

ONE HUNDRED EIGHTH LEGISLATURE - SECOND SESSION - 2024
COMMITTEE STATEMENT (CORRECTED)
LB388

Hearing Date: Friday March 24, 2023
Committee On: Revenue
Introducer: Linehan
One Liner: Change provisions relating to sales taxes

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye:	7	Senators Albrecht, Bostar, Kauth, Linehan, Meyer, Murman, von Gillern
Nay:	1	Senator Dungan
Absent:		
Present Not Voting:		

Testimony:

Proponents: Senator Lou Ann Linehan	Representing: Opening Presenter
Opponents: Joey Adler Ruane	Representing: OpenSky
Neutral:	Representing:

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:

LB 388 seeks to amend section 77-2701.02 to remove language in a sentence that means the date October 1 and replace it with "October 1" so that the sentence would read "Commencing October 1, 2002, the rate of the sales tax levied pursuant to section 77-2703 shall be five and one-half percent."

Explanation of amendments:

AM 3203 amends LB 388 to change several provisions related to Sales Tax.

The provisions of the amendment include:

A potential increase in the sales tax as of January 1, 2025, dependent on the projected revenues of the state at the end of the fiscal year 2023-24. The increase cannot exceed a one cent increase in the overall sales tax rate.

Provides a sales and use tax exemption for the sale of electricity, natural gas, and propane for residential use. This exemption is limited to only the primary residence of an individual.



Removing sales tax exemptions for soda, candy, pet services, storage and moving services, and dry cleaning.

Removing an exemption for and setting the sales tax for Nebraska Lottery sales at twenty percent (20%). Games of Skill (electronic gambling devices) are now subject to a twenty percent (20%) sales tax.

Increases taxes on Cigarettes to \$1 dollar per pack total, a \$0.36 increase from the current \$0.64.

Institutes a one hundred percent tax on CBD and consumable hemp products.

Doubles both tiers of taxation on vaping while keeping the current bifurcated system in place.

Establishes a tax on companies doing business in Nebraska and whose gross advertising revenue exceeds one billion dollars (\$1,000,000,000.00); sets such tax at seven and one-half percent of the assessable base for that period. Additionally, it exempts television and radio broadcasters from the tax.

AM 3203 limits carryover of 70% school board override of cap amount to the percentage actually used and levied for by the school district.

Additionally AM 3203 was amended to include LB 1414 (as amended by a modified version of AM 3123).

LB 1414 creates the Property Tax Growth Limitation Act which sets limits on political subdivisions and their levying authority growth and harmonizes several additional existing statutes with the Act. LB 1414 was amended by a modified version of AM 3123 to put a real growth plus 3% or CPI budget cap on counties, cities, and villages only. Additionally, it allows for a 6% compensation line item growth for salaries of public safety officers. The 6% line item is only if political subdivision is understaffed in one of the outlined areas.

Motion to Include LB 1414 as amended as part of AM 3203

Voting Result: 7-1-0-0

Voting Aye: Senators Albrecht, Bostar, Kauth, Linehan, Murman, Meyer, von Gillern

Voting Nay: Senator Dungan

Testifiers on LB 1414:

Proponents:

Jim Pillen, Governor of Nebraska

Lee Will, DAS Budget

Mark McHardgue, Nebraska Farm Bureau, Nebraska Cattlemen, Nebraska Corn Growers Association, Nebraska Pork Producers Association, Nebraska Soybean Association, Nebraska State Dairy Association, Nebraska Wheat Growers, Renewable Fuels Nebraska

Carter Thiele, Lincoln Independent Business Association

Bob Hallstrom, Nebraska Bankers Association, National Federation of Independent Business

Alex Reuss, Nebraska Chamber of Commerce

Nicole Fox, Platte Institute

Opponents:

Angi Burmeister, Sarpy County Board

Dean Edson, Nebraska Association of Resource Districts

Adam Flanagan, Eastern Nebraska Developers Council

Rebecca Firestone, OpenSky Policy Institute



Neutral:
Jon Cannon, NACO
Stephen Curtiss, City of Omaha
Lynn Rex, League of Nebraska Municipalities

Lou Ann Linehan, Chairperson

