is required to be published in newspapers located in the county if the owner cannot be found to receive direct notice.

Section 2 amended section 77-1914 to provide that a tax sale will deliver title free and clear from only those liens for which the lienholder was a party to the proceeding and who received service of process.

Section 3 amended section 77-1917 to state that any person entitled to redeem property facing foreclosure has a right to redeem the property prior to foreclosure by paying the delinquent taxes, plus statutorily prescribed interest on tax delinquency certificates.

LB 965 (Revenue Committee, 2008) Change property tax provisions - Enacted
(Janssen Priority Bill)

LB 965 amended a number of property tax statutes to enhance the administration and enforcement of the property tax as proposed by the Department of Revenue. This year's legislation did four things. First, it eliminated the requirement that the form 521 (which reports the sales price of real property) be produced in quadruplicate. The Department is proposing electronic forms that could be sent to different offices without being produced in multiple paper copies.

Second, it clarified the personal property tax statutes by inserting consistent terminology of "taxable tangible personal property." It also provided a uniform three-year statute of limitations to corrections of personal property tax returns and clarified refund procedures.

Third, the bill moved the date at which personal property that is exempt from taxation under two tax incentive acts is certified to counties and the taxpayer from August 10 to August 1st. Finally, LB 965 repealed outright a statute that requires the county assessor to report tax-exempt government-owned property to the state every four years.

The adopted Committee amendments added the provisions of LB 964 to:

- 1) provide that if a greenbelt applicant failed to protest the denial of special value because of a failure to receive the required notice of denial, the TERC may consider the protest and may determine special value for that year or (for 2009 or earlier) the recapture value;
- 2) allow the parties to limit the official record of an appeal of an equalization order to the material dealing with the appealing county, and
- 3) specifically exclude the TERC and its employees from the personnel code except for vacation, sick leave, and retirement.

Section by section summary

Section 1 amended section 76-214, dealing with real estate transfer statements, to eliminate obsolete language dealing with social security numbers. This section also eliminated the requirement that the form be designed to generate multiple copies. Finally, this section struck the requirement that the forms be confidential.

Section 2 amended section 77-115 which defines a county assessor to clarify that, for counties where the state has taken over assessment, the Property Tax Administrator has the authority of the county assessor.

Sections 3-7, and 9-13 amended sections 77-1201, 77-1202.01, 77-1214, 77-1219, 77-1233.02, 77-1233.03, 77-1233.04, 77-1233.06 and 77-1234 to insert the word "taxable"

or the two words “taxable tangible” before the words personal property in dozens of places dealing with the taxation of personal property.

Section 8 amended section 77-1230, which deals with the responsibility to file an amended personal property tax schedule within 90 days whenever the taxpayer files an amended income tax return that affects the personal property tax basis. The new language in subsection (2) authorized the taxpayer to file a new schedule upon the discovery of errors or omissions. This must be done within the current tax year or the three previous tax years.

The assessor may accept or reject the amendment and the taxpayer has fifteen days to appeal that decision. If changes are made, the tax list is to be corrected accordingly and if a refund is due, it is to be processed under 77-1734.01. (That section was amended by section 17 of the bill.)

Section 14 amended section 77-1345.01 to provide that if a greenbelt applicant failed to protest the denial of special value because of a failure to receive the required notice of denial, the TERC may consider the protest and may determine special value for that year or (for 2009 or earlier) the recapture value.

Section 15 amended section 77-1502 to provide that protests of tangible personal must be filed on or before June 30 rather than May 1st.

Section 16 amended section 77-1504.01 to provide that county petitions to the TERC for class or subclass adjustment are to be made so that the total adjustments are equal to the TERC's order.

Section 17 amended section 77-1734.01 which deals with property tax refunds as a result of an amended federal tax return, a clerical error or honest mistake or misunderstanding. The changes to this section struck references to “credits” against future property taxes and provided that the refund “shall” be granted by the county board rather than “may”. A claim for refund is to be made in writing within three years of the original due date of the return. The county treasurer and/or assessor is to verify the validity of the claim and upon verification, the county board shall make the refund.

Section 18 amended section 77-1736.06, which provides for automatic refunds of property taxes, to specifically include final, unappealable orders of the TERC or a court. These refunds are to be calculated by the county treasurer and distributed to the political subdivisions within 30 days and are to be paid within 30 days after that from funds of the subdivisions, if any are held by the county treasurer.

Sections 19 and 22 amended sections 77-4105 (Employment and Investment Growth Act) and section 77-5725 (Nebraska Advantage Act) to change the date by which the Tax Commissioner must determine eligibility for the personal property tax exemption under the two incentive acts from August 10th to August 1st. The decision is certified to the county and the taxpayer on or before that date.

Section 20 amended section 77-5004 to narrow the application of the personnel statutes to TERC Commissioners to health insurance, retirement, vacation, and sick leave.

Section 21 amended section 77-5019 to allow the parties to limit the official record of an appeal of an equalization order to the material dealing with the appealing county.

Section 23 amended section 81-1316 (state personnel code) to exclude TERC and its employees from the personnel code.

Section 24 provided that the changes to the Form 521 are operative January 1, 2009 and the other sections are operative on their effective date.

Sections 25 and 26 repealed the original sections and section 27 repealed section 77-202.13 outright. This section requires the county assessor to report tax-exempt government-owned to the state every four years.

Section 28 declared an emergency.

LB 814 (Raikes, 2008) Change delinquent property tax notification and collection provisions - Died on General File

LB 814 proposed to change provisions of tax delinquency statutes. The current law allows the use of an escrow account and a payment plan for taxpayers in delinquency. The proposed bill, by changing "may" to "shall" in Section 1, would have required the use of an escrow account for payment of delinquencies. This escrow account can be managed by the county treasurer, or contracted out to another party, including a financial institution.

Section 2 would have established a MANDATORY notice requirement where there is now discretion. The mandate was to be a mail notice to the last known address, and required this duty to be performed by May 15th in counties of over 100,000 population, and June 15 in all other counties. A \$1 charge for the notice to the taxpayer was added.

Section 3 would have established a September 1 deadline for taxpayer compliance on delinquencies, at which time foreclosure or sale action may be taken if the taxpayer has not addressed the delinquency through escrow or other payment. A delinquency notice was required and the taxpayer was to be charged \$1 for the notice.

Section 4 amended existing law to require a notice by mail of a sale action to be taken by the county treasurer, with a first Monday in March sale action timetable, following delinquency.

Section 5 would have repealed the original sections.

The Committee amendments would have required counties to accept partial payment of property taxes so long as the amount offered is at least \$500. These partial payments were to be applied against the outstanding balance and stop the accumulation of interest on the amount of the delinquency relieved by the partial payment. Partial payments were to be applied to the oldest delinquencies first. Proceeds from partial payments were to be distributed to the local governments in proportion to the tax liability.

Under the Committee amendment, the escrow process remained discretionary, but only applied to payments of less than \$500. Section 77-1719.03 would have also been amended to harmonize the change in 77-1704.02 with regard to the escrow process.

Finally, the Committee amendment changed the notice to state that the property may be sold "on or before the first Monday of March" to match the tax sale process.

LB 778 (Pirsch, 2008) Change property tax assessment and equalization provisions - Died in Committee

LB 778 would have amended a number of sections to change dates and deadlines. The ultimate result was that the amount of time for county boards to hear protests would have been expanded. Currently, the time frame for counties to hear protests runs from June 1st through July 25th, unless the county passes a resolution to extend the time to August 10th. Under LB 778, the time was to be from May 1st until August 10th in all cases. The time available to do an initial assessment, perform intercounty equalization, recertify values and file protests would have all been shortened to accommodate the longer protest period. LB 778 also contained a new requirement to post value on the county's website, if one is available.

LB 864 (Langemeier, 2008) Change the standard of review for the Tax Equalization and Review Commission - Died in Committee

LB 864 would have amended section 77-5016 to change the standard of review for taxpayers appealing valuation decisions from the county board of equalization to the TERC. Currently, the county board decision is to be affirmed unless there is evidence adduced that the decision was unreasonable or arbitrary. Case law has established that "unreasonable or arbitrary" means without basis.

Under LB 864, the TERC was to dismiss an appeal if there is no evidence to show that the county's decision is without sufficient basis. The decision was to be affirmed unless the commission determines by clear and convincing evidence that the county's decision was without sufficient basis. In the case of a valuation appeal, the taxpayer must also prove by the greater weight of the evidence that a different value is correct.

This standard was not to be applicable to appeals under section 77-1606. These are allegations of unlawful levies, typically levies over the applicable limit.

LB 897 (Janssen, 2008) Change property tax provisions - Died in Committee

LB 897 would have amended a number of sections to change dates and deadlines. The ultimate result was that the amount of time for county boards to hear protests would have been expanded. Currently, the time frame for counties to hear protests runs from June 1st through July 25th unless the county passes a resolution to extend the time to August 10th. Under LB 897, the time was to be from May 1st until August 10th in all cases. Time available to do an initial assessment, perform intercounty equalization, recertify values and file protests would have all been shortened to accommodate the longer protest period. LB 897 also contained a new requirement to post value on the county's website, if one is available.

LB 897 would have also created a new office, the State Property Taxpayer Referee Division. This division was to hear protests from valuation, equalization, exemption, homestead, greenbelt, or other protests from any county at the county's discretion. The State Referee could take evidence, hear arguments, discuss issues with the parties, and would have issued a recommendation to the county for disposition of the protest. The county could have accepted or rejected the recommendation or taken new evidence and made an independent decision. These are the same provisions that govern the local referee system now. Local referees were to be eliminated under LB 897.

LB 964 (Revenue Committee, 2008) Change provisions relating to the Tax Equalization and Review Commission - Died in Committee (Revenue Committee Priority Bill)

(NOTE: The provisions of LB 964 were amended into LB 965 and Enacted.)

LB 964 would have amended four sections of statute to: 1) provide that if a greenbelt applicant failed to protest the denial of special value because of a failure to receive the required notice of denial, the TERC may consider the protest and may determine special value for that year or (for 2009 or earlier) the recapture value; 2) allow the parties to limit the official record of an appeal of an equalization order to the material dealing with the appealing county, and 3) specifically exclude the TERC and its employees from the personnel code except for vacation, sick leave, and retirement.

LB 989 (Friend, 2008) Change priority of special assessment liens in cities of the metropolitan class - Died in Committee

LB 989 would have modified existing law on delinquent taxes and special assessments for metropolitan class cities. The proposal sought to give metropolitan class city special assessments equal legal position with other delinquent general taxes of all local governments. Delinquent general taxes have priority over all other liens and encumbrances currently.

LB 1039 (Janssen, 2008) Create a task force and provide duties relating to agricultural land valuation - Died in Committee

LB 1039 would have created a task force appointed by the Legislature to develop a report and the information necessary to implement valuation of agricultural land using a crop price and productivity system. This system is used in most other states which border Nebraska. It also required a report on valuing agricultural land by the Department of Revenue and their staff. The bill called for a budget of \$50,000 for the project.

LB 1110 (Erdman, 2008) Adopt the Property Tax Review Court Act and repeal the Tax Equalization and Review Commission Act - Died in Committee

LB 1110 would have replaced the Tax Equalization and Review Commission with a Property Tax Review Court for all purposes. There were to be three judges of the Court, appointed like other judges and paid 85 percent of the salary of Supreme Court judges. LB 1110 called the Court an appellate court, but like the TERC that it would replace, the court would have had features of a trial court, an appellate court and an administrative agency.

The first fifteen sections were patterned after the Nebraska Worker's Compensation Court. These sections described the appointment, structure, and powers of the Court. These sections also described an informal dispute resolution process like the Worker's Compensation Court. The next ten sections were patterned after the current Tax Equalization and Review Commission Act. They described jurisdictional requirements, inter-county equalization, and appeals from its decisions.

LB 1110 harmonized 45 sections of statute and repealed the Tax Equalization and Review Commission Act outright.

LB 1111 (Erdman, 2008) Change membership of the Tax Equalization and Review Commission - Died in Committee

LB 1111 would have amended sections 77-5003 and 77-5004 to change the makeup of the TERC to require the four-person panel to consist of two attorneys and two appraisers. Either the chairperson or the vice chairperson was to be a non-attorney under LB 1111. The attorney members were to annually attend a two-day seminar in appraisal and the non-attorney members were to attend training for judges or administrative law judges. The changes required by this bill were to be operative for the next appointment and the bill carried the emergency clause.

LB 985 (Stuthman, 2008) Change provisions relating to tangible personal property tax returns - Indefinitely Postponed by Committee

LB 985 would have changed existing dates found in state law on personal property valuation and taxes. Current law provides for a three-month period for a late filing or adding personal property to the tax rolls, before penalties of ten percent of taxes due on the value added are charged. This was to be shortened to one month under the law. A higher penalty of 25 percent of the tax due was to be charged for property added after June 1 under the proposed bill. Currently, this higher penalty is invoked after August 1.

LB 1118 (Pedersen, 2008) Require filing of additional budget and tax levy information - Indefinitely Postponed by Committee

LB 1118 would have amended section 13-508, dealing with budget limits for local governments, to require each political subdivision levying property taxes to file a statement with the county board or boards of the counties where the subdivision is levying taxes, and the State Auditor. The statement would have compared this year's taxes with last year's. Specifically, the statement was to show what this year's tax levy would have raised on last year's valuation.

HOMESTEAD EXEMPTIONS

LB 454 (White, 2008) Change homestead exemption provisions - *Died in Committee*

LB 454 would have allowed persons with limited ability to see to qualify for a homestead exemption. The definition for the limit was described as a federal law I.R.S. code provision, meaning no better than 20 over 200 with glasses, or contact lenses, or a field of vision limited to 10 degrees or less.

LB 733 (Kopplin, 2008) Create a homestead exemption - *Indefinitely Postponed by Committee*

LB 733 would have adopted a general homestead exemption for the first \$25,000 of the value of a homestead beginning January 1, 2009. "Homestead" is defined in 77-3502 as a residence or home and the land surrounding it, not exceeding one acre, actually occupied by the owner from January 1 through August 15th of the year.

Sections 3 through 16 would have amended numerous sections in the current homestead exemption program to include references to the new general homestead exemption created by section 2. Included in these sections were provisions for applications, forms, rules and regulations, appeals and penalties. Section 9 would have amended section 77-3513 to require all persons to apply for the exemption in 2009. For later years, if an owner had been granted the exemption, no application was required. Section 10 amended section 77-3514 to include claimants under the new program among those who must annually certify to the county assessor that a change in circumstance has occurred, or that no such change has occurred.

Section 14 amended section 77-3523 to include this new general homestead exemption within the law requiring the county treasurer to calculate the total taxes lost as a result of homestead exemptions within his or her county and certify the amount to the Tax Commissioner. The state reimburses local governments for the full amount of homestead exemptions in six equal payments beginning the following January.

PROPERTY TAX - OTHER

LB 1008 (Wightman, 2008) Provide for reassumption of the tax assessment function by counties - *Died in Committee*

LB 1008 would have returned all property valuation and assessment to local control by locally elected officials. The bill required the Department of Property Assessment to turn over the assessment function in its nine counties beginning in the year 2011.

The bill allowed county governments to resume performing the property assessment function sooner than that date by resolution of the board. Counties would have been allowed to appoint a person to the position of county assessor, who would have been replaced by an elected official at the next county election. All nine state-assessed counties were required to reimburse the state for one-third of the cost of assessment services performed for 2009-10 and two-thirds for 2010-11. A budget exception for the increased cost would have allowed counties to pay for the increased cost and the return of the function.

LB 732 (Kopplin, 2008) Exempt first \$25,000 of residential property values from taxation - *Indefinitely Postponed by Committee*

LB 732 would have amended section 77-201, dealing with exemptions from property tax, to create an exemption for the first \$25,000 of the value of single family residential property.

LB 931 Cornett, 2008) Change provisions relating to taxation of air carriers - *Indefinitely Postponed by Committee*

LB 931 would have amended section 77-1248 to allow the Property Tax Administrator to reduce the assessment level of airline personal property to a level that is equal to the portion that all taxable personal property bears to the actual value of all commercial and industrial property. The bill would have placed in statute a formula that is similar to the formula for reducing the assessment level of railroads and car lines in section 77-693.

LB 1026 (Rogert, 2008) Change tax-exempt status of housing agency property - Indefinitely Postponed by Committee

LB 1026 would have amended Section 71-1590 which grants housing authorities a property tax exemption on real and personal property which they own. The new language would have also exempted real or personal property in which the housing agency or an affiliate holds an interest, in any capacity, and which was subject to income restrictions for qualifying tenants.

LR 220CA (Kopplin, 2008) Constitutional amendment to authorize different property tax treatment of residential property - Indefinitely Postponed by Committee

LR 220 CA would have placed a constitutional amendment on the November ballot to amend the Uniformity Clause of the Nebraska Constitution (Art. VII, sec. 1). The constitutional amendment declared that residential property is a separate and distinct class of property and may be valued differently so that it is not uniform and proportionate with other classes, but is uniform and proportionate within the class.

LR 230CA (Pedersen, 2008) Constitutional amendment to permit exemption of the increased value of a homestead from taxation - Indefinitely Postponed by Committee

LR 230 would have proposed a constitutional amendment to authorize persons over 65 to have the value of their homestead residence effectively frozen and exempt from any valuation increases. The exempt treatment would have applied to valuation increases from improvements to the property. This treatment was available to a person whose gross household income was less than \$40,000.

LOCAL BUDGET AND LEVY LIMITATIONS

LB 605 (Raikes, 2007) Change tax levy and distribution provisions relating to educational service units - Died on General File

(NOTE: LB 605, as amended by the Committee, was amended into LB 1154 and Enacted.)

LB 605 would have amended sections 77-3443 (levy limits) and section 79-1225 (levy authority of educational service units) to eliminate the levy authority of any ESU which has only one member district. This would have effectively eliminated the levy authority of the Omaha Public Schools and Lincoln Public Schools ESUs. Sections 3 and 4 amended sections 79-1241 & 1243 to eliminate core services funding and technology infrastructure funding for these same ESUs. These restrictions were to be operative for fiscal year 2010-11 and all fiscal years thereafter.

The Committee amendments would have eliminated the restrictions on core funding from the bill and changed the operative fiscal year to 2013-14. As amended, LB 605 would have only eliminated the levy authority for a single district ESU beginning with fiscal year 2013-14.

LB 1017 (Raikes, 2008) Change tax levy provisions relating to risk management pools - Died on General File

(NOTE: The provisions of LB 1017 were amended, as amended by the Committee, into LB 988 and Enacted.)

LB 1017 would have amended sections 44-4317 in the insurance statutes and the levy limits, sections 77-3442 and 77-3443, to make several forms of property tax funded insurance payments by local governments subject to the levy limits. Current law provides that pooling arrangements and bonds issued to pay premiums are not subject to the levy limits.

The Committee amendments would have limited the levy restrictions on insurance payments and bonds to school districts and Educational Service Units. All other pooling arrangements by municipalities and counties were to be unaffected by LB 1017 under the Committee amendment.

With regard to bonds issued for insurance premiums by school districts and Educational Service Units, any bonds issued after the effective date of the bill would have had to be within the levy limits under the Committee amendments. For bonds existing on the

effective date, the levies would come within the levy limit beginning with fiscal year 2011-12. When amended into LB 988, this operative provision was moved to fiscal year 2012-13.

LB 1081 (Raikes, 2008) Change budget limits of educational service units - Died on General File

(NOTE: The provisions of LB 1081 were amended into LB 1154 and Enacted.)

LB 1081 would have modified existing educational service unit budget lids to allow an increase in budget authority up to an amount equal to 110 percent of needs as defined by the educational service unit aid formula. The bill carried the emergency clause.

LB 979 (Karpisek, 2008) Change county building levy tax provisions - Died in Committee

LB 979 would have amended section 23-120, dealing with county buildings, to allow counties to finance building construction over a period of 20 years rather than 10.

LB 1007 (Dierks, 2008) Change budget and tax levy limits - Indefinitely Postponed by Committee

LB 1007 would have created an exception to the local government budget lids and levy limits for acquisition of tangible personal property with a useful life of five years or more.

In addition, increased expenses for drug prevention and drug enforcement costs would have been exempted from the budget and levy limits.

Finally, the allowable budget growth for cities and counties was to be altered to allow the percentage of growth from new construction and remodeled properties to be allowable growth under the budget limit. Currently, only the growth percentage over the base limitation rate of 2.5 percent is an allowable exception.

LB 1080 (Raikes, 2008) Change tax levy provisions relating to school districts - Indefinitely Postponed by Committee

LB 1080 would have amended the school levy limits now found in section 77-3442. The bill changed the maximum amount which can be used for school general fund budget purposes from \$1.05 to \$1.02 per \$100 of value. It then allowed an additional five cents for building fund purposes. Other changes provided that only voter approved bonds will qualify for a levy exception in the future. The bill carried the emergency clause.

LB 1098 (Hudkins, 2008) Change tax levy provisions for rural and suburban fire protection districts - Indefinitely Postponed by Committee

LB 1098 would have amended sections 77-3442 and 77-3443 to change the levy allocation procedure for fire districts, and allow the fire districts to use 10½ cents of levy for equipment purchases without regard to current county allocated levy amounts.

ECONOMIC DEVELOPMENT INCENTIVES

LB 177 (Janssen, 2007) Change the NE Advantage Microenterprise Tax Credit Act **- Enacted**

LB 177 amended section 77-5903 to make four changes to the Nebraska Advantage Microenterprise Tax Credit Act. These changes limited availability of the credit in some circumstances and expanded the availability in others. LB 177:

1. Restricted the definition of "microenterprise" to include farmers or ranchers only if the operator has a net worth of not more than \$200,000 or the farmer or rancher is involved in the processing or marketing of agricultural products or alternative crop production.
2. Included the employer's cost of health insurance as compensation for purposes of employment increases qualifying for benefits.
3. Excluded from compensation any amounts paid to an employee that is in excess of 150 percent of the state average weekly wage, and
4. Included increased expenditures for advertising, legal, and professional services as investment for purposes of qualifying for benefits.

LB 754 (Synowiecki, 2008) Change provisions of the Convention Center Facility Financing Assistance Act - Enacted

LB 754 amended section 13-2610, dealing with the sales tax turnback financing that is assisting in the financing for the Qwest Center, to change the term "families below the poverty line" to "persons below the poverty line."

LB 895 (Janssen, 2008) Change provisions of tax incentive laws - Enacted (Gay Priority Bill)

LB 895 added a new tier of qualification to the Nebraska Advantage Act. The new tier is for projects that pay at least 150 percent of the state average weekly wage or 200 percent of the county average, whichever is larger.

Any business, except retail sales of tangible personal property, qualifies for tier 6, a broader pool of qualifiers than the current program. Also, the number of new jobs would

be 75 and the required investment \$10 million. These thresholds are higher than most tiers, but lower than the tier 4 qualifications.

Tier 6 qualifiers receive higher benefits, a 10 percent jobs credit and a 15 percent investment credit, compared to a maximum 6 percent jobs credit and 10 percent investment credit. Qualifiers also receive an exemption for all personal property at the project compared to the current, rather limited exemption for some personal property for tier 4 projects. Tier 6 qualifiers also have longer to earn credits and one year longer to use them. Finally, tier 6 qualifiers may use any credits by obtaining reimbursement for real estate taxes paid on real property purchased or leased after the date of application and used at the project. Adopted Committee and floor amendments (1) expanded the current Act by allowing benefits for "web portal businesses," (2) expanded the reach of the Nebraska Advantage Rural Development Act, and (3) granted more flexibility for municipal loan programs.

Section by section summary

Section 1 amended section 18-2720 to eliminate a requirement that municipal economic development loan programs must establish a separate account for each loan.

Section 2 amended section 77-27,181.01 to eliminate from the definition of "livestock modernization or expansion" (which are eligible for benefits) any capital improvements performed to correct environmental violations that are made within five years of a complaint by the Director of the Department of Environmental Quality.

Section 3 amended section 77-27,187.07 to increase the annual dollar cap for tax credits from \$3 million to \$4 million beginning with fiscal year 2009-10. (*Originally from LB 1046*)

Section 4 amended section 77-27,188 to insert the provisions of LB 1033 to:

- (a) Allow benefits for projects in villages in any county of this state if the project promises at least two new jobs and at least \$125,000 of new investment. Currently such small projects must be in counties with a population of 15,000 or less, or in an enterprise zone.
- (b) Allow benefits for projects in one or more census tracts located in metropolitan class cities which have a percentage of residents in poverty greater than 30 percent and any adjacent census tracts if the project promises at least two new jobs and at least \$125,000 in new investment. Currently, these small projects must be in small counties or in enterprise zones. Since the enterprise zone legislation has expired, this amendment would strike references to enterprise zones and replace these references with this similar poverty-based description.

- (c) Allow benefits for projects in second class cities in any county in this state if the project promises at least five new jobs and at least \$250,000 of new investment. Currently, projects in this tier must be in counties with a population of 25,000 or less.

Section 5 amended section 77-27,196.06 to provide that the changes made in sections 2 and 4 are effective for applications filed on or after the effective date of the bill, but the increase in the cap made in section 3 isn't operative until fiscal year 2009-10.

Sections 6 & 7 incorporated the new definitions in sections 8, 13 and 14, and the new section 20 into the Nebraska Advantage Act.

Section 8 provided a new definition for "county average wage" as that reported by the Department of Labor by October 1 of the prior year.

Section 9 amended section 77-5708, the definition of "Entitlement period." This is the period of time during which the qualifying companies earn the benefits set out in the act. Under LB 895, the entitlement period for a tier 6 project would be ten years. In comparison, the old LB 775 tiers that were retained in the Nebraska Advantage Act are also ten years. The new tiers that were invented for the Nebraska Advantage Act for smaller projects and for job-only projects were limited to seven years.

Section 10 amended section 77-5712 to clarify, but not change, the meaning of "Nebraska average wage."

Section 11 amended section 77-5714 to set out a different calculation of the "number of new employees" for purposes of tier 6 qualifiers. For the Nebraska Advantage Act, the new employees must be paid at least 60 percent of the Nebraska average wage to count for purposes of qualification. Under LB 895, for tier 6 the new employees must be paid at least the tier 6 qualifying compensation. Section 13 sets out this requirement as the greater of 200 percent of the county average weekly wage or 150 percent of the state average weekly wage. Currently, the state average weekly wage is \$650, so this means an annual salary of \$50,000. Douglas County has an average weekly wage of \$764, meaning that a project located there would need to pay almost \$80,000 to count as a new job.

Section 12 amended section 77-5715, the definition of "qualified business" to provide that a tier 6 qualifier may be any type of business except retail sales of tangible personal property not manufactured or used by the business. For most other tiers, the business must be involved in research, development, or testing; telecommunications, insurance or financial services; manufacturing; warehousing or distribution; high technology services where more than 75 percent of the product is exported; or a headquarters operation. Other changes in this section added "Internet web portal businesses" as a qualified business for all tiers. An "internet web portal" was defined as an internet site that allows access searching and navigation. Tier 1 qualifiers (smaller projects) face a narrower

definition of qualifying business: R & D, manufacturing and high technology services where more than 75 percent of the sales are out of state.

Section 14 added a new definition for “wages” for all tiers as compensation, so it would include overtime and bonuses.

Section 15 amended section 77-5723 to set the application fee for a tier 6 project at \$10,000, twice what the tier 4 application fee is. This section also provided that a tier 6 project must attain the required jobs and investment within five years of the application.

Section 16 amended section 77-5725 to set out the qualifying standards for the new tier. A tier 6 project under LB 895 must promise at least 75 new jobs and \$10 million in new investment or 50 new jobs and \$100 million in new investment.

This section also sets out the benefits received by the Nebraska Advantage Act qualifiers. Like the other qualifiers, tier 6 beneficiaries receive a refund of sales tax on tangible personal property used at the project. Tier 6 qualifiers only receive a credit equal to 10 percent of the increased compensation at the project. In comparison, the current qualifiers receive a sliding scale wage credit that is three percent if the compensation is over 60 percent of the state average weekly wage, four percent of increased compensation if it is over 75 percent, five percent of increased compensation if it is over 100 percent, and six percent of the increased compensation if the average wages are over 125 percent of the state average.

For a tier 6 project, the compensation is to exclude any compensation over \$1 million for any individual.

Tier 6 qualifiers also receive an investment credit equal to fifteen percent of the investment at the project, rather than 10 percent that is granted to qualifiers in the other tiers. A tier 6 qualifier and a web portal business also receive a personal property tax exemption for all personal property of any kind located at the project. Tier 4 projects are the only ones which qualified for a personal property tax exemption previously and that exemption is limited to agricultural processing machinery and equipment, distribution equipment, turbine-powered aircraft, and computer systems.

Section 17 amended section 77-5726 dealing with the use of credits. Tier 6 qualifiers, like those in the other tiers will be able to use wage credits against income tax and against withholding. Jobs and investment credits may be used to obtain a refund of sales taxes paid at the project that are not otherwise refundable. However for a tier 6 project, wage or investment credits may be used to obtain a state paid reimbursement of real estate taxes paid on property included in the project and acquired by purchase or lease after the application date.

This section also permits credits to be carried over one year past the entitlement period, which could be as much as 16 years after application. Under the current Nebraska

Advantage Act, credits expire ten years after application for small projects or jobs only projects and 15 years after application for the old LB 775 tiers.

Section 18 amended section 77-5727, dealing with recapture of benefits, to harmonize the creation of a new tier 6 benefit.

Section 19 amended section 77-5731 to require the annual report on the program to include the value of real estate for which the taxes were reimbursed for tier 6 beneficiaries.

Section 20 provided that the changes made by this bill to the Nebraska Advantage Act be operative for applications filed on or after the effective date of the act. Section 21 repealed the original sections. Section 22 declared an emergency.

LB 912 (Avery, 2008) Redefine terms for purposes of the Convention Center Facility Financing Assistance Act - Enacted (Avery Priority Bill)

LB 912 amended section 13-2603 to allow turn-back financial assistance for convention or meeting centers or arenas to include facilities that are both privately and publicly owned. Currently such facilities must be publicly-owned to qualify for state financial assistance. The bill also extended the reach of the turn-back assistance to publicly or privately owned associated hotels within 450 yards of an eligible facility. Under current law, such an associated hotel must be publicly owned and within 200 yards of an eligible facility.

Adopted Committee amendments restricted the definition of an eligible sports arena facility to arenas with a seating capacity of 16,000 or less for applications filed after February 1, 2008.

LB 235 (Nantkes, 2007) Provide business incentives for film and music production - Died on Select File (Nantkes Priority Bill)

As amended by the Revenue Committee, LB 235 would have enacted a program to rebate production costs for film productions. "Film" would have been any professional media program or feature which was not obscene, and may have been a commercial, movie, or television program or special. "Production costs" would have been defined as wages of state residents, construction, wardrobe and accessories, editing, and rentals of facilities, locations and equipment. Production costs also included the wages and salaries of persons defined as "Nebraska expatriates" by the newly-created Film Office of the Game and Parks Commission.

The amount of the rebate would have been 25 percent of production costs incurred in Nebraska for a film with a budget of at least \$30 million. If the budget was less, the rebate would still have been 25 percent if more than 50 percent of the crew were Nebraska residents, 15 percent if between 25 percent and 50 percent of the crew were Nebraska residents, and 10 percent if fewer than 25 percent of the crew were Nebraska residents. To be eligible, the production must have had a budget of at least \$2 million with at least \$1.25 million of the production costs incurred in Nebraska.

To receive the rebate, the production company was to document the production costs, file a Nebraska income tax return, and show that the production has adequate financial backing and liability insurance. The Film Office was also to determine that the proposed film project had a reasonable chance of economic success before granting the rebate. If approved, the Film Office was to notify the State Treasurer, who was to issue payment of the rebate.

Section 3 would have created the Film Enhancement Rebate Program Fund which was to contain appropriations and private donations. Approved rebates of production costs were to be paid from the fund. Section 4 would have created the Film Office within the Game and Parks Commission.

LB 784 (Howard, 2008) Prohibit immigration law violators from receiving incentives under the Nebraska Advantage Act - Died on General File

LB 784 would have amended The Nebraska Advantage Act to deny and recapture benefits from any qualifier that knowingly violates immigration law by employing unauthorized aliens. The bill would have amended section 77-5723, which deals with applications for benefits, to add a requirement that the president or managing officer certify that the taxpayer has not knowingly violated federal immigration law. It also amended section 77-5727, which deals with the failure to attain or maintain the required levels of jobs or investment to recapture all benefits from a qualifier who has knowingly violated immigration law by employing unauthorized aliens. The changes to be made by this bill were to be operative for all applications filed on or after the effective date of the bill.

The Committee amendment would have clarified that the violation would have to occur between the date of application and the end of the entitlement to disallow future benefits and recapture 100 percent of past benefits.

LB 1088 (Dierks, 2088) Eliminate limits on tax credits under the Nebraska Advantage Microenterprise Tax Credit Act - Died on General File

LB 1088 would have amended the Nebraska Advantage Microenterprise Tax Credit Act, section 77-5905, to eliminate the \$2 million annual cap on benefits. Currently, applications for benefits are considered first come first served until the \$2 million cap is reached. The bill was to be operative retroactively to January 1, 2008 and it carried the emergency clause.

The Committee amendment would have increased, rather than eliminated, the cap. Under the Committee amendment, the cap increased from \$2 million to \$3 million in 2009 and \$5 million in 2010. The Microenterprise Act sunsets after 2010.

LB 1033 (Synowiecki, 2008) Change provisions of the Nebraska Advantage Rural Development Act - Died in Committee

(NOTE: The provisions of LB 1033 were amended into LB 895 and Enacted.)

LB 1033 would have amended two sections of the Nebraska Advantage Rural Development Act to allow projects in any village or new enterprise zone or an expansion of an existing enterprise zone to qualify for benefits by hiring two new employees and investing \$125,000. Currently, such small projects must be in counties with a population of fewer than 15,000 or an existing enterprise zone.

The bill would have also allowed qualifying projects in any second class city by hiring five new employees and investing \$250,000. Currently, projects of that size must be in counties with fewer than 25,000 residents. These changes were to be operative for applications filed after the effective date of the act.

LB 1046 (Burling, 2008) Change application limits under the Nebraska Advantage Rural Development Act - Died in Committee

(NOTE: The provisions of LB 1046 were amended into LB 895 and Enacted.)

LB 1046 would have amended the Nebraska Advantage Rural Development Act, section 77-187.02, to increase the dollar cap on approved projects per year from \$3 million to \$4 million beginning with fiscal year 2008-09. Currently, applications for benefits are considered first come first served until the \$3 million cap is reached. The bill carried the emergency clause.

**Committee on Revenue
 Index of Bills - 2008**

LB/LR	INTRODUCER/ TITLE	HEARING DATE	COMMITTEE DISPOSITION	DISPOSITION AT SINE DIE
	<u>2007 Carryover Bills</u>			
9	Preister/ Provide an income tax credit for energy conservation and renewable energy generation	1/19/07	Indefinitely Postponed	Indefinitely Postponed
159	Heidemann/ Exempt agricultural machinery repairs and parts from sales tax	2/7/07		Died in Committee
169	Cornett/ Exclude military retirement benefits from income taxation	3/14/07	Indefinitely Postponed	Indefinitely Postponed
454	White/ Change homestead exemption provisions	2/21/07	Failed to advance to General File	Died in Committee
494	White/ Change the sales and use tax exemption on manufacturing machinery and equipment	2/23/07		Died in Committee
501	Mines/ provide for cigarette tax collection by direct sellers	2/28/07		Died in Committee
605	Raikes/ Change tax levy and distribution provisions relating to educational service units	3/7/07	Amended/ General File	Amended into LB 1154 and enacted. Died on General File

LB/LR	INTRODUCER/ TITLE	HEARING DATE	COMMITTEE DISPOSITION	DISPOSITION AT SINE DIE
	<u>2008 Bills</u>			
708	Pahls/ Adopt the Sales Tax Holiday Act	2/7/08	Amended/ General File	Died on General File
710	Pahls/ Require notice of sale of real property by a land reutilization authority	1/24/08	General File	Enacted
714	Pahls/ Exclude social security benefits from income tax and homestead exemption calculations	2/21/08	Indefinitely Postponed	Indefinitely Postponed
718	Schimek/ Exempt purchases by organizations like Habitat for Humanity from sales tax	1/25/08	Indefinitely Postponed	Indefinitely Postponed
722	Engel/ Change the tax on tobacco products	1/23/08	Amended/ General File	Died on General File
732	Kopplin/ Exempt first \$25,000 of residential property values from taxation	2/13/08	Indefinitely Postponed	Indefinitely Postponed
733	Kopplin/ Create a homestead exemption	2/13/08	Indefinitely Postponed	Indefinitely Postponed
737	Fulton/ Provide income tax credits for returns filed claiming dependents eligible for assistance	1/31/08	Indefinitely Postponed	Indefinitely Postponed
754	Synowiecki/ Change provisions of the Convention Center Facility Financing Assistance Act	1/25/08	Amended/ General File	Enacted
757	Hudkins/ Adopt the Volunteer Emergency Responders Incentive Act	1/31/08	Indefinitely Postponed	Indefinitely Postponed

LB/LR	INTRODUCER/ TITLE	HEARING DATE	COMMITTEE DISPOSITION	DISPOSITION AT SINE DIE
758	Hudkins/ Increase motor fuel taxes and allocate and reallocate revenue	1/30/08	Indefinitely Postponed	Indefinitely Postponed
762	Avery/ Create a sales tax holiday for school-related purchases	2/7/08	Indefinitely Postponed	Indefinitely Postponed
770	Cornett/ Exclude military retirement benefits from taxation	2/21/08	Indefinitely Postponed	Indefinitely Postponed
777	Hudkins/ Change provisions relating to property valuation for taxation purposes	2/20/08	Amended/ General File	Enacted
778	Pirsch/ Change property tax assessment and equalization provisions	2/01/08		Died in Committee
783	Howard/ Provide an income tax credit for adoption expenses as prescribed	1/31/08		Died in Committee
784	Howard/ Prohibit immigration law violators from receiving incentives under the Nebraska Advantage Act	2/6/08	Amended/ General File	Died on General File
814	Raikes/ Change delinquent property tax notification and collection provisions	1/24/08	Amended/ General File	Died on General File
846	Fischer/ Change motor fuel taxes	1/30/08	Amended/ General File	Enacted
863	Langemeier/ Change income tax calculations	2/14/08		Died in Committee

LB/LR	INTRODUCER/ TITLE	HEARING DATE	COMMITTEE DISPOSITION	DISPOSITION AT SINE DIE
864	Langemeier/ Change the standard of review for the Tax Equalization and Review Commission	2/01/08		Died in Committee
881	Stuthman/ Impose an excise tax on production of ethanol	1/30/08	Indefinitely Postponed	Indefinitely Postponed
887	Burling/ Change the corporate tax rate	2/14/08	Indefinitely Postponed	Indefinitely Postponed
888	Burling/ Change corporate income tax calculations	2/14/08	Amended/ General File	Enacted
890	Flood/ Exempt postage charges and certain magazines or journal subscriptions from sales and use tax	1/25/08	Amended/ General File	Died on General File
891	Gay/ Provide an income tax credit for certain health-related expenditures	1/31/08		Died in Committee
893	Langemeier/ Change provisions relating to tax deeds and foreclosures	1/24/08	General File	Enacted
894	Gay/ Increase tax deductions allowed under the Long-Term Care Savings Plan	2/21/08		Died in Committee
895	Janssen/ Change provisions of tax incentive laws	2/6/08	Amended/ General File	Enacted
896	Janssen/ Update references to the Internal Revenue Code	1/23/08	General File	Enacted
897	Janssen/ Change property tax provisions	2/01/08		Died in Committee

LB/LR	INTRODUCER/ TITLE	HEARING DATE	COMMITTEE DISPOSITION	DISPOSITION AT SINE DIE
898	Janssen/ Change provisions of the Unfair Cigarette Sales Act	1/23/08	General File	Enacted
912	Avery/ Redefine terms for purposes of the Convention Center Facility Financing Assistance Act	2/6/08	Amended/ General File	Enacted
913	Wightman/ Change inheritance tax provisions	2/13/08	Indefinitely Postponed	Indefinitely Postponed
914	Revenue Comm./ Change provisions relating to taxes and funds	1/23/08	Amended/ General File	Enacted
915	Revenue Comm./ Change income tax and disclosure provisions	1/23/08	Amended/ General File	Enacted
916	Revenue Comm./ Change sales tax provisions	1/23/08	Amended/ General File	Enacted
922	Dubas/ Adopt the Cellulosic Biomass Renewable Energy Initiative and impose and change taxes	2/27/08	Indefinitely Postponed	Indefinitely Postponed
931	Cornett/ Change provisions relating to taxation of air carriers	2/27/08	Indefinitely Postponed	Indefinitely Postponed
944	Synowiecki/ Exempt certain purchases by museums from sales and use taxes	2/28/08	Amended, failed to advance	Died in Committee
946	Burling/ Impose an excise tax on ethanol production	1/30/08	Indefinitely Postponed	Indefinitely Postponed
949	Christensen/ Change a sales tax exemption for health clinics	1/25/08	Indefinitely Postponed	Indefinitely Postponed

LB/LR	INTRODUCER/ TITLE	HEARING DATE	COMMITTEE DISPOSITION	DISPOSITION AT SINE DIE
964	Revenue Committee/ Change provisions relating to the Tax Equalization and Review Commission	1/24/08	Provisions of LB964 moved into LB 965	Died in Committee
965	Revenue Committee/ Change property tax provisions	1/24/08	Amended/ General File	Enacted
974	Gay/ Provides an income tax credit for health insurance or care expenses of certain employers	1/31/08	Indefinitely Postponed	Indefinitely Postponed
979	Karpisek/ Change county building levy tax provisions	1/25/08	Failed to advance	Died in Committee
983	Cornett/ Change an income tax credit for planned gifts	2/21/08	Amended/ General File	Died on General File
985	Stuthman/ Change provisions relating to tangible personal property tax returns	1/24/08	Indefinitely Postponed	Indefinitely Postponed
989	Friend/ Change priority of special assessment liens in cities of the metropolitan class	2/01/08		Died in Committee
1000	Pirsch/ Change income tax calculations and property tax relief funding and transfer cash reserve funds	2/14/08	Indefinitely Postponed	Indefinitely Postponed
1001	White/ Adopt the Low-Income Home Energy Conservation Act and provide for a sales and use tax exemption	2/7/08	Amended/ General File	Enacted
1004	Cornett/ Change an income tax withholding amount	1/25/08	General File	Enacted

LB/LR	INTRODUCER/ TITLE	HEARING DATE	COMMITTEE DISPOSITION	DISPOSITION AT SINE DIE
1007	Dierks/ Change budget and tax levy limits	2/22/08	Failed to advance, Indefinitely Postponed	Indefinitely Postponed
1008	Wightman/ Provide for reassumption of the tax assessment function by counties	2/20/08	Failed to be Indefinitely Postponed	Died in Committee
1010	Hudkins/ Change sales and use tax collection fees	2/7/08	Indefinitely Postponed	Indefinitely Postponed
1012	Gay/ Allow an income tax credit for certain long-term care insurance policy premiums	1/31/08	Indefinitely Postponed	Indefinitely Postponed
1017	Raikes/ Change tax levy provisions relating to risk management pools	2/22/08	Amended/ General File	Amended into LB 988 and enacted. Died on General File
1026	Rogert/ Change tax-exempt status of housing agency property	2/13/08	Indefinitely Postponed	Indefinitely Postponed
1033	Synowiecki/ Change provisions of the Nebraska Advantage Rural Development Act	2/6/08		Amended Into LB 895 and enacted. Died in Committee
1037	Janssen/ Change income and sales and use tax rates	2/28/08		Died in Committee
1038	Janssen/ Change an income tax adjustment relating to interest and dividends	2/28/08		Died in Committee
1039	Janssen/ Create a task force and provide duties relating to agricultural land valuation	2/20/08		Died in Committee

LB/LR	INTRODUCER/ TITLE	HEARING DATE	COMMITTEE DISPOSITION	DISPOSITION AT SINE DIE
1040	Louden/ Impose a tax on ethanol production, terminate an excise tax, and change funding for the Water Resources Cash Fund	1/30/08	Indefinitely Postponed	Indefinitely Postponed
1046	Burling/ Change application limits under the Nebraska Advantage Rural Development Act	2/6/08		Amended into LB 895 and enacted. Died in Committee
1071	Karpisek/ Impose an excise tax on wire transfers	2/27/08	Indefinitely Postponed	Indefinitely Postponed
1080	Raikes/ Change tax levy provisions relating to school districts	2/22/08	Indefinitely Postponed	Indefinitely Postponed
1081	Raikes/ Change budget limits of educational service units	2/22/08	General File	Amended into LB 1154 and Enacted. Died on General File
1088	Dierks/ Eliminate limits on tax credits under the Nebraska Advantage Microenterprise Tax Credit Act	2/6/08	Amended/ General File	Died on General File
1098	Hudkins/ Change tax levy provisions for rural and suburban fire protection districts	2/22/08	Indefinitely Postponed	Indefinitely Postponed
1110	Erdman/ Adopt the Property Tax Review Court Act and repeal the Tax Equalization & Review Commission Act	2/20/08		Died in Committee

LB/LR	INTRODUCER/ TITLE	HEARING DATE	COMMITTEE DISPOSITION	DISPOSITION AT SINE DIE
1111	Erdman/ Change membership of the Tax Equalization and Review Commission	2/20/08		Died in Committee
1118	Pedersen/ Require filing of additional budget and tax levy information	2/20/08	Indefinitely Postponed	Indefinitely Postponed
1126	White/ Exempt documents prepared by court reporters and copies of medical records from sales and use taxes	2/07/08		Amended into LB 916 and enacted. Died in Committee
1134	Langemeier/ Redefine animal life for sales and use tax purposes	2/07/08		Amended into LB 916 and enacted. Died in Committee
1137	Preister/ Change provisions relating to new wind energy projects and a sales and use tax exemption	2/07/08		Amended into LB 916 and enacted. Died in Committee
1140	Pedersen/ Exempt social security and government retirement benefits from income tax as prescribed	2/21/08	Indefinitely Postponed	Indefinitely Postponed
1149	Johnson/ Provide funding for behavioral health workforce development	2/27/08	Hearing Cancelled	Withdrawn
1175	White/ Change income tax withholding provisions	2/14/08	Indefinitely Postponed	Amended into LB 1001 and enacted. Indefinitely Postponed

LB/LR	INTRODUCER/ TITLE	HEARING DATE	COMMITTEE DISPOSITION	DISPOSITION AT SINE DIE
LR 220CA	Kopplin/ Constitutional amendment to authorize different property tax treatment of residential property	2/13/08	Indefinitely Postponed	Indefinitely Postponed
LR 230CA	Pedersen/ Constitutional amendment to permit exemption of the increased value of a homestead from taxation	2/13/08	Indefinitely Postponed	Indefinitely Postponed
GOV. APPT.	Ruth Sorensen, DPAT Rob Hotz, TERC Nancy Salmon, TERC Wm R. Wickersham, TERC	2/1/08	Confirmed	Confirmed

COMMITTEE ON REVENUE WORKSHEET - 2008 SESSION

Bills Introduced in 2008: 80

Bills carried over from 2007: 13

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Died On Select File (2) 98, 235

Died On Final Reading (0)

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Vetoed by the Governor (0)

Died in Committee (21) 159, 454, 494, 501, 778, 783, 863, 864, 891, 894, 897, 944, 964, 979, 989, 1008, 1037, 1038, 1039, 1110, 1111

Fully amended into another bill and died in Committee (5) 1033, 1046, 1126, 1134, 1137

Indefinitely Postponed by Committee (33) 9, 169, 714, 718, 732, 733, 737, 757, 758, 762, 770, 881, 887, 913, 922, 931, 946, 949, 974, 985, 1000, 1007, 1010, 1012, 1026, 1040, 1071, 1080, 1098, 1118, 1140, LR 220 CA, LR 230 CA

Fully amended into another bill and Indefinitely postponed by Committee (1) 1175

Withdrawn (1) 1149