

LEGISLATURE OF NEBRASKA
ONE HUNDREDTH LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 3

Introduced By: Pahls, 31;
Read first time: January 4, 2007
Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend sections
2 77-2701 and 77-2701.04, Revised Statutes Cumulative
3 Supplement, 2006; to exempt sales of clothing, school
4 supplies, computer software, and computer equipment from
5 sales and use tax as prescribed; to repeal the original
6 sections; and to declare an emergency.
7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2701 Revised Statutes Cumulative
2 Supplement, 2006, is amended to read:

3 77-2701. Sections 77-2701 to 77-27,135.01, 77-27,222, and
4 77-27,228 to 77-27,235 and section 3 of this act shall be known and
5 may be cited as the Nebraska Revenue Act of 1967.

6 Sec. 2. Section 77-2701.04 Revised Statutes Cumulative
7 Supplement, 2006, is amended to read:

8 77-2701.04. For purposes of sections 77-2701.04 to 77-2713
9 and section 3 of this act, unless the context otherwise requires, the
10 definitions found in sections 77-2701.05 to 77-2701.47 shall be used.

11 Sec. 3. (1) Sales and use tax shall not be imposed on the
12 gross receipts from the sale, lease, or rental of and the storage,
13 use, or other consumption in this state of any article of clothing
14 with a sales price of one hundred dollars or less, school supplies
15 not to exceed fifty dollars per purchase, computer software with a
16 sales price of three hundred fifty dollars or less, and personal
17 computers or computer peripheral devices with a sales price of three
18 thousand five hundred dollars or less, during a three-day period
19 beginning at 12:01 a.m. on the first Friday in August and ending at
20 midnight on the Sunday following.

21 (2) For purposes of this section:

22 (a) Clothing means any article of wearing apparel,
23 including footwear, intended to be worn on or about the human body.
24 The term includes, but is not limited to, cloth and other material
25 used to make school uniforms or other school clothing. Items normally
26 sold in pairs shall not be separated to qualify for the exemption.
27 The term does not includes watches, watchbands, jewelry, handbags,

1 handkerchiefs, umbrellas, scarves, ties, headbands, or belt buckles;

2 (b) Personal computers means a laptop, desktop, or tower
3 computer system which consists of a central processing unit, random
4 access memory, a storage drive, a display monitor, and a keyboard and
5 devices designed for use in conjunction with a personal computer,
6 such as a disk drive, memory module, compact disk drive,
7 daughterboard, digitalizer, microphone, modem, motherboard, mouse,
8 multimedia speaker, printer, scanner, single-user hardware,
9 single-user operating system, soundcard, or video card; and

10 (c) School supplies means any item normally used by
11 students in a standard classroom for educational purposes, including,
12 but not limited to, textbooks, notebooks, paper, writing instruments,
13 crayons, art supplies, rulers, book bags, backpacks, handheld
14 calculators, chalk, maps, and globes. The term does not include
15 watches, radios, CD players, headphones, sporting equipment, portable
16 or desktop telephones, copiers or other office equipment, furniture,
17 or fixtures.

18 Sec. 4. Original sections 77-2701 and 77-2701.04, Revised
19 Statutes Cumulative Supplement, 2006, are repealed.

20 Sec. 5. Since an emergency exists, this act takes effect
21 when passed and approved according to law.