

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 901

FINAL READING

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

Read first time January 08, 2026

Committee: Revenue

1 A BILL FOR AN ACT relating to law; to amend sections 77-367, 77-377.01,
2 77-3,109, 77-3,118, 77-2704.46, 77-27,107, 77-27,235, and 77-5804,
3 Reissue Revised Statutes of Nebraska, sections 77-377.02, 77-382,
4 77-2704.12, 77-2717, 77-3003.01, 77-3003.02, 77-3004, 77-3006,
5 77-3012, and 77-6818, Revised Statutes Cumulative Supplement, 2024,
6 and sections 9-1,101, 71-812, 71-3801, 71-3809, 71-3810, 71-3812,
7 77-202, 77-3,110, 77-2715.07, 77-2734.03, 77-3003, 77-3003.03, and
8 77-5601, Revised Statutes Supplement, 2025; to adopt the Domestic
9 Violence and Human Trafficking Service Providers Tax Credit Act; to
10 provide for the disclosure of certain confidential information by
11 the Department of Health and Human Services and the Department of
12 Revenue; to provide fees; to change provisions relating to the
13 Behavioral Health Services Fund; to provide an excise tax and change
14 provisions relating to adulterated kratom under the Kratom Consumer
15 Protection Act; to eliminate a property tax exemption; to change the
16 purposes of and money credited to the Department of Revenue
17 Enforcement Fund; to change and provide provisions relating to
18 delinquent taxes and the collection of delinquent taxes; to change
19 provisions relating to a report on tax expenditures; to change and
20 eliminate certain sales and use tax exemptions; to provide an income
21 tax credit; to provide for the registration of a claim for due and

1 owing delinquent taxes as a judgment; to eliminate a renewable
2 energy tax credit as provided; to change provisions relating to fees
3 for manufacturer and distributor licenses and cash devices, the
4 advertisement and operation of mechanical amusement devices and cash
5 devices, and the amount and distribution of taxes collected under
6 the Mechanical Amusement Device Tax Act; to change provisions
7 relating to the use of funds; to change credits under the Nebraska
8 Advantage Research and Development Act; to redefine a term under the
9 Imagine Nebraska Act; to terminate the Department of Revenue
10 Miscellaneous Receipts Fund; to eliminate obsolete provisions; to
11 harmonize provisions; to provide operative dates; to repeal the
12 original sections; to outright repeal sections 77-2701.54,
13 77-2704.57, 77-2704.60, 77-2704.61, and 77-2704.62, Reissue Revised
14 Statutes of Nebraska; and to declare an emergency.
15 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Sections 1 to 4 of this act shall be known and may be
2 cited as the Domestic Violence and Human Trafficking Service Providers
3 Tax Credit Act.

4 **Sec. 2.** (1) For taxable years beginning or deemed to begin on or
5 after January 1, 2027, under the Internal Revenue Code of 1986, as
6 amended, there shall be allowed refundable credits against the income tax
7 imposed by the Nebraska Revenue Act of 1967 as follows:

8 (a) Two hundred forty thousand dollars of tax credits to be
9 distributed equally among qualifying domestic violence and sexual assault
10 programs run by tribal governments;

11 (b) One hundred fifty thousand dollars of tax credits to be
12 distributed to a statewide coalition representing nonprofit organizations
13 that have an affiliation agreement with the Department of Health and
14 Human Services to provide services to victims of domestic abuse under the
15 Protection from Domestic Abuse Act;

16 (c) One million forty-four thousand dollars of tax credits to be
17 distributed equally to entities described in subdivisions (a) and (b) of
18 this subsection and any other nonprofit organizations that operate a
19 shelter for victims of domestic violence or human trafficking; and

20 (d) One million five hundred sixty-six thousand dollars of tax
21 credits to be distributed to entities described in subdivisions (a) and
22 (b) of this subsection and any other nonprofit organizations that operate
23 a shelter for victims of domestic violence or human trafficking as
24 follows:

25 (i) One million two hundred fifty-two thousand eight hundred dollars
26 of tax credits to be distributed based on the population of the program
27 or service area as shown by the latest federal decennial census or as
28 determined by the department if such census data is not available; and

29 (ii) Three hundred thirteen thousand two hundred dollars of tax
30 credits to be distributed based on the square miles of the program or
31 service area.

1 (2) The department shall distribute all of the credits allowed under
2 the Domestic Violence and Human Trafficking Service Providers Tax Credit
3 Act each calendar year.

4 (3) For purposes of this section:

5 (a) Department means the Department of Revenue;

6 (b) Nonprofit organization means an organization organized under
7 section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and

8 (c) Tribal has the same meaning as in section 71-914.02.

9 **Sec. 3.** A credit recipient may sell all or a portion of the tax
10 credit received under section 2 of this act to another taxpayer. The
11 purchasing taxpayer must have received a transfer of the tax credit prior
12 to the date a tax return, or amended return, claiming the tax credit is
13 filed. For any tax year in which a credit is sold pursuant to this
14 section, the credit recipient selling the tax credit shall notify the
15 Department of Revenue of the sale and provide the tax identification
16 number of the taxpayer purchasing the tax credit at least thirty days
17 prior to the taxpayer claiming the tax credit. The notification shall be
18 in the manner prescribed by the department.

19 **Sec. 4.** The Department of Revenue may adopt and promulgate rules
20 and regulations to carry out the Domestic Violence and Human Trafficking
21 Service Providers Tax Credit Act.

22 **Sec. 5.** (1) Beginning no later than October 31, 2026, the
23 Department of Health and Human Services and the Department of Revenue,
24 for the purpose of the proper administration of the laws administered by
25 each agency, shall, upon request, disclose confidential information about
26 persons, businesses, and state and local subdivisions to the other
27 agency. The receiving agency shall not use any confidential information
28 obtained from the transmitting agency except for purposes directly
29 connected with the proper administration of the laws administered by each
30 agency.

31 (2) The disclosures allowed under this section may be made

1 notwithstanding any other provision of law of this state regarding
2 disclosure of information by either agency. Any information received by
3 either agency under this section shall be considered confidential as
4 required by any applicable state laws or rules and regulations which
5 govern the transmitting agency's disclosure of the information and any
6 use of such information after such disclosure. Any individual who
7 discloses such information other than as specifically allowed by this
8 section or other laws of this state shall be subject to the penalties
9 normally imposed on individuals who improperly disclose such information.

10 **Sec. 6.** (1) The Department of Revenue shall add a collection fee in
11 the amount of twenty-five dollars or ten percent of the tax liability,
12 whichever is greater, to all delinquent tax claims regardless of whether
13 the claim has been assigned to a collection agency under sections
14 77-377.01 to 77-377.04. For purposes of this subsection, delinquent tax
15 claim has the same meaning as in section 77-377.01.

16 (2) In addition to the collection fee in subsection (1) of this
17 section, the Department of Revenue shall add the actual costs incurred by
18 the department to collect delinquent taxes to the tax liability at the
19 time such costs are incurred.

20 (3) The Department of Revenue shall add an assessment fee in the
21 amount of twenty-five dollars or ten percent of the tax liability,
22 whichever is greater, to all assessments and notices of deficiency when
23 issued. If the assessment or notice of deficiency becomes due and owing,
24 the assessment fee shall be recalculated on the tax liability as of the
25 date when the assessment or notice of deficiency becomes due and owing.

26 (4)(a) The Tax Commissioner may require any person filing a petition
27 for redetermination of (i) a notice and demand for payment issued
28 pursuant to section 77-1783.01 or (ii) a notice of a deficiency
29 determination issued pursuant to the Nebraska Revenue Act of 1967, to
30 remit a filing fee of forty dollars to the Department of Revenue.

31 (b) A person may file an application with the Department of Revenue

1 claiming he or she is indigent. A person determined by the Department of
2 Revenue to be indigent shall not be required to remit the filing fee
3 required by this subsection. For purposes of this subdivision, indigent
4 means the inability to financially pursue the petition for
5 redetermination without prejudicing the person's ability to provide
6 economic necessities for the person or the person's family. In making its
7 determination, the department shall consider (i) the person's income,
8 (ii) the availability of other resources to the person including, but not
9 limited to, real and personal property, bank accounts, social security
10 benefits, and unemployment or other benefits, (iii) the person's normal
11 living expenses, (iv) the person's outstanding debts, (v) the number and
12 age of the person's dependents, and (vi) other relevant circumstances.

13 (5) All applications for a waiver of interest or penalty pursuant to
14 the statutory authority of the Tax Commissioner shall be submitted with a
15 fee of twenty-five dollars.

16 (6) All written requests for a certificate stating no tax is due
17 which are filed pursuant to section 77-2707 shall be submitted with a fee
18 of twenty-five dollars.

19 (7) The fees and costs collected by the Department of Revenue
20 pursuant to this section shall be remitted to the State Treasurer for
21 credit to the Department of Revenue Enforcement Fund.

22 (8) Beginning on January 1, 2027, and on January 1 of successive
23 years, the Department of Revenue shall increase the fees provided for in
24 this section by the percentage change, if any, as of August of the
25 previous year over the level as of August of the year preceding that year
26 in the Consumer Price Index for All Urban Consumers, Midwest Region, as
27 published by the Bureau of Labor Statistics of the United States
28 Department of Labor.

29 **Sec. 7.** Section 9-1,101, Revised Statutes Supplement, 2025, is
30 amended to read:

31 9-1,101 (1) The Nebraska Bingo Act, the Nebraska County and City

1 Lottery Act, the Nebraska Lottery and Raffle Act, the Nebraska Pickle
2 Card Lottery Act, the Nebraska Small Lottery and Raffle Act, and section
3 9-701 shall be administered and enforced by the Charitable Gaming
4 Division of the Department of Revenue, which division is hereby created.
5 The Department of Revenue shall make annual reports to the Governor,
6 Legislature, Auditor of Public Accounts, and Attorney General on all tax
7 revenue received, expenses incurred, and other activities relating to the
8 administration and enforcement of such acts. The report submitted to the
9 Legislature shall be submitted electronically.

10 (2) The Charitable Gaming Operations Fund is hereby created. Any
11 money in the fund available for investment shall be invested by the state
12 investment officer pursuant to the Nebraska Capital Expansion Act and the
13 Nebraska State Funds Investment Act.

14 (3)(a) Forty percent of the taxes collected pursuant to sections
15 9-239, 9-344, 9-429, and 9-648 shall be available to the Charitable
16 Gaming Division for administering and enforcing the acts listed in
17 subsection (1) of this section and providing administrative support for
18 the Nebraska Commission on Problem Gambling. The remaining sixty percent
19 shall be transferred to the General Fund. Any portion of the forty
20 percent not used by the division in the administration and enforcement of
21 such acts and section shall be distributed as provided in this
22 subsection.

23 (b) Beginning July 1, 2019, through June 30, 2026, on or before the
24 last day of the last month of each calendar quarter, the State Treasurer
25 shall transfer one hundred thousand dollars from the Charitable Gaming
26 Operations Fund to the Compulsive Gamblers Assistance Fund.

27 (c) Any money remaining in the Charitable Gaming Operations Fund
28 after the transfer pursuant to subdivision (b) of this subsection not
29 used by the Charitable Gaming Division in its administration and
30 enforcement duties pursuant to this section may be transferred to the
31 General Fund and the Compulsive Gamblers Assistance Fund at the direction

1 of the Legislature.

2 (4) The Tax Commissioner shall employ investigators who shall be
3 vested with the authority and power of a law enforcement officer to carry
4 out the laws of this state administered by the Tax Commissioner or the
5 Department of Revenue and to enforce sections 28-1101 to 28-1117 relating
6 to possession of a gambling device. For purposes of enforcing sections
7 28-1101 to 28-1117, the authority of the investigators shall be limited
8 to investigating possession of a gambling device, notifying local law
9 enforcement authorities, and reporting suspected violations to the county
10 attorney for prosecution.

11 (5) The Charitable Gaming Division may charge a fee for publications
12 and listings it produces. The fee shall not exceed the cost of
13 publication and distribution of such items. The division may also charge
14 a fee for making a copy of any record in its possession equal to the
15 actual cost per page. The division shall remit the fees to the State
16 Treasurer for credit to the Charitable Gaming Operations Fund.

17 ~~(6) The taxes collected and available to the Charitable Gaming~~
18 ~~Division pursuant to section 77-3012 shall be used by the division for~~
19 ~~enforcement of the Mechanical Amusement Device Tax Act and maintenance of~~
20 ~~the central server established pursuant to section 77-3013.~~

21 (6) ~~(7)~~ For administrative purposes only, the Nebraska Commission on
22 Problem Gambling shall be located within the Charitable Gaming Division.
23 The division shall provide office space, furniture, equipment, and
24 stationery and other necessary supplies for the commission. Commission
25 staff shall be appointed, supervised, and terminated by the director of
26 the Gamblers Assistance Program pursuant to section 9-1004.

27 **Sec. 8.** Section 71-812, Revised Statutes Supplement, 2025, is
28 amended to read:

29 71-812 (1) The Behavioral Health Services Fund is created. The fund
30 shall be administered by the division and shall contain cash funds
31 appropriated by the Legislature or otherwise received by the department

1 for the provision of behavioral health services from any other public or
2 private source and directed by the Legislature for credit to the fund.
3 Transfers may be made from the fund to the General Fund at the direction
4 of the Legislature.

5 (2) The Behavioral Health Services Fund shall be used to encourage
6 and facilitate the statewide development and provision of community-based
7 behavioral health services, including, but not limited to, (a) the
8 provision of grants, loans, and other assistance for such purpose and (b)
9 reimbursement to providers of such services.

10 (3)(a) Money transferred to the fund under section 76-903 shall be
11 used for housing-related assistance for very low-income adults with
12 serious mental illness or substance abuse disorder, except that if the
13 division determines that all housing-related assistance obligations under
14 this subsection have been fully satisfied, the division may distribute
15 any excess, up to twenty percent of such money, to regional behavioral
16 health authorities for acquisition or rehabilitation of housing to assist
17 such persons. The division shall manage and distribute such funds based
18 upon a formula established by the division, in consultation with regional
19 behavioral health authorities and the department, in a manner consistent
20 with and reasonably calculated to promote the purposes of the public
21 behavioral health system enumerated in section 71-803. The division shall
22 contract with each regional behavioral health authority for the provision
23 of such assistance. Each regional behavioral health authority may
24 contract with qualifying public, private, or nonprofit entities for the
25 provision of such assistance.

26 (b) For purposes of this subsection:

27 (i) Adult with serious mental illness means a person eighteen years
28 of age or older who has, or at any time during the immediately preceding
29 twelve months has had, a diagnosable mental, behavioral, or emotional
30 disorder of sufficient duration to meet diagnostic criteria identified in
31 the most recent edition of the Diagnostic and Statistical Manual of

1 Mental Disorders and which has resulted in functional impairment that
2 substantially interferes with or limits one or more major life functions.
3 Serious mental illness does not include DSM V codes, substance abuse
4 disorders, or developmental disabilities unless such conditions exist
5 concurrently with a diagnosable serious mental illness;

6 (ii) Housing-related assistance includes rental payments, utility
7 payments, security and utility deposits, landlord risk mitigation
8 payments, and other related costs and payments;

9 (iii) Landlord risk mitigation payment means a payment provided to a
10 landlord who leases or rents property to a very low-income adult with
11 serious mental illness which may be used to pay for excessive damage to
12 the rental property, any lost rent, any legal fees incurred by the
13 landlord in excess of the security deposit, or any other expenses
14 incurred by the landlord as a result of leasing or renting the property
15 to such individual; and

16 (iv) Very low-income means a household income of fifty percent or
17 less of the applicable median family income estimate as established by
18 the United States Department of Housing and Urban Development.

19 (4) Money transferred to the fund under section 77-3012 shall be
20 allocated to the behavioral health authority of the behavioral health
21 region in which the cash device is located.

22 (5) (4) Any money in the fund available for investment shall be
23 invested by the state investment officer pursuant to the Nebraska Capital
24 Expansion Act and the Nebraska State Funds Investment Act.

25 **Sec. 9.** Section 71-3801, Revised Statutes Supplement, 2025, is
26 amended to read:

27 71-3801 Sections 71-3801 to 71-3815 and section 10 of this act shall
28 be known and may be cited as the Kratom Consumer Protection Act.

29 **Sec. 10.** (1) Beginning January 1, 2027, an excise tax shall be
30 levied on the retail sale of kratom products to consumers. The tax shall
31 be at a rate of ten percent of the retail purchase price.

1 (2) The excise tax imposed by this section shall be in addition to
2 all other occupation, privilege, sales, or use taxes imposed by this
3 state or by any political subdivision of the state.

4 (3) Each retailer of kratom products shall maintain complete and
5 accurate electronic records of sales of kratom products, in the manner
6 prescribed by the Department of Revenue. Each such retailer shall provide
7 such records to the department upon request.

8 (4)(a) Each retailer of kratom products shall file a return with the
9 department by the twentieth day of the month following the month reported
10 and with the report shall remit the amount of excise tax due.

11 (b) The return, which shall be upon forms prescribed and furnished
12 by the department, shall contain, among other things, the total amount of
13 kratom products sold or transferred during the preceding month and the
14 amount of tax due thereon.

15 (c) The department may require retailers to file tax returns
16 electronically and to remit payments due by electronic funds transfers.

17 (5) The department shall collect the excise tax and shall account
18 for and remit to the State Treasurer at least once each month all money
19 collected pursuant to such tax for credit to the General Fund.

20 **Sec. 11.** Section 71-3809, Revised Statutes Supplement, 2025, is
21 amended to read:

22 71-3809 (1) No person shall sell, offer for sale, provide, or
23 distribute an adulterated kratom product in the State of Nebraska.

24 (2) A product shall be deemed adulterated if:

25 (a) It contains any kratom alkaloid or metabolite, including 7-
26 hydroxymitragynine, and does not meet the definition of a kratom product
27 under section 71-3802; or

28 (b) The kratom product is combined with a dangerous nonkratom
29 substance that contains a poisonous or otherwise deleterious nonkratom
30 ingredient, including, but not limited to, any substance listed as a
31 controlled substance under the laws of this state or federal law.

1 (3) If the department has a reasonable belief that upon receipt of
2 evidence that suggests a product may be an adulterated kratom product,
3 the department may require the person selling, providing, or distributing
4 the product to obtain an independent third-party test of the product by a
5 laboratory of the department's choosing. A person shall not sell,
6 provide, or distribute any product undergoing such testing until the test
7 results verify that such product is not adulterated.

8 **Sec. 12.** Section 71-3810, Revised Statutes Supplement, 2025, is
9 amended to read:

10 71-3810 (1) Any processor or retailer that violates any section of
11 the Kratom Consumer Protection Act, including those related to the
12 application or registration, or any of the rules and regulations adopted
13 and promulgated by the department that apply to processors or kratom
14 products shall be subject to the penalties provided in this section.

15 (2) For the first violation, the department shall impose a civil
16 penalty of up to one thousand dollars. For the second violation, the
17 department shall impose a civil penalty of up to five thousand dollars.
18 For a third violation and any subsequent violations, the department shall
19 impose a civil penalty of at least five thousand dollars and no more than
20 twenty thousand dollars and, if the violator is a processor, the
21 department shall prohibit the sale of any kratom products of such
22 processor within the State of Nebraska for a period of three years.

23 (3) If a processor violates the Kratom Consumer Protection Act by
24 selling, offering for sale, providing, or distributing an adulterated
25 kratom product in the State of Nebraska, the department shall remove any
26 product found to be adulterated from the list of registered kratom
27 products on the department's website.

28 (4) ~~(3)~~ For any processor or retailer that has no violation for a
29 period of four consecutive years, a new violation shall be treated as a
30 first violation.

31 (5) ~~(4)~~ No determination that a violation has occurred shall be made

1 until notice has been given and a hearing has been held by the Tax
2 Commissioner as provided in section 71-3811 if requested by the processor
3 or retailer.

4 ~~(6)~~ ~~(5)~~ A retailer shall not be found to be in violation of the
5 Kratom Consumer Protection Act if it is shown by a preponderance of the
6 evidence that the retailer relied in good faith upon the representation
7 of a processor that a product is not an adulterated kratom product as
8 defined in section 71-3809 or otherwise conformed to the act.

9 **Sec. 13.** Section 71-3812, Revised Statutes Supplement, 2025, is
10 amended to read:

11 71-3812 (1) The Attorney General shall have authority to enforce the
12 Kratom Consumer Protection Act pursuant to the Consumer Protection Act
13 and the Uniform Deceptive Trade Practices Act. This section shall not be
14 construed to allow for a private right of action under the Kratom
15 Consumer Protection Act even though such action is authorized under the
16 Consumer Protection Act and the Uniform Deceptive Trade Practices Act.

17 (2) If a kratom product is found to be adulterated under section
18 71-3809 with ingredients not reflected on the label of the product, such
19 violation of the Kratom Consumer Protection Act is also prima facie
20 evidence of a violation of the Consumer Protection Act.

21 **Sec. 14.** Section 77-202, Revised Statutes Supplement, 2025, is
22 amended to read:

23 77-202 (1) The following property shall be exempt from property
24 taxes:

25 (a) Property of the state and its governmental subdivisions to the
26 extent used or being developed for use by the state or governmental
27 subdivision for a public purpose. For purposes of this subdivision:

28 (i) Property of the state and its governmental subdivisions means
29 (A) property held in fee title by the state or a governmental subdivision
30 or (B) property beneficially owned by the state or a governmental
31 subdivision in that it is used for a public purpose and is being acquired

1 under a lease-purchase agreement, financing lease, or other instrument
2 which provides for transfer of legal title to the property to the state
3 or a governmental subdivision upon payment of all amounts due thereunder.
4 If the property to be beneficially owned by a governmental subdivision
5 has a total acquisition cost that exceeds the threshold amount or will be
6 used as the site of a public building with a total estimated construction
7 cost that exceeds the threshold amount, then such property shall qualify
8 for an exemption under this section only if the question of acquiring
9 such property or constructing such public building has been submitted at
10 a primary, general, or special election held within the governmental
11 subdivision and has been approved by the voters of the governmental
12 subdivision. For purposes of this subdivision, threshold amount means the
13 greater of fifty thousand dollars or six-tenths of one percent of the
14 total actual value of real and personal property of the governmental
15 subdivision that will beneficially own the property as of the end of the
16 governmental subdivision's prior fiscal year; and

17 (ii) Public purpose means use of the property (A) to provide public
18 services with or without cost to the recipient, including the general
19 operation of government, public education, public safety, transportation,
20 public works, civil and criminal justice, public health and welfare,
21 developments by a public housing authority, parks, culture, recreation,
22 community development, and cemetery purposes, or (B) to carry out the
23 duties and responsibilities conferred by law with or without
24 consideration. Public purpose does not include leasing of property to a
25 private party unless the lease of the property is at fair market value
26 for a public purpose. Leases of property by a public housing authority to
27 low-income individuals as a place of residence are for the authority's
28 public purpose;

29 (b) Unleased property of the state or its governmental subdivisions
30 which is not being used or developed for use for a public purpose but
31 upon which a payment in lieu of taxes is paid for public safety, rescue,

1 and emergency services and road or street construction or maintenance
2 services to all governmental units providing such services to the
3 property. Except as provided in Article VIII, section 11, of the
4 Constitution of Nebraska, the payment in lieu of taxes shall be based on
5 the proportionate share of the cost of providing public safety, rescue,
6 or emergency services and road or street construction or maintenance
7 services unless a general policy is adopted by the governing body of the
8 governmental subdivision providing such services which provides for a
9 different method of determining the amount of the payment in lieu of
10 taxes. The governing body may adopt a general policy by ordinance or
11 resolution for determining the amount of payment in lieu of taxes by
12 majority vote after a hearing on the ordinance or resolution. Such
13 ordinance or resolution shall nevertheless result in an equitable
14 contribution for the cost of providing such services to the exempt
15 property;

16 (c) Property owned by and used exclusively for agricultural and
17 horticultural societies;

18 (d)(i) Property owned by educational, religious, charitable, or
19 cemetery organizations, or any organization for the exclusive benefit of
20 any such educational, religious, charitable, or cemetery organization,
21 and used exclusively for educational, religious, charitable, or cemetery
22 purposes, when such property is not (A) owned or used for financial gain
23 or profit to either the owner or user, (B) used for the sale of alcoholic
24 liquors for more than twenty hours per week, or (C) owned or used by an
25 organization which discriminates in membership or employment based on
26 race, color, or national origin.

27 (ii) For purposes of subdivision (1)(d) of this section:

28 (A) Educational organization means (I) an institution operated
29 exclusively for the purpose of offering regular courses with systematic
30 instruction in academic, vocational, or technical subjects or assisting
31 students through services relating to the origination, processing, or

1 guarantying of federally reinsured student loans for higher education,
2 (II) a museum or historical society operated exclusively for the benefit
3 and education of the public, or (III) a nonprofit organization that owns
4 or operates a child care facility; and

5 (B) Charitable organization includes (I) an organization operated
6 exclusively for the purpose of the mental, social, or physical benefit of
7 the public or an indefinite number of persons and (II) a fraternal
8 benefit society organized and licensed under sections 44-1072 to
9 44-10,109.

10 (iii) The property tax exemption authorized in subdivision (1)(d)(i)
11 of this section shall apply to any for-profit skilled nursing facility,
12 for-profit nursing facility, or for-profit assisted-living facility that
13 provides housing for medicaid beneficiaries, except that the exemption
14 amount for such property shall be a percentage of the property taxes that
15 would otherwise be due. Such percentage shall be equal to the average
16 percentage of occupied beds in the facility provided to medicaid
17 beneficiaries over the most recent three-year period. This subdivision
18 shall not be construed to modify, limit, or reduce any property tax
19 exemption provided to a nonprofit skilled nursing facility, nonprofit
20 nursing facility, or nonprofit assisted-living facility pursuant to
21 subdivision (1)(d)(i) of this section. For purposes of this subdivision,
22 skilled nursing facility has the same meaning as in section 71-429,
23 nursing facility has the same meaning as in section 71-424, and assisted-
24 living facility has the same meaning as in section 71-5903.

25 (iv) The property tax exemption authorized in subdivision (1)(d)(i)
26 of this section shall apply to a building that (A) is owned by a
27 charitable organization, (B) is made available to students in attendance
28 at an educational institution, and (C) is recognized by such educational
29 institution as approved student housing, except that the exemption shall
30 only apply to the commons area of such building, including any common
31 rooms and cooking and eating facilities;

1 (e) Household goods and personal effects not owned or used for
2 financial gain or profit to either the owner or user; and

3 (f) A portion of the property owned by a taxpayer as provided in the
4 Recreational Trail Easement Property Tax Exemption Act.

5 (2) The increased value of land by reason of shade and ornamental
6 trees planted along the highway shall not be taken into account in the
7 valuation of land.

8 (3) Tangible personal property which is not depreciable tangible
9 personal property as defined in section 77-119 shall be exempt from
10 property tax.

11 (4) Motor vehicles, trailers, and semitrailers required to be
12 registered for operation on the highways of this state shall be exempt
13 from payment of property taxes.

14 (5) Business and agricultural inventory shall be exempt from the
15 personal property tax. For purposes of this subsection, business
16 inventory includes personal property owned for purposes of leasing or
17 renting such property to others for financial gain only if the personal
18 property is of a type which in the ordinary course of business is leased
19 or rented thirty days or less and may be returned at the option of the
20 lessee or renter at any time and the personal property is of a type which
21 would be considered household goods or personal effects if owned by an
22 individual. All other personal property owned for purposes of leasing or
23 renting such property to others for financial gain shall not be
24 considered business inventory.

25 (6) Any personal property exempt pursuant to subsection (2) of
26 section 77-4105 or section 77-5209.02 shall be exempt from the personal
27 property tax.

28 (7) Livestock shall be exempt from the personal property tax.

29 (8) Any personal property exempt pursuant to the Nebraska Advantage
30 Act or the Imagine Nebraska Act shall be exempt from the personal
31 property tax.

1 (9) Any depreciable tangible personal property used directly in the
2 generation of electricity using wind as the fuel source shall be exempt
3 from the property tax levied on depreciable tangible personal property.
4 Any depreciable tangible personal property used directly in the
5 generation of electricity using solar, biomass, or landfill gas as the
6 fuel source shall be exempt from the property tax levied on depreciable
7 tangible personal property if such depreciable tangible personal property
8 was installed on or after January 1, 2016, and has a nameplate capacity
9 of one hundred kilowatts or more. Depreciable tangible personal property
10 used directly in the generation of electricity using wind, solar,
11 biomass, or landfill gas as the fuel source includes, but is not limited
12 to, wind turbines, rotors and blades, towers, solar panels, trackers,
13 generating equipment, transmission components, substations, supporting
14 structures or racks, inverters, and other system components such as
15 wiring, control systems, switchgears, and generator step-up transformers.

16 ~~(10) Any tangible personal property that is acquired by a person
17 operating a data center located in this state, that is assembled,
18 engineered, processed, fabricated, manufactured into, attached to, or
19 incorporated into other tangible personal property, both in component
20 form or that of an assembled product, for the purpose of subsequent use
21 at a physical location outside this state by the person operating a data
22 center shall be exempt from the personal property tax. Such exemption
23 extends to keeping, retaining, or exercising any right or power over
24 tangible personal property in this state for the purpose of subsequently
25 transporting it outside this state for use thereafter outside this state.
26 For purposes of this subsection, data center means computers, supporting
27 equipment, and other organized assembly of hardware or software that are
28 designed to centralize the storage, management, or dissemination of data
29 and information, environmentally controlled structures or facilities or
30 interrelated structures or facilities that provide the infrastructure for
31 housing the equipment, such as raised flooring, electricity supply,~~

1 ~~communication and data lines, Internet access, cooling, security, and~~
2 ~~fire suppression, and any building housing the foregoing.~~

3 (10) ~~(11)~~ For tax years prior to tax year 2020, each person who owns
4 property required to be reported to the county assessor under section
5 77-1201 shall be allowed an exemption amount as provided in the Personal
6 Property Tax Relief Act. For tax years prior to tax year 2020, each
7 person who owns property required to be valued by the state as provided
8 in section 77-601, 77-682, 77-801, or 77-1248 shall be allowed a
9 compensating exemption factor as provided in the Personal Property Tax
10 Relief Act.

11 (11)(a) ~~(12)(a)~~ Broadband equipment shall be exempt from the
12 personal property tax if such broadband equipment is:

13 (i) Deployed in an area funded in whole or in part by funds from the
14 Broadband Equity, Access, and Deployment Program, authorized by the
15 federal Infrastructure Investment and Jobs Act, Public Law 117-58; or

16 (ii) Deployed in a qualified census tract located within the
17 corporate limits of a city of the metropolitan class and being utilized
18 to provide end-users with access to the Internet at speeds of at least
19 one hundred megabits per second for downloading and at least one hundred
20 megabits per second for uploading.

21 (b) An owner of broadband equipment seeking an exemption under this
22 section shall apply for an exemption to the county assessor on or before
23 December 31 of the year preceding the year for which the exemption is to
24 begin. If the broadband equipment meets the criteria described in this
25 subsection, the county assessor shall approve the application within
26 thirty calendar days after receiving the application. The application
27 shall be on forms prescribed by the Tax Commissioner.

28 (c) For purposes of this subsection:

29 (i) Broadband communications service means telecommunications
30 service as defined in section 86-121, video programming as defined in 47
31 U.S.C. 522, as such section existed on January 1, 2024, or Internet

1 access as defined in section 1104 of the federal Internet Tax Freedom
2 Act, Public Law 105-277;

3 (ii) Broadband equipment means machinery or equipment used to
4 provide broadband communications service and includes, but is not limited
5 to, wires, cables, fiber, conduits, antennas, poles, switches, routers,
6 amplifiers, rectifiers, repeaters, receivers, multiplexers, duplexers,
7 transmitters, circuit cards, insulating and protective materials and
8 cases, power equipment, backup power equipment, diagnostic equipment,
9 storage devices, modems, and other general central office or headend
10 equipment, such as channel cards, frames, and cabinets, or equipment used
11 in successor technologies, including items used to monitor, test,
12 maintain, enable, or facilitate qualifying equipment, machinery,
13 software, ancillary components, appurtenances, accessories, or other
14 infrastructure that is used in whole or in part to provide broadband
15 communications service. Machinery or equipment used to produce broadband
16 communications service does not include personal consumer electronics,
17 including, but not limited to, smartphones, computers, and tablets; and

18 (iii) Qualified census tract means a qualified census tract as
19 defined in 26 U.S.C. 42(d)(5)(B)(ii)(I), as such section existed on
20 January 1, 2024.

21 **Sec. 15.** Section 77-367, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 77-367 (1) The Department of Revenue may contract to procure
24 products and services to develop, deploy, or administer systems or
25 programs which identify nonfilers of returns, underreporters, or
26 nonpayers of taxes administered by the department or improper or
27 fraudulent payments made through programs administered by the department.
28 The department shall enter into at least one such contract by December
29 31, 2014, and such contract shall be for the purpose of identifying
30 nonfilers of returns with a tax liability in any amount or underreporters
31 or nonpayers of taxes with an outstanding tax liability of at least five

1 thousand dollars. Fees for services, reimbursements, costs incurred by
2 the department, or other remuneration may be funded from the amount of
3 tax, penalty, interest, or other recovery actually collected and shall be
4 paid only after the amount is collected. The Legislature intends to
5 appropriate an amount from the tax, penalty, interest, and other recovery
6 actually collected, not to exceed the amount collected, which is
7 sufficient to pay for services, reimbursements, costs incurred by the
8 department, or other remuneration pursuant to this section. Vendors
9 entering into a contract with the department pursuant to this section are
10 subject to the requirements and penalties of the confidentiality laws of
11 this state regarding tax information.

12 (2) Ten percent of all proceeds received during each calendar year
13 due to the contracts entered into pursuant to this section shall be
14 deposited in the Department of Revenue Enforcement Fund ~~for purposes of~~
15 ~~identifying nonfilers, underreporters, nonpayers, and improper or~~
16 ~~fraudulent payments.~~

17 (3) The Tax Commissioner shall submit electronically an annual
18 report to the Revenue Committee of the Legislature and Appropriations
19 Committee of the Legislature on the amount of dollars generated during
20 the previous fiscal year pursuant to this section.

21 **Sec. 16.** Section 77-377.01, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 77-377.01 The Tax Commissioner may, for the purposes of collecting
24 delinquent taxes due from a taxpayer and in addition to exercising those
25 powers in section 77-27,107, contract with any collection agency licensed
26 pursuant to the Collection Agency Act, within or without the state, for
27 the collection of such delinquent taxes, including penalties and interest
28 thereon. Such delinquent tax claims may be assigned to the collection
29 agency, for the purpose of litigation in the agency's name ~~and at the~~
30 ~~agency's expense,~~ as a means of facilitating and expediting the
31 collection process.

1 For purposes of this section, a delinquent tax claim shall be
2 defined as a tax liability that is due and owing for a period longer than
3 six months and for which the taxpayer has been mailed at least three
4 notices requesting payment. At least one notice shall include a statement
5 that the matter of such taxpayer's delinquency may be referred to a
6 collection agency in the taxpayer's home state.

7 **Sec. 17.** Section 77-377.02, Revised Statutes Cumulative Supplement,
8 2024, is amended to read:

9 77-377.02 (1) Fees for services, reimbursements, or other
10 remuneration to such collection agency shall be based on the amount of
11 tax, penalty, and interest actually collected and shall not be subject to
12 the requirements of section 73-203 or 73-204. Each contract entered into
13 between the Tax Commissioner and the collection agency shall provide for
14 the payment of fees for such services, reimbursements, or other
15 remuneration not in excess of fifty percent of the total amount of
16 delinquent taxes, penalties, and interest actually collected.

17 (2) If, at the time a delinquent tax claim is assigned to a
18 collection agency, any collection fees or costs were added to the tax
19 liability pursuant to subsections (1) and (2) of section 6 of this act,
20 then a portion of such fees and costs, up to fifty percent of the balance
21 of the delinquent tax claim, shall be added to the amount owed and
22 collected from the taxpayer along with the fees for the collection
23 agency's services as provided in the contract. The collection fees and
24 costs added to the amount owed and collected from the taxpayer pursuant
25 to this subsection shall be remitted and deposited in the same manner as
26 the taxes being collected. For purposes of this subsection, delinquent
27 tax claim shall have the same meaning as in section 77-377.01.

28 (3) ~~(2)~~ All funds collected, less the fees for the collection
29 agency's services as provided in the contract, shall be remitted to the
30 Tax Commissioner within forty-five days from the date of collection from
31 a taxpayer. Forms to be used for such remittances shall be prescribed by

1 the Tax Commissioner.

2 **Sec. 18.** Section 77-382, Revised Statutes Cumulative Supplement,
3 2024, is amended to read:

4 77-382 (1) The department shall prepare a tax expenditure report
5 describing (a) the basic provisions of the Nebraska tax laws, (b) the
6 actual or estimated revenue loss caused by the exemptions, deductions,
7 exclusions, deferrals, credits, and preferential rates in effect on July
8 1 of each year and allowed under Nebraska's tax structure and in the
9 property tax, (c) the actual or estimated revenue loss caused by failure
10 to impose sales and use tax on services purchased for nonbusiness use,
11 and (d) the elements which make up the tax base for state and local
12 income, including income, sales and use, property, and miscellaneous
13 taxes.

14 (2) The department shall review the major tax exemptions for which
15 state general funds are used to reduce the impact of revenue lost due to
16 a tax expenditure. The report shall indicate an estimate of the amount of
17 the reduction in revenue resulting from the operation of all tax
18 expenditures. The report shall list each tax expenditure relating to
19 sales and use tax under the following categories:

20 (a) Agriculture, which shall include a separate listing for the
21 following items: Agricultural machinery; agricultural chemicals; seeds
22 sold to commercial producers; water for irrigation and manufacturing;
23 commercial artificial insemination; ~~mineral oil as dust suppressant~~;
24 animal grooming; oxygen for use in aquaculture; animal life whose
25 products constitute food for human consumption; and grains;

26 (b) Business across state lines, which shall include a separate
27 listing for the following items: Property shipped out-of-state;
28 fabrication labor for items to be shipped out-of-state; property to be
29 transported out-of-state; property purchased in other states to be used
30 in Nebraska; aircraft delivery to an out-of-state resident or business;
31 state reciprocal agreements for industrial machinery; and property taxed

1 in another state;

2 (c) Common carrier and logistics, which shall include a separate
3 listing for the following items: Railroad rolling stock and repair parts
4 and services; common or contract carriers and repair parts and services;
5 common or contract carrier accessories; and common or contract carrier
6 safety equipment;

7 (d) Consumer goods, which shall include a separate listing for the
8 following items: Motor vehicles and motorboat trade-ins; merchandise
9 trade-ins; certain medical equipment and medicine; newspapers;
10 laundromats; telefloral deliveries; motor vehicle discounts for the
11 disabled; and political campaign fundraisers;

12 (e) Energy, which shall include a separate listing for the following
13 items: Motor fuels; energy used in industry; energy used in agriculture;
14 aviation fuel; and minerals, oil, and gas severed from real property;

15 (f) Food, which shall include a separate listing for the following
16 items: Food for home consumption; Supplemental Nutrition Assistance
17 Program; school lunches; meals sold by hospitals; meals sold by
18 institutions at a flat rate; food for the elderly, handicapped, and
19 Supplemental Security Income recipients; and meals sold by churches;

20 (g) General business, which shall include a separate listing for the
21 following items: Component and ingredient parts; manufacturing machinery;
22 containers; film rentals; molds and dies; syndicated programming;
23 intercompany sales; intercompany leases; sale of a business or farm
24 machinery; and transfer of property in a change of business ownership;

25 (h) Lodging and shelter, which shall include a separate listing for
26 the following item: Room rentals by certain institutions;

27 (i) Miscellaneous, which shall include a separate listing for the
28 following items: Cash discounts and coupons; separately stated finance
29 charges; casual sales; lease-to-purchase agreements; and separately
30 stated taxes;

31 (j) Nonprofits, governments, and exempt entities, which shall

1 include a separate listing for the following items: Purchases by
2 political subdivisions of the state; purchases by churches and nonprofit
3 colleges and medical facilities; purchasing agents for public real estate
4 construction improvements; contractor as purchasing agent for public
5 agencies; Nebraska lottery; admissions to school events; sales on Native
6 American Indian reservations; school-supporting fundraisers; fine art
7 purchases by a museum; purchases by the Nebraska State Fair Board;
8 purchases by the Nebraska Investment Finance Authority and licensees of
9 the State Racing and Gaming Commission; purchases by the United States
10 Government; public records; and sales by religious organizations;

11 (k) Recent sales tax expenditures, which shall include a separate
12 listing for each sales tax expenditure created by statute or rule and
13 regulation after July 19, 2012;

14 (l) Services purchased for nonbusiness use, which shall include a
15 separate listing for each such service, including, but not limited to,
16 the following items: Motor vehicle cleaning, maintenance, and repair
17 services; cleaning and repair of clothing; cleaning, maintenance, and
18 repair of other tangible personal property; maintenance, painting, and
19 repair of real property; entertainment admissions; personal care
20 services; lawn care, gardening, and landscaping services; pet-related
21 services; storage and moving services; household utilities; other
22 personal services; taxi, limousine, and other transportation services;
23 legal services; accounting services; other professional services; and
24 other real estate services; and

25 (m) Telecommunications, which shall include a separate listing for
26 the following items: Telecommunications access charges; prepaid calling
27 arrangements; conference bridging services; and nonvoice data services.

28 (3) It is the intent of the Legislature that nothing in the Tax
29 Expenditure Reporting Act shall cause the valuation or assessment of any
30 property exempt from taxation on the basis of its use exclusively for
31 religious, educational, or charitable purposes.

1 **Sec. 19.** Section 77-3,109, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 77-3,109 (1) The Department of Revenue may charge persons and state
4 agencies for the following publications of the Department of Revenue:
5 Department of Revenue Annual Report, Package XN, Department of Revenue
6 Tax Expenditure Report, and the Department of Revenue State Funds
7 Booklet. The Tax Commissioner shall set the price of such publications
8 which shall be the cost of production.

9 (2) The Department of Revenue shall remit all funds received under
10 this section to the State Treasurer for credit to the Department of
11 Revenue Enforcement Fund.

12 **Sec. 20.** Section 77-3,110, Revised Statutes Supplement, 2025, is
13 amended to read:

14 77-3,110 ~~The (1) All funds received pursuant to sections 77-3,109~~
15 ~~and 77-3,118 shall be remitted to the State Treasurer for credit to the~~
16 Department of Revenue Miscellaneous Receipts Fund which is hereby
17 created. The fund terminates on July 1, 2026, and the State Treasurer
18 shall transfer any money in the fund on such date to the Department of
19 Revenue Enforcement Fund.

20 ~~(2) All money in the Department of Revenue Miscellaneous Receipts~~
21 ~~Fund shall be administered by the Department of Revenue and shall be used~~
22 ~~to defray the cost of production of the publications listed in section~~
23 ~~77-3,109 or of the listings described in section 77-3,118 and to carry~~
24 ~~out any administrative responsibilities of the department.~~

25 ~~(3) Transfers may be made from the fund to the General Fund at the~~
26 ~~direction of the Legislature. Any money in the Department of Revenue~~
27 ~~Miscellaneous Receipts Fund available for investment shall be invested by~~
28 ~~the state investment officer pursuant to the Nebraska Capital Expansion~~
29 ~~Act and the Nebraska State Funds Investment Act.~~

30 **Sec. 21.** Section 77-3,118, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 77-3,118 (1) The Department of Revenue may charge persons and state
2 agencies for any listings made by the department of information that is
3 not confidential. The Tax Commissioner shall set the price of such
4 listings which shall be the cost of production.

5 (2) The Department of Revenue shall remit all funds received under
6 this section to the State Treasurer for credit to the Department of
7 Revenue Enforcement Fund.

8 **Sec. 22.** Section 77-2704.12, Revised Statutes Cumulative Supplement,
9 2024, is amended to read:

10 77-2704.12 (1) Sales and use taxes shall not be imposed on the gross
11 receipts from the sale, lease, or rental of and the storage, use, or
12 other consumption in this state of purchases by (a) any nonprofit
13 organization created exclusively for religious purposes, (b) any
14 nonprofit organization providing services exclusively to the blind, (c)
15 any nonprofit private educational institution established under sections
16 79-1601 to 79-1607, (d) any accredited, nonprofit, privately controlled
17 college or university with its primary campus physically located in
18 Nebraska, (e) any nonprofit (i) hospital, (ii) health clinic when one or
19 more hospitals or the parent corporations of the hospitals own or control
20 the health clinic for the purpose of reducing the cost of health services
21 or when the health clinic receives federal funds through the United
22 States Public Health Service for the purpose of serving populations that
23 are medically underserved, (iii) skilled nursing facility, (iv)
24 intermediate care facility, (v) assisted-living facility, (vi)
25 intermediate care facility for persons with developmental disabilities,
26 (vii) nursing facility, (viii) home health agency, (ix) hospice or
27 hospice service, (x) respite care service, (xi) mental health substance
28 use treatment center licensed under the Health Care Facility Licensure
29 Act, or (xii) center for independent living as defined in 29 U.S.C. 796a,
30 (f) any nonprofit licensed residential child-caring agency, (g) any
31 nonprofit licensed child-placing agency, (h) any nonprofit organization

1 certified by the Department of Health and Human Services to provide
2 community-based services for persons with developmental disabilities, or
3 (i) any nonprofit organization certified or contracted by a regional
4 behavioral health authority or the Division of Behavioral Health of the
5 Department of Health and Human Services to provide community-based mental
6 health or substance use services, ~~or (j) any nonprofit organization for~~
7 ~~purchases of property that will be transferred to an organization listed~~
8 ~~in subdivisions (a) through (i) of this subsection until the property is~~
9 ~~transferred or the contract is completed, provided that the nonprofit~~
10 ~~organization (i) acquires property that will be transferred to an~~
11 ~~organization listed in subdivisions (a) through (i) of this subsection or~~
12 ~~(ii) enters into a contract of construction, improvement, or repair upon~~
13 ~~property annexed to real estate if the property will be transferred to an~~
14 ~~organization listed in subdivisions (a) through (i) of this subsection.~~

15 (2) Any organization listed in subsection (1) of this section shall
16 apply for an exemption on forms provided by the Tax Commissioner. The
17 application shall be approved and a numbered certificate of exemption
18 received by the applicant organization in order to be exempt from the
19 sales and use tax.

20 (3) The appointment of purchasing agents shall be recognized for the
21 purpose of altering the status of the construction contractor as the
22 ultimate consumer of building materials which are physically annexed to
23 the structure and which subsequently belong to the owner of the
24 organization or institution. The appointment of purchasing agents shall
25 be in writing and occur prior to having any building materials annexed to
26 real estate in the construction, improvement, or repair. The contractor
27 who has been appointed as a purchasing agent may apply for a refund of or
28 use as a credit against a future use tax liability the tax paid on
29 inventory items annexed to real estate in the construction, improvement,
30 or repair of a project for a licensed not-for-profit institution.

31 (4) Any organization listed in subsection (1) of this section which

1 enters into a contract of construction, improvement, or repair upon
2 property annexed to real estate without first issuing a purchasing agent
3 authorization to a contractor or repairperson prior to the building
4 materials being annexed to real estate in the project may apply to the
5 Tax Commissioner for a refund of any sales and use tax paid by the
6 contractor or repairperson on the building materials physically annexed
7 to real estate in the construction, improvement, or repair.

8 (5) Any person purchasing, storing, using, or otherwise consuming
9 building materials in the performance of any construction, improvement,
10 or repair by or for any institution enumerated in subsection (1) of this
11 section which is licensed upon completion although not licensed at the
12 time of construction or improvement, which building materials are annexed
13 to real estate and which subsequently belong to the owner of the
14 institution, shall pay any applicable sales or use tax thereon. Upon
15 becoming licensed and receiving a numbered certificate of exemption, the
16 institution organized not for profit shall be entitled to a refund of the
17 amount of taxes so paid in the performance of such construction,
18 improvement, or repair and shall submit whatever evidence is required by
19 the Tax Commissioner sufficient to establish the total sales and use tax
20 paid upon the building materials physically annexed to real estate in the
21 construction, improvement, or repair.

22 **Sec. 23.** Section 77-2704.46, Reissue Revised Statutes of Nebraska,
23 is amended to read:

24 77-2704.46 Sales and use taxes shall not be imposed on the gross
25 receipts from the sale, lease, or rental of and the storage, use, or
26 other consumption in this state of:

27 (1) Any form of animal life of a kind the products of which
28 ordinarily constitute food for human consumption. Animal life includes
29 live poultry ~~, other species of game birds subject to permit and~~
30 ~~regulation by the Game and Parks Commission,~~ and livestock on the hoof
31 when sales are made by the grower, producer, feeder, or any person

1 engaged in the business of bartering, buying, or selling live poultry ~~7~~
2 ~~other species of game birds subject to permit and regulation by the Game~~
3 ~~and Parks Commission,~~ or livestock on the hoof;

4 (2) Seeds and annual plants, the products of which ordinarily
5 constitute food for human consumption and which seeds and annual plants
6 are sold to commercial producers of such products, and seed legumes, seed
7 grasses, and seed grains when sold to be used exclusively for
8 agricultural purposes;

9 (3) Agricultural chemicals, adjuvants, surfactants, bonding agents,
10 clays, oils, and any other additives or compatibility agents for use in
11 commercial agriculture and applied to land or crops and sold in any tax
12 period that has not been closed by the applicable statute of limitations.
13 Agricultural chemicals does not mean chemicals, adjuvants, surfactants,
14 bonding agents, clays, oils, and any other additives or compatibility
15 agents applied to harvested grains stored in commercial elevators; or

16 (4) Oxygen for use in aquaculture as defined in section 2-3804.01.

17 **Sec. 24.** Section 77-2715.07, Revised Statutes Supplement, 2025, is
18 amended to read:

19 77-2715.07 (1) There shall be allowed to qualified resident
20 individuals as a nonrefundable credit against the income tax imposed by
21 the Nebraska Revenue Act of 1967:

22 (a) A credit equal to the federal credit allowed under section 22 of
23 the Internal Revenue Code; and

24 (b) A credit for taxes paid to another state as provided in section
25 77-2730.

26 (2) There shall be allowed to qualified resident individuals against
27 the income tax imposed by the Nebraska Revenue Act of 1967:

28 (a) For returns filed reporting federal adjusted gross incomes of
29 greater than twenty-nine thousand dollars, a nonrefundable credit equal
30 to twenty-five percent of the federal credit allowed under section 21 of
31 the Internal Revenue Code of 1986, as amended, except that for taxable

1 years beginning or deemed to begin on or after January 1, 2015, such
2 nonrefundable credit shall be allowed only if the individual would have
3 received the federal credit allowed under section 21 of the code after
4 adding back in any carryforward of a net operating loss that was deducted
5 pursuant to such section in determining eligibility for the federal
6 credit;

7 (b) For returns filed reporting federal adjusted gross income of
8 twenty-nine thousand dollars or less, a refundable credit equal to a
9 percentage of the federal credit allowable under section 21 of the
10 Internal Revenue Code of 1986, as amended, whether or not the federal
11 credit was limited by the federal tax liability. The percentage of the
12 federal credit shall be one hundred percent for incomes not greater than
13 twenty-two thousand dollars, and the percentage shall be reduced by ten
14 percent for each one thousand dollars, or fraction thereof, by which the
15 reported federal adjusted gross income exceeds twenty-two thousand
16 dollars, except that for taxable years beginning or deemed to begin on or
17 after January 1, 2015, such refundable credit shall be allowed only if
18 the individual would have received the federal credit allowed under
19 section 21 of the code after adding back in any carryforward of a net
20 operating loss that was deducted pursuant to such section in determining
21 eligibility for the federal credit;

22 (c) A refundable credit as provided in section 77-5209.01 for
23 individuals who qualify for an income tax credit as a qualified beginning
24 farmer or livestock producer under the Beginning Farmer Tax Credit Act
25 for all taxable years beginning or deemed to begin on or after January 1,
26 2006, under the Internal Revenue Code of 1986, as amended;

27 (d) A refundable credit for individuals who qualify for an income
28 tax credit under the Adoption Tax Credit Act, the Angel Investment Tax
29 Credit Act, the Nebraska Advantage Microenterprise Tax Credit Act, the
30 Nebraska Advantage Research and Development Act, the Reverse Osmosis
31 System Tax Credit Act, or the Volunteer Emergency Responders Incentive

1 Act;

2 (e) A refundable credit equal to ten percent of the federal credit
3 allowed under section 32 of the Internal Revenue Code of 1986, as
4 amended, except that for taxable years beginning or deemed to begin on or
5 after January 1, 2015, such refundable credit shall be allowed only if
6 the individual would have received the federal credit allowed under
7 section 32 of the code after adding back in any carryforward of a net
8 operating loss that was deducted pursuant to such section in determining
9 eligibility for the federal credit; and

10 (f) A refundable credit as provided in section 77-7203 for
11 individuals who qualify for an income tax credit under the Child Care Tax
12 Credit Act for all taxable years beginning or deemed to begin on or after
13 January 1, 2024, under the Internal Revenue Code of 1986, as amended.

14 (3) There shall be allowed to all individuals as a nonrefundable
15 credit against the income tax imposed by the Nebraska Revenue Act of
16 1967:

17 (a) A credit for personal exemptions allowed under section
18 77-2716.01;

19 (b) A credit for (i) contributions to programs or projects certified
20 for tax credit status as provided in the Creating High Impact Economic
21 Futures Act and (ii) contributions to certified community betterment
22 programs as provided in the Community Development Assistance Act. Each
23 partner, each shareholder of an electing subchapter S corporation, each
24 beneficiary of an estate or trust, or each member of a limited liability
25 company shall report his or her share of the credit in the same manner
26 and proportion as he or she reports the partnership, subchapter S
27 corporation, estate, trust, or limited liability company income;

28 (c) A credit for investment in a biodiesel facility as provided in
29 section 77-27,236;

30 (d) A credit as provided in the New Markets Job Growth Investment
31 Act;

1 (e) A credit as provided in the Nebraska Job Creation and Mainstreet
2 Revitalization Act;

3 (f) A credit to employers as provided in sections 77-27,238 and
4 77-27,240;

5 (g) A credit as provided in the Affordable Housing Tax Credit Act;

6 (h) A credit to grocery store retailers, restaurants, and
7 agricultural producers as provided in section 77-27,241;

8 (i) A credit as provided in the Sustainable Aviation Fuel Tax Credit
9 Act;

10 (j) A credit as provided in the Nebraska Shortline Rail
11 Modernization Act;

12 (k) A credit as provided in the Nebraska Pregnancy Help Act; and

13 (l) A credit as provided in the Caregiver Tax Credit Act.

14 (4) There shall be allowed as a credit against the income tax
15 imposed by the Nebraska Revenue Act of 1967:

16 (a) A credit to all resident estates and trusts for taxes paid to
17 another state as provided in section 77-2730;

18 (b) A credit to all estates and trusts for (i) contributions to
19 programs or projects certified for tax credit status as provided in the
20 Creating High Impact Economic Futures Act and (ii) contributions to
21 certified community betterment programs as provided in the Community
22 Development Assistance Act; and

23 (c) A refundable credit for individuals who qualify for an income
24 tax credit as an owner of agricultural assets under the Beginning Farmer
25 Tax Credit Act for all taxable years beginning or deemed to begin on or
26 after January 1, 2009, under the Internal Revenue Code of 1986, as
27 amended. The credit allowed for each partner, shareholder, member, or
28 beneficiary of a partnership, corporation, limited liability company, or
29 estate or trust qualifying for an income tax credit as an owner of
30 agricultural assets under the Beginning Farmer Tax Credit Act shall be
31 equal to the partner's, shareholder's, member's, or beneficiary's portion

1 of the amount of tax credit distributed pursuant to subsection (6) of
2 section 77-5211.

3 (5)(a) For all taxable years beginning on or after January 1, 2007,
4 and before January 1, 2009, under the Internal Revenue Code of 1986, as
5 amended, there shall be allowed to each partner, shareholder, member, or
6 beneficiary of a partnership, subchapter S corporation, limited liability
7 company, or estate or trust a nonrefundable credit against the income tax
8 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the
9 partner's, shareholder's, member's, or beneficiary's portion of the
10 amount of franchise tax paid to the state under sections 77-3801 to
11 77-3807 by a financial institution.

12 (b) For all taxable years beginning on or after January 1, 2009,
13 under the Internal Revenue Code of 1986, as amended, there shall be
14 allowed to each partner, shareholder, member, or beneficiary of a
15 partnership, subchapter S corporation, limited liability company, or
16 estate or trust a nonrefundable credit against the income tax imposed by
17 the Nebraska Revenue Act of 1967 equal to the partner's, shareholder's,
18 member's, or beneficiary's portion of the amount of franchise tax paid to
19 the state under sections 77-3801 to 77-3807 by a financial institution.

20 (c) Each partner, shareholder, member, or beneficiary shall report
21 his or her share of the credit in the same manner and proportion as he or
22 she reports the partnership, subchapter S corporation, limited liability
23 company, or estate or trust income. If any partner, shareholder, member,
24 or beneficiary cannot fully utilize the credit for that year, the credit
25 may not be carried forward or back.

26 (6) There shall be allowed to all individuals nonrefundable credits
27 against the income tax imposed by the Nebraska Revenue Act of 1967 as
28 provided in section 77-3604 and refundable credits against the income tax
29 imposed by the Nebraska Revenue Act of 1967 as provided in section
30 77-3605.

31 (7)(a) For taxable years beginning or deemed to begin on or after

1 January 1, 2020, and before January 1, 2032, under the Internal Revenue
2 Code of 1986, as amended, a nonrefundable credit against the income tax
3 imposed by the Nebraska Revenue Act of 1967 in the amount of five
4 thousand dollars shall be allowed to any individual who purchases a
5 residence during the taxable year if such residence:

6 (i) Is located within an area that has been declared an extremely
7 blighted area under section 18-2101.02;

8 (ii) Is the individual's primary residence; and

9 (iii) Was not purchased from a family member of the individual or a
10 family member of the individual's spouse.

11 (b) The credit provided in this subsection shall be claimed for the
12 taxable year in which the residence is purchased. If the individual
13 cannot fully utilize the credit for such year, the credit may be carried
14 forward to subsequent taxable years until fully utilized.

15 (c) No more than one credit may be claimed under this subsection
16 with respect to a single residence.

17 (d) The credit provided in this subsection shall be subject to
18 recapture by the Department of Revenue if the individual claiming the
19 credit sells or otherwise transfers the residence or quits using the
20 residence as his or her primary residence within five years after the end
21 of the taxable year in which the credit was claimed.

22 (e) For purposes of this subsection, family member means an
23 individual's spouse, child, parent, brother, sister, grandchild, or
24 grandparent, whether by blood, marriage, or adoption.

25 (8) There shall be allowed to all individuals refundable credits
26 against the income tax imposed by the Nebraska Revenue Act of 1967 as
27 provided in the Cast and Crew Nebraska Act, the Domestic Violence and
28 Human Trafficking Service Providers Tax Credit Act, the Nebraska
29 Biodiesel Tax Credit Act, the Nebraska Higher Blend Tax Credit Act, the
30 Nebraska Property Tax Incentive Act, the Relocation Incentive Act, and
31 the Renewable Chemical Production Tax Credit Act.

1 (9)(a) For taxable years beginning or deemed to begin on or after
2 January 1, 2022, under the Internal Revenue Code of 1986, as amended, a
3 refundable credit against the income tax imposed by the Nebraska Revenue
4 Act of 1967 shall be allowed to the parent of a stillborn child if:

5 (i) A fetal death certificate is filed pursuant to subsection (1) of
6 section 71-606 for such child;

7 (ii) Such child had advanced to at least the twentieth week of
8 gestation; and

9 (iii) Such child would have been a dependent of the individual
10 claiming the credit.

11 (b) The amount of the credit shall be two thousand dollars.

12 (c) The credit shall be allowed for the taxable year in which the
13 stillbirth occurred.

14 (10) There shall be allowed to all individuals nonrefundable credits
15 against the income tax imposed by the Nebraska Revenue Act of 1967 as
16 provided in section 77-7204.

17 (11) There shall be allowed to all individuals refundable credits
18 against the income tax imposed by the Nebraska Revenue Act of 1967 as
19 provided in section 77-3157 and nonrefundable credits against the income
20 tax imposed by the Nebraska Revenue Act of 1967 as provided in sections
21 77-3156, 77-3158, and 77-3159.

22 **Sec. 25.** Section 77-2717, Revised Statutes Cumulative Supplement,
23 2024, is amended to read:

24 77-2717 (1)(a)(i) For taxable years beginning or deemed to begin
25 before January 1, 2014, the tax imposed on all resident estates and
26 trusts shall be a percentage of the federal taxable income of such
27 estates and trusts as modified in section 77-2716, plus a percentage of
28 the federal alternative minimum tax and the federal tax on premature or
29 lump-sum distributions from qualified retirement plans. The additional
30 taxes shall be recomputed by (A) substituting Nebraska taxable income for
31 federal taxable income, (B) calculating what the federal alternative

1 minimum tax would be on Nebraska taxable income and adjusting such
2 calculations for any items which are reflected differently in the
3 determination of federal taxable income, and (C) applying Nebraska rates
4 to the result. The federal credit for prior year minimum tax, after the
5 recomputations required by the Nebraska Revenue Act of 1967, and the
6 credits provided in the Nebraska Advantage Microenterprise Tax Credit Act
7 and the Nebraska Advantage Research and Development Act shall be allowed
8 as a reduction in the income tax due. A refundable income tax credit
9 shall be allowed for all resident estates and trusts under the Angel
10 Investment Tax Credit Act, the Nebraska Advantage Microenterprise Tax
11 Credit Act, and the Nebraska Advantage Research and Development Act. A
12 nonrefundable income tax credit shall be allowed for all resident estates
13 and trusts as provided in the New Markets Job Growth Investment Act.

14 (ii) For taxable years beginning or deemed to begin on or after
15 January 1, 2014, the tax imposed on all resident estates and trusts shall
16 be a percentage of the federal taxable income of such estates and trusts
17 as modified in section 77-2716, plus a percentage of the federal tax on
18 premature or lump-sum distributions from qualified retirement plans. The
19 additional taxes shall be recomputed by substituting Nebraska taxable
20 income for federal taxable income and applying Nebraska rates to the
21 result. The credits provided in the Nebraska Advantage Microenterprise
22 Tax Credit Act and the Nebraska Advantage Research and Development Act
23 shall be allowed as a reduction in the income tax due. A refundable
24 income tax credit shall be allowed for all resident estates and trusts
25 under the Angel Investment Tax Credit Act, the Cast and Crew Nebraska
26 Act, the Domestic Violence and Human Trafficking Service Providers Tax
27 Credit Act, the Nebraska Advantage Microenterprise Tax Credit Act, the
28 Nebraska Advantage Research and Development Act, the Nebraska Biodiesel
29 Tax Credit Act, the Nebraska Higher Blend Tax Credit Act, the Nebraska
30 Property Tax Incentive Act, the Relocation Incentive Act, and the
31 Renewable Chemical Production Tax Credit Act. A nonrefundable income tax

1 credit shall be allowed for all resident estates and trusts as provided
2 in the Nebraska Job Creation and Mainstreet Revitalization Act, the New
3 Markets Job Growth Investment Act, the School Readiness Tax Credit Act,
4 the Child Care Tax Credit Act, the Affordable Housing Tax Credit Act, the
5 Sustainable Aviation Fuel Tax Credit Act, the Nebraska Shortline Rail
6 Modernization Act, the Nebraska Pregnancy Help Act, the Individuals with
7 Intellectual and Developmental Disabilities Support Act, and sections
8 77-27,238, 77-27,240, and 77-27,241.

9 (b) The tax imposed on all nonresident estates and trusts shall be
10 the portion of the tax imposed on resident estates and trusts which is
11 attributable to the income derived from sources within this state. The
12 tax which is attributable to income derived from sources within this
13 state shall be determined by multiplying the liability to this state for
14 a resident estate or trust with the same total income by a fraction, the
15 numerator of which is the nonresident estate's or trust's Nebraska income
16 as determined by sections 77-2724 and 77-2725 and the denominator of
17 which is its total federal income after first adjusting each by the
18 amounts provided in section 77-2716. The federal credit for prior year
19 minimum tax, after the recomputations required by the Nebraska Revenue
20 Act of 1967, reduced by the percentage of the total income which is
21 attributable to income from sources outside this state, and the credits
22 provided in the Nebraska Advantage Microenterprise Tax Credit Act and the
23 Nebraska Advantage Research and Development Act shall be allowed as a
24 reduction in the income tax due. A refundable income tax credit shall be
25 allowed for all nonresident estates and trusts under the Angel Investment
26 Tax Credit Act, the Cast and Crew Nebraska Act, the Domestic Violence and
27 Human Trafficking Service Providers Tax Credit Act, the Nebraska
28 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
29 and Development Act, the Nebraska Biodiesel Tax Credit Act, the Nebraska
30 Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, the
31 Relocation Incentive Act, and the Renewable Chemical Production Tax

1 Credit Act. A nonrefundable income tax credit shall be allowed for all
2 nonresident estates and trusts as provided in the Nebraska Job Creation
3 and Mainstreet Revitalization Act, the New Markets Job Growth Investment
4 Act, the School Readiness Tax Credit Act, the Child Care Tax Credit Act,
5 the Affordable Housing Tax Credit Act, the Sustainable Aviation Fuel Tax
6 Credit Act, the Nebraska Shortline Rail Modernization Act, the Nebraska
7 Pregnancy Help Act, the Individuals with Intellectual and Developmental
8 Disabilities Support Act, and sections 77-27,238, 77-27,240, and
9 77-27,241.

10 (2) In all instances wherein a fiduciary income tax return is
11 required under the provisions of the Internal Revenue Code, a Nebraska
12 fiduciary return shall be filed, except that a fiduciary return shall not
13 be required to be filed regarding a simple trust if all of the trust's
14 beneficiaries are residents of the State of Nebraska, all of the trust's
15 income is derived from sources in this state, and the trust has no
16 federal tax liability. The fiduciary shall be responsible for making the
17 return for the estate or trust for which he or she acts, whether the
18 income be taxable to the estate or trust or to the beneficiaries thereof.
19 The fiduciary shall include in the return a statement of each
20 beneficiary's distributive share of net income when such income is
21 taxable to such beneficiaries.

22 (3) The beneficiaries of such estate or trust who are residents of
23 this state shall include in their income their proportionate share of
24 such estate's or trust's federal income and shall reduce their Nebraska
25 tax liability by their proportionate share of the credits as provided in
26 the Angel Investment Tax Credit Act, the Nebraska Advantage
27 Microenterprise Tax Credit Act, the Nebraska Advantage Research and
28 Development Act, the Nebraska Job Creation and Mainstreet Revitalization
29 Act, the New Markets Job Growth Investment Act, the School Readiness Tax
30 Credit Act, the Child Care Tax Credit Act, the Affordable Housing Tax
31 Credit Act, the Nebraska Biodiesel Tax Credit Act, the Nebraska Higher

1 Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, the
2 Relocation Incentive Act, the Renewable Chemical Production Tax Credit
3 Act, the Sustainable Aviation Fuel Tax Credit Act, the Nebraska Shortline
4 Rail Modernization Act, the Cast and Crew Nebraska Act, the Nebraska
5 Pregnancy Help Act, the Individuals with Intellectual and Developmental
6 Disabilities Support Act, the Domestic Violence and Human Trafficking
7 Service Providers Tax Credit Act, and sections 77-27,238, 77-27,240, and
8 77-27,241. There shall be allowed to a beneficiary a refundable income
9 tax credit under the Beginning Farmer Tax Credit Act for all taxable
10 years beginning or deemed to begin on or after January 1, 2001, under the
11 Internal Revenue Code of 1986, as amended.

12 (4) If any beneficiary of such estate or trust is a nonresident
13 during any part of the estate's or trust's taxable year, he or she shall
14 file a Nebraska income tax return which shall include (a) in Nebraska
15 adjusted gross income that portion of the estate's or trust's Nebraska
16 income, as determined under sections 77-2724 and 77-2725, allocable to
17 his or her interest in the estate or trust and (b) a reduction of the
18 Nebraska tax liability by his or her proportionate share of the credits
19 as provided in the Angel Investment Tax Credit Act, the Nebraska
20 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
21 and Development Act, the Nebraska Job Creation and Mainstreet
22 Revitalization Act, the New Markets Job Growth Investment Act, the School
23 Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable
24 Housing Tax Credit Act, the Nebraska Biodiesel Tax Credit Act, the
25 Nebraska Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive
26 Act, the Relocation Incentive Act, the Renewable Chemical Production Tax
27 Credit Act, the Sustainable Aviation Fuel Tax Credit Act, the Nebraska
28 Shortline Rail Modernization Act, the Cast and Crew Nebraska Act, the
29 Nebraska Pregnancy Help Act, the Individuals with Intellectual and
30 Developmental Disabilities Support Act, the Domestic Violence and Human
31 Trafficking Service Providers Tax Credit Act, and sections 77-27,238,

1 77-27,240, and 77-27,241 and shall execute and forward to the fiduciary,
2 on or before the original due date of the Nebraska fiduciary return, an
3 agreement which states that he or she will file a Nebraska income tax
4 return and pay income tax on all income derived from or connected with
5 sources in this state, and such agreement shall be attached to the
6 Nebraska fiduciary return for such taxable year.

7 (5) In the absence of the nonresident beneficiary's executed
8 agreement being attached to the Nebraska fiduciary return, the estate or
9 trust shall remit a portion of such beneficiary's income which was
10 derived from or attributable to Nebraska sources with its Nebraska return
11 for the taxable year. For taxable years beginning or deemed to begin
12 before January 1, 2013, the amount of remittance, in such instance, shall
13 be the highest individual income tax rate determined under section
14 77-2715.02 multiplied by the nonresident beneficiary's share of the
15 estate or trust income which was derived from or attributable to sources
16 within this state. For taxable years beginning or deemed to begin on or
17 after January 1, 2013, the amount of remittance, in such instance, shall
18 be the highest individual income tax rate determined under section
19 77-2715.03 multiplied by the nonresident beneficiary's share of the
20 estate or trust income which was derived from or attributable to sources
21 within this state. The amount remitted shall be allowed as a credit
22 against the Nebraska income tax liability of the beneficiary.

23 (6) The Tax Commissioner may allow a nonresident beneficiary to not
24 file a Nebraska income tax return if the nonresident beneficiary's only
25 source of Nebraska income was his or her share of the estate's or trust's
26 income which was derived from or attributable to sources within this
27 state, the nonresident did not file an agreement to file a Nebraska
28 income tax return, and the estate or trust has remitted the amount
29 required by subsection (5) of this section on behalf of such nonresident
30 beneficiary. The amount remitted shall be retained in satisfaction of the
31 Nebraska income tax liability of the nonresident beneficiary.

1 (7) For purposes of this section, unless the context otherwise
2 requires, simple trust shall mean any trust instrument which (a) requires
3 that all income shall be distributed currently to the beneficiaries, (b)
4 does not allow amounts to be paid, permanently set aside, or used in the
5 tax year for charitable purposes, and (c) does not distribute amounts
6 allocated in the corpus of the trust. Any trust which does not qualify as
7 a simple trust shall be deemed a complex trust.

8 (8) For purposes of this section, any beneficiary of an estate or
9 trust that is a grantor trust of a nonresident shall be disregarded and
10 this section shall apply as though the nonresident grantor was the
11 beneficiary.

12 **Sec. 26.** Section 77-2734.03, Revised Statutes Supplement, 2025, is
13 amended to read:

14 77-2734.03 (1)(a) For taxable years commencing prior to January 1,
15 1997, any (i) insurer paying a tax on premiums and assessments pursuant
16 to section 77-908 or 81-523, (ii) electric cooperative organized under
17 the Joint Public Power Authority Act, or (iii) credit union shall be
18 credited, in the computation of the tax due under the Nebraska Revenue
19 Act of 1967, with the amount paid during the taxable year as taxes on
20 such premiums and assessments and taxes in lieu of intangible tax.

21 (b) For taxable years commencing on or after January 1, 1997, any
22 insurer paying a tax on premiums and assessments pursuant to section
23 77-908 or 81-523, any electric cooperative organized under the Joint
24 Public Power Authority Act, or any credit union shall be credited, in the
25 computation of the tax due under the Nebraska Revenue Act of 1967, with
26 the amount paid during the taxable year as (i) taxes on such premiums and
27 assessments included as Nebraska premiums and assessments under section
28 77-2734.05 and (ii) taxes in lieu of intangible tax.

29 (c) For taxable years commencing or deemed to commence prior to, on,
30 or after January 1, 1998, any insurer paying a tax on premiums and
31 assessments pursuant to section 77-908 or 81-523 shall be credited, in

1 the computation of the tax due under the Nebraska Revenue Act of 1967,
2 with the amount paid during the taxable year as assessments allowed as an
3 offset against premium and related retaliatory tax liability pursuant to
4 section 44-4233.

5 (2) There shall be allowed to corporate taxpayers a tax credit for
6 (a) contributions to programs or projects certified for tax credit status
7 as provided in the Creating High Impact Economic Futures Act and (b)
8 contributions to certified community betterment programs as provided in
9 the Community Development Assistance Act.

10 (3) There shall be allowed to corporate taxpayers a refundable
11 income tax credit under the Beginning Farmer Tax Credit Act for all
12 taxable years beginning or deemed to begin on or after January 1, 2001,
13 under the Internal Revenue Code of 1986, as amended.

14 (4) The changes made to this section by Laws 2004, LB 983, apply to
15 motor fuels purchased during any tax year ending or deemed to end on or
16 after January 1, 2005, under the Internal Revenue Code of 1986, as
17 amended.

18 (5) There shall be allowed to corporate taxpayers refundable income
19 tax credits under the Nebraska Advantage Microenterprise Tax Credit Act,
20 the Cast and Crew Nebraska Act, the Domestic Violence and Human
21 Trafficking Service Providers Tax Credit Act, the Nebraska Advantage
22 Research and Development Act, the Nebraska Biodiesel Tax Credit Act, the
23 Nebraska Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive
24 Act, the Relocation Incentive Act, and the Renewable Chemical Production
25 Tax Credit Act.

26 (6) There shall be allowed to corporate taxpayers a nonrefundable
27 income tax credit for investment in a biodiesel facility as provided in
28 section 77-27,236.

29 (7) There shall be allowed to corporate taxpayers a nonrefundable
30 income tax credit as provided in the Nebraska Job Creation and Mainstreet
31 Revitalization Act, the New Markets Job Growth Investment Act, the School

1 Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable
2 Housing Tax Credit Act, the Sustainable Aviation Fuel Tax Credit Act, the
3 Nebraska Shortline Rail Modernization Act, the Nebraska Pregnancy Help
4 Act, the Individuals with Intellectual and Developmental Disabilities
5 Support Act, and sections 77-27,238, 77-27,240, and 77-27,241.

6 **Sec. 27.** Section 77-27,107, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 77-27,107 (1) When notice and demand for the payment of income tax
9 is given to a taxpayer and it appears to the Tax Commissioner that it is
10 not practicable to locate property of the taxpayer sufficient in amount
11 to cover the amount of tax due, he or she shall send a copy of the notice
12 provided for in the Uniform State Tax Lien Registration and Enforcement
13 Act to the taxpayer at his or her last-known address together with a
14 notice that such notice has been filed with the appropriate filing
15 officer. Thereafter, the Tax Commissioner may authorize the institution
16 of any action or proceeding to collect or enforce such claim in any place
17 and by any procedure that a civil judgment of a court of record of this
18 state could be collected or enforced.

19 (2) The Tax Commissioner may register a claim for any delinquent
20 taxes due and owing as a judgment in the office of the clerk of the
21 district court of Lancaster County in the same manner as a foreign
22 judgment is filed under the Nebraska Uniform Enforcement of Foreign
23 Judgments Act.

24 (3) The Tax Commissioner may also in his or her discretion designate
25 agents or retain counsel for the purpose of collecting any income taxes
26 due under the Nebraska Revenue Act of 1967. He or she may fix the
27 compensation of such agents and counsel to be paid out of money
28 appropriated or otherwise lawfully available for payment thereof and he
29 or she may require of them bonds or other security for the faithful
30 performance of their duties.

31 (4) The Tax Commissioner may enter into agreements with the tax

1 departments of other states and the District of Columbia for the
2 collection of income taxes from persons found in those jurisdictions who
3 are delinquent in the payment of income taxes imposed under such act.

4 **Sec. 28.** Section 77-27,235, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 77-27,235 (1) Beginning on or after July 14, 2006, and before July
7 1, 2026, any Any producer of electricity generated by a new renewable
8 electric generation facility shall earn a renewable energy tax credit.
9 For electricity generated on or after July 14, 2006, and before October
10 1, 2007, the credit shall be .075 cent for each kilowatt-hour of
11 electricity generated by a new renewable electric generation facility.
12 For electricity generated on or after October 1, 2007, and before January
13 1, 2010, the credit shall be .1 cent for each kilowatt-hour of
14 electricity generated by a new renewable electric generation facility.
15 For electricity generated on or after January 1, 2010, and before January
16 1, 2013, the credit shall be .075 cent per kilowatt-hour for electricity
17 generated by a new renewable electric generation facility. For
18 electricity generated on or after January 1, 2013, and before July 1,
19 2026, the credit shall be .05 cent per kilowatt-hour for electricity
20 generated by a new renewable electric generation facility. The credit may
21 be earned for production of electricity for ten years after the date that
22 the facility is placed in operation on or after July 14, 2006.

23 (2) For purposes of this section:

24 (a) Electricity generated by a new renewable electric generation
25 facility means electricity that is exclusively produced by a new
26 renewable electric generation facility;

27 (b) Eligible renewable resources means wind, moving water, solar,
28 geothermal, fuel cell, methane gas, or photovoltaic technology; and

29 (c) New renewable electric generation facility means an electrical
30 generating facility located in this state that is first placed into
31 service on or after July 14, 2006, which utilizes eligible renewable

1 resources as its fuel source.

2 (3) The credit allowed under this section may be used to reduce the
3 producer's Nebraska income tax liability or to obtain a refund of state
4 sales and use taxes paid by the producer of electricity generated by a
5 new renewable electric generation facility. A claim to use the credit for
6 refund of the state sales and use taxes paid, either directly or
7 indirectly, by the producer may be filed quarterly for electricity
8 generated during the previous quarter by the twentieth day of the month
9 following the end of the calendar quarter. The credit may be used to
10 obtain a refund of state sales and use taxes paid during the quarter
11 immediately preceding the quarter in which the claim for refund is made,
12 except that the amount refunded under this subsection shall not exceed
13 the amount of the state sales and use taxes paid during the quarter.

14 (4) The Department of Revenue may adopt and promulgate rules and
15 regulations to permit verification of the validity and timeliness of any
16 renewable energy tax credit claimed.

17 (5) The total amount of renewable energy tax credits that may be
18 used by all taxpayers shall be limited to fifty thousand dollars without
19 further authorization from the Legislature.

20 (6) The credit allowed under this section may not be claimed by a
21 producer who received a sales tax exemption under section 77-2704.57, as
22 such section existed on June 30, 2026, for the new renewable electric
23 generation facility.

24 (7) Interest shall not be allowed on any refund paid under this
25 section.

26 **Sec. 29.** Section 77-3003, Revised Statutes Supplement, 2025, is
27 amended to read:

28 77-3003 (1) Any distributor shall be required to procure a biennial
29 license from the Tax Commissioner permitting him or her to place and
30 either directly or indirectly control or manage a mechanical amusement
31 device within the State of Nebraska. The Tax Commissioner, upon the

1 application of any person, may issue a license, subject to the same
2 limitations as an operator's license under section 77-3002. If the
3 applicant is an individual, the application shall include the applicant's
4 social security number.

5 (2)(a) Except for an applicant that holds a liquor license under the
6 Nebraska Liquor Control Act, an applicant for or person holding a license
7 as a distributor of a cash device shall be subject to a background check
8 at any time by the department including fingerprinting and a check of his
9 or her criminal history record information maintained by the
10 Identification Division of the Federal Bureau of Investigation through
11 the Nebraska State Patrol for the purpose of determining whether the
12 Department of Revenue has a basis to deny the license application or to
13 suspend, cancel, revoke, or terminate the person's license. Each
14 applicant for or person holding a license pursuant to this section shall
15 also submit a personal history report to the department on a form
16 provided by the department and may be subject to a background
17 investigation, an inspection of the applicant's or licensee's facilities,
18 or both. An applicant or licensee shall pay the costs associated with the
19 background check along with any required fees as determined by the
20 department.

21 (b) The Tax Commissioner has the authority to deny any application
22 for a license as a distributor of a cash device for cause. Cause for
23 denial of a license application includes instances in which the applicant
24 individually, or in the case of a business entity, any officer, director,
25 employee, or limited liability company member of the applicant or
26 licensee other than an employee whose duties are purely ministerial in
27 nature:

28 (i) Violated the provisions, requirements, conditions, limitations,
29 or duties imposed by the Mechanical Amusement Device Tax Act or any rules
30 or regulations adopted and promulgated pursuant to the act;

31 (ii) Knowingly caused, aided, abetted, or conspired with another to

1 cause any person to violate any of the provisions of the act or any rules
2 or regulations adopted and promulgated pursuant to the act;

3 (iii) Obtained a license or permit under the act by fraud,
4 misrepresentation, or concealment;

5 (iv) Has been convicted of, forfeited bond upon a charge of, or
6 pleaded guilty or nolo contendere to any offense or crime, whether a
7 felony or a misdemeanor, involving any gambling activity or fraud, theft,
8 willful failure to make required payments or reports, or filing false
9 reports with a governmental agency at any level;

10 (v) Denied the department or its authorized representatives,
11 including authorized law enforcement agencies, access to any place where
12 activity required to be licensed under the act is being conducted or
13 failed to produce for inspection or audit any book, record, document, or
14 item required by law, rule, or regulation;

15 (vi) Made a misrepresentation of or failed to disclose a material
16 fact to the department;

17 (vii) Failed to prove by clear and convincing evidence such
18 applicant's qualifications to be licensed in accordance with the act;

19 (viii) Failed to pay any taxes and additions to taxes, including
20 penalties and interest required by the act or any other taxes imposed
21 pursuant to the Nebraska Revenue Act of 1967; or

22 (ix) Has been cited for a violation of the Nebraska Liquor Control
23 Act and had a liquor license suspended, canceled, or revoked by the
24 Nebraska Liquor Control Commission for illegal gambling activities on or
25 about the premises licensed by the commission pursuant to the Nebraska
26 Liquor Control Act or the rules and regulations adopted and promulgated
27 pursuant to such act.

28 (c) No renewal of a license issued pursuant to this section shall be
29 issued when the applicant for renewal would not be eligible for a license
30 upon a first application.

31 (3) Beginning January 1, 2025, the biennial license for a

1 distributor of a cash device shall be accompanied by a fee of two hundred
2 dollars per cash device up to a maximum of ten thousand dollars. The
3 Department of Revenue shall remit all license fees collected by the
4 department pursuant to this section to the State Treasurer for credit to
5 the Department of Revenue Enforcement Fund.

6 (4) The Tax Commissioner has the authority to suspend or revoke the
7 license of any distributor that is in violation of the Mechanical
8 Amusement Device Tax Act.

9 (5) Beginning on the implementation date designated by the Tax
10 Commissioner pursuant to subsection (2) of section 9-1312, prior to the
11 winnings payment of any cash device winnings as defined in section
12 9-1303, a distributor of a cash device shall check the collection system
13 to determine if the winner has a debt or an outstanding state liability
14 as required by the Gambling Winnings Setoff for Outstanding Debt Act. If
15 such distributor determines that the winner is subject to the collection
16 system, the distributor shall deduct the amount of debt and outstanding
17 state liability identified in the collection system from the winnings
18 payment and shall remit the net winnings payment of cash device winnings,
19 if any, to the winner and the amount deducted to the Department of
20 Revenue to be credited against such debt or outstanding state liability
21 as provided in section 9-1306.

22 **Sec. 30.** Section 77-3003.01, Revised Statutes Cumulative Supplement,
23 2024, is amended to read:

24 77-3003.01 (1)(a) The Tax Commissioner or his or her agents or
25 employees, at the direction of the Tax Commissioner, or any peace officer
26 of this state may seize, without a warrant, any mechanical amusement
27 device if there is cause to believe such mechanical amusement device is
28 not in compliance with the Mechanical Amusement Device Tax Act or any
29 rules and regulations adopted and promulgated under the act or if the
30 department determines the response to a request for information is
31 materially deficient without good cause. In addition to seizure, any

1 person placing in service or operating a cash device constituting an
2 illegal game of chance or an unlicensed cash device of any kind within
3 this state shall be subject to a penalty of up to one thousand dollars
4 for each day of such operation. The Tax Commissioner has the authority to
5 suspend or revoke the license of any operator, manufacturer, or
6 distributor of a cash device that is in violation of this section.

7 (b) For purposes of this subsection, a mechanical amusement device
8 is subject to seizure and penalties as if it were a game of chance if:

9 (i) The mechanical amusement device is a cash device; and

10 (ii) The mechanical amusement device does not bear an unexpired
11 decal as required under the Mechanical Amusement Device Tax Act.

12 (c) This section does not apply to any device (i) used in any bingo,
13 lottery by the sale of pickle cards, or other lottery, raffle, or gift
14 enterprise conducted in accordance with the Nebraska Bingo Act, Nebraska
15 County and City Lottery Act, Nebraska Lottery and Raffle Act, Nebraska
16 Pickle Card Lottery Act, Nebraska Small Lottery and Raffle Act, State
17 Lottery Act, or section 9-701, (ii) used for a prize contest as defined
18 in section 28-1101, (iii) specifically authorized by the laws of this
19 state, or (iv) regulated under the Nebraska Racetrack Gaming Act.

20 (2) To receive a determination from the department that a cash
21 device is in compliance with the Mechanical Amusement Device Tax Act and
22 any rules and regulations adopted and promulgated under the act, a
23 manufacturer or distributor of the device shall:

24 (a) Submit an application to the Tax Commissioner containing
25 information regarding the device's location, software, Internet
26 connectivity, and configuration as may be required by the Tax
27 Commissioner;

28 ~~(b)(i) {b} Submit an application fee as provided in subdivision (b)~~
29 ~~(ii) of this subsection. of five hundred dollars;~~

30 (ii) The application fee shall be:

31 (A) Five hundred dollars prior to January 1, 2027; and

1 (B) Six hundred fifty dollars beginning January 1, 2027;

2 (c) Provide a specimen of the proposed cash device;

3 (d) Provide all supporting evidence, including a report by an
4 independent testing laboratory certified by the Tax Commissioner, to the
5 Tax Commissioner indicating that, under all configurations, settings, and
6 modes of operation, operation of the cash device constitutes a game of
7 skill and not a game of chance and the use, operation, sale, or
8 manufacture of the cash device would not constitute a violation of
9 section 28-1107; and

10 (e) Provide an affidavit from the manufacturer or distributor
11 affirming that no functional changes in hardware or software will be made
12 to the approved cash device without further approval from the Tax
13 Commissioner.

14 (3) The Tax Commissioner shall issue a response in writing to the
15 applicant within forty-five days after the applicant has completed and
16 submitted all application requirements. The Tax Commissioner's response
17 shall state the reason for any denial or the reasons a determination
18 cannot be made.

19 (4)(a) A cash device shall not be considered a game of skill if one
20 or more of the following apply:

21 (i) The ability of any player to succeed at the game played on the
22 cash device is impacted by the number or ratio of prior wins to prior
23 losses of players playing such cash device;

24 (ii) The ability of the player to succeed at the game played on the
25 cash device is impacted by the ability of any person to set a specified
26 win-loss ratio for the cash device or by the cash device having a
27 predetermined win-loss percentage;

28 (iii) The outcome of the game played on the cash device can be
29 controlled by a source other than any player playing the cash device;

30 (iv) The success of any player is or may be determined by a chance
31 event which cannot be altered by player action;

1 (v) There is no possibility for the player to win every game played
2 on the cash device or there are unwinnable games or game modes on the
3 cash device;

4 (vi) The ability of any player to succeed at the game played on the
5 cash device requires the exercise of skill that no reasonable player
6 could exercise; or

7 (vii) The primary determination of the prize amount is determined by
8 the presentation or generation of a particular puzzle or group of symbols
9 dealt to the player and the player does not have control over the puzzle
10 or group of symbols presented.

11 (b) For purposes of this subsection, reasonable player means a
12 player with an average level of intelligence, physical and mental skills,
13 reaction time, and dexterity.

14 (5) The department or any court considering whether a gambling
15 device is a game of skill may consider:

16 (a) The results of an analysis by the independent testing laboratory
17 certified by the Tax Commissioner to evaluate the reaction time required
18 for a player of a particular game on such cash device to perform the
19 tasks required by the game to win; or

20 (b) The results of an analysis by the independent testing laboratory
21 certified by the Tax Commissioner to evaluate factors set forth by the
22 Tax Commissioner, other than reaction time, required for the player of a
23 particular game on such cash device to perform the tasks required by the
24 game to win.

25 (6) Factors which are not sufficient indications of a skill-based
26 game include, but are not limited to:

27 (a) Whether a comprehensive list of prizes or outcomes is offered to
28 the player or whether all outcomes are drawn from a finite pool of
29 predetermined outcomes or starting positions;

30 (b) Whether a player can increase his or her chance of winning based
31 on knowledge of probabilities in general or the probabilities of any

1 particular prize or outcome in a game or on a cash device;

2 (c) Whether a player can simply choose not to play before committing
3 money or credits; or

4 (d) A game task consisting solely of moving a symbol up or down,
5 replacing one symbol with another, or any similar action, with or without
6 a timer.

7 (7) Upon approval of an application based on a determination that
8 the mechanical amusement device is a game of skill and not a game of
9 chance, the Tax Commissioner shall issue a mechanical amusement device
10 decal for the device as configured and as provided in subsection (8) of
11 this section. No mechanical amusement device decal shall be issued for
12 any cash device unless the department has determined that (a) such cash
13 device is a game of skill and not a game of chance and that the
14 manufacture, sale, transport, placement, possession, or operation of such
15 cash device does not constitute a violation of section 28-1107 and (b)
16 the appearance of such cash device does not violate subsection (9) of
17 this section. If the Tax Commissioner does not approve the application
18 for the cash device, the application shall be denied and the operator
19 shall have the opportunity for an administrative hearing before the Tax
20 Commissioner at which evidence may be presented on the issue of whether
21 the cash device is specifically authorized by law and is not a gambling
22 device as defined in section 28-1101. After such hearing, the Tax
23 Commissioner shall enter a final decision approving or denying the
24 application. The Tax Commissioner's final decision may be appealed, and
25 the appeal shall be in accordance with the Administrative Procedure Act.

26 (8)(a) Upon approval of a specimen of a cash device as a game of
27 skill under this section, the department may issue a mechanical amusement
28 device decal for each such cash device:

29 (i) If certified by the manufacturer to be functionally identical in
30 both hardware and software configurations to the specimen provided to the
31 department; and

1 (ii) If the application fee described in subdivision (2)(b) of this
2 section and the annual decal fee described in subdivision (c) of this
3 subsection have been paid.

4 (b)(i) In order for a distributor or operator of a cash device to
5 place a cash device into operation at a retail establishment, other than
6 a retail establishment owned or operated by a fraternal benefit society
7 organized and licensed under sections 44-1072 to 44-10,109 or a
8 recognized veterans organization as defined in section 80-401.01, such
9 retail establishment shall generate at least sixty percent of the gross
10 operating revenue of such retail establishment from sources other than
11 the total gross operating revenue of any cash devices located within the
12 retail establishment.

13 (ii) The number of cash devices permitted at any retail
14 establishment shall not exceed the lesser of either:

15 (A) Except for a fraternal benefit society organized and licensed
16 under sections 44-1072 to 44-10,109 or a recognized veterans organization
17 as defined in section 80-401.01, the number of cash devices it takes to
18 generate forty percent of the gross operating revenue of the retail
19 establishment; or

20 (B) Five ~~Four~~ cash devices or four cash devices for an establishment
21 located in a qualified census tract, except that an establishment with
22 over four thousand square feet may have one cash device for each one
23 thousand square feet, up to a maximum of fifteen cash devices.

24 (c)(i) ~~(c)~~ The distributor or operator of a cash device shall pay an
25 annual decal fee as provided in subdivision (c)(ii) of this subsection ~~of~~
26 ~~two hundred fifty dollars~~ to the department ~~for each cash device in~~
27 ~~operation in Nebraska~~. The decal issued under this section shall be
28 distinct from other decals issued by the department for mechanical
29 amusement devices that are not required to be evaluated under this
30 section. Regardless of the issuance of a decal by the department, no cash
31 device shall be considered in compliance if it does not bear an unexpired

1 decal in a conspicuous place.

2 (ii) For each cash device in operation in Nebraska the annual decal
3 fee shall be:

4 (A) Two hundred fifty dollars prior to January 1, 2027; and

5 (B) Three hundred fifty dollars beginning January 1, 2027.

6 (d)(i) A decal issued under this subsection shall be replaced by the
7 department without the payment of an additional fee under the following
8 circumstances:

9 (A) If the decal is damaged through no fault of the distributor or
10 operator; or

11 (B) If the cabinet on the cash device is destroyed beyond repair
12 through no fault of the distributor or operator.

13 (ii) A replacement decal is not required (A) if the internal
14 components of the cash device require replacement due to failure or
15 damage and the replacement of such components does not change the
16 approved cash device software currently on the device or (B) when cash
17 device software is updated to improve security or resolve issues or
18 defects.

19 (iii) Any replacement decal will be valid for the same time period
20 as the decal that was first issued.

21 (9)(a) An operator, distributor, or manufacturer of a cash device
22 shall not market, advertise, promote, or make available any cash device
23 in this state if the device or its container, packaging, or advertising
24 materials:

25 (i) Depict a cartoon-like or fictional character primarily used to
26 appeal to minors; or

27 (ii) Imitate or mimic the trademark, trade dress, branding, or
28 packaging of products primarily marketed to minors.

29 (b)(i) No person shall place or permit exterior advertising for a
30 cash device on or about any premises where such device is located except
31 as provided in this section.

1 (ii) Each premises where a cash device is located may display not
2 more than three exterior signs advertising the availability of a cash
3 device available for play at such location. Any such sign shall:

4 (A) Not exceed eleven inches in height and seventeen inches in
5 width; and

6 (B) Be permanently affixed to the exterior of the building that
7 contains a cash device.

8 (iii) No exterior banner, flag, window wraps, digital display,
9 vehicle wrap, or other exterior advertising media shall be used to
10 advertise a cash device other than the signs permitted pursuant to
11 subdivision (9)(b)(ii) of this section.

12 (10) (9) The application process described in this section shall not
13 be construed to limit further investigation by the department or the
14 issuance of further regulations to promote compliance after the
15 application process is completed. At any point after a determination of
16 skill by the department, the department may request from the
17 manufacturer, distributor, or operator information about any cash device
18 in operation in this state, including, but not limited to, information
19 regarding currently operable source code, changes to software or
20 hardware, and communications from or to the device over the Internet. A
21 manufacturer, distributor, or operator that receives a request shall
22 respond with all responsive information in its possession or control
23 within fifteen business days.

24 (11) (10) If a manufacturer or distributor receives a determination
25 from the department that a cash device is not in compliance with the
26 Mechanical Amusement Device Tax Act, such manufacturer or distributor
27 shall have thirty days after the issuance of that determination to (a)
28 provide proof of correction and compliance or (b) remove any such cash
29 device from operation in Nebraska.

30 (12) (11) Application fees collected under subsection (2) of this
31 section and annual decal fees collected under subsection (8) of this

1 section shall be remitted to the State Treasurer for credit to the
2 Department of Revenue Enforcement Fund.

3 **Sec. 31.** Section 77-3003.02, Revised Statutes Cumulative Supplement,
4 2024, is amended to read:

5 77-3003.02 (1) No cash device shall be operated using a credit card,
6 charge card, or debit card.

7 (2) No person under twenty-one years of age shall play or
8 participate in any way in the operation of a cash device. No distributor,
9 operator, or employee or agent of any distributor or operator shall
10 knowingly permit any individual under twenty-one years of age to play or
11 participate in any way in the operation of a cash device. The
12 distributor, operator, or employee or agent shall verify the age of any
13 individual requesting to play a cash device and shall comply with
14 subsection (3) of this section.

15 (3) Beginning August 1, 2026, an operator of a cash device shall not
16 make such device available for play at a retail establishment unless an
17 attendant is physically present on the premises of such retail
18 establishment and capable of actively supervising play of such cash
19 device. An attendant shall be considered to be actively supervising play
20 of such cash device if the attendant:

21 (a) Visually confirms the age of the player; and

22 (b) Continuously monitors the area in which a cash device is located
23 and intervenes to prevent play of a cash device by any person under
24 twenty-one years of age.

25 (4) ~~(2)~~ No distributor or operator shall charge a fee or require a
26 gratuity in return for the payment of any prize money won by a player of
27 a cash device.

28 (5) ~~(3)~~ The Tax Commissioner has the authority to suspend or revoke
29 the license of any distributor or operator of a cash device for a
30 violation of this section.

31 (6) ~~(4)~~ The department shall adopt and promulgate rules and

1 regulations for the implementation and enforcement of this section as
2 ~~long as such rules and regulations do not restrict how a cash device~~
3 ~~manufacturer, distributor, or operator markets or advertises the~~
4 ~~existence of a cash device, unless the advertiser or marketer of a cash~~
5 ~~device is willfully conflating the cash device play with casino style~~
6 ~~gambling or slot machine wagering.~~

7 **Sec. 32.** Section 77-3003.03, Revised Statutes Supplement, 2025, is
8 amended to read:

9 77-3003.03 (1) A manufacturer of a cash device shall be required to
10 procure a biennial license from the Tax Commissioner permitting such
11 manufacturer to place any cash devices in the State of Nebraska for sale,
12 lease, or distribution through a third party. The Tax Commissioner, upon
13 the application of any person, may issue a license subject to the same
14 limitations as an operator's license under section 77-3002. If the
15 applicant is an individual, the application shall include the applicant's
16 social security number. The license fee for a manufacturer of a cash
17 device shall be ten thousand dollars. The Department of Revenue shall
18 remit all license fees collected by the department pursuant to this
19 section to the State Treasurer for credit to the Department of Revenue
20 Enforcement Fund.

21 (2)(a) Each applicant for or person holding a license as a
22 manufacturer of a cash device shall be subject to a background check at
23 any time by the department including fingerprinting and a check of his or
24 her criminal history record information maintained by the Identification
25 Division of the Federal Bureau of Investigation through the Nebraska
26 State Patrol for the purpose of determining whether the Department of
27 Revenue has a basis to deny the license application or to suspend,
28 cancel, revoke, or terminate the person's license. Each applicant for or
29 person holding a license pursuant to this section shall also submit a
30 personal history report to the department on a form provided by the
31 department and may be subject to a background investigation, an

1 inspection of the applicant's or licensee's facilities, or both. An
2 applicant or licensee shall pay the costs associated with the background
3 check and any required fees as determined by the department.

4 (b) The Tax Commissioner has the authority to deny a license for a
5 manufacturer of a cash device for cause. Cause for denial of a license
6 application includes instances in which the applicant individually, or in
7 the case of a business entity, any officer, director, employee, or
8 limited liability company member of the applicant or licensee other than
9 an employee whose duties are purely ministerial in nature:

10 (i) Violated the provisions, requirements, conditions, limitations,
11 or duties imposed by the Mechanical Amusement Device Tax Act or any rules
12 or regulations adopted and promulgated pursuant to the act;

13 (ii) Knowingly caused, aided, abetted, or conspired with another to
14 cause any person to violate any of the provisions of the act or any rules
15 or regulations adopted and promulgated pursuant to the act;

16 (iii) Obtained a license or permit under the act by fraud,
17 misrepresentation, or concealment;

18 (iv) Has been convicted of, forfeited bond upon a charge of, or
19 pleaded guilty or nolo contendere to any offense or crime, whether a
20 felony or a misdemeanor, involving any gambling activity or fraud, theft,
21 willful failure to make required payments or reports, or filing false
22 reports with a governmental agency at any level;

23 (v) Denied the department or its authorized representatives,
24 including authorized law enforcement agencies, access to any place where
25 activity required to be licensed under the act is being conducted or
26 failed to produce for inspection or audit any book, record, document, or
27 item required by law, rule, or regulation;

28 (vi) Made a misrepresentation of or failed to disclose a material
29 fact to the department;

30 (vii) Failed to prove by clear and convincing evidence such
31 applicant's qualifications to be licensed in accordance with the act;

1 (viii) Failed to pay any taxes and additions to taxes, including
2 penalties and interest required by the act or any other taxes imposed
3 pursuant to the Nebraska Revenue Act of 1967; or

4 (ix) Has been cited for a violation of the Nebraska Liquor Control
5 Act and had a liquor license suspended, canceled, or revoked by the
6 Nebraska Liquor Control Commission for illegal gambling activities on or
7 about the premises licensed by the commission pursuant to the Nebraska
8 Liquor Control Act or the rules and regulations adopted and promulgated
9 pursuant to such act.

10 (c) No renewal of a license pursuant to this section shall be issued
11 when the applicant for renewal would not be eligible for a license upon a
12 first application.

13 (3) The Tax Commissioner has the authority to suspend or revoke the
14 license of any manufacturer of a cash device that is in violation of the
15 Mechanical Amusement Device Tax Act.

16 **Sec. 33.** Section 77-3004, Revised Statutes Cumulative Supplement,
17 2024, is amended to read:

18 77-3004 (1) An occupation tax is hereby imposed and levied, in the
19 amount and in accordance with the terms and conditions stated in this
20 section, upon the business of operating mechanical amusement devices that
21 are not cash devices within the State of Nebraska for profit or gain
22 either directly or indirectly received. Every person who now or hereafter
23 engages in the business of operating such mechanical amusement devices
24 that are not cash devices in the State of Nebraska shall pay such
25 occupation tax in the amount and manner specified in this section.

26 (2) Any distributor or operator of a mechanical amusement device
27 that is not a cash device within the State of Nebraska shall pay an
28 occupation tax for each such mechanical amusement device which he or she
29 places into operation during all of the taxable year. The occupation tax
30 shall be due and payable on January 1 of each year on each mechanical
31 amusement device that is not a cash device in operation on that date,

1 except that it shall be unlawful to pay any such occupation tax unless
2 the sales or use tax has been paid on such mechanical amusement devices.
3 For every mechanical amusement device that is not a cash device put into
4 operation on a date subsequent to January 1, and which has not been
5 included in computing the occupation tax imposed and levied by the
6 Mechanical Amusement Device Tax Act, the occupation tax shall be due and
7 payable therefor prior to the time the mechanical amusement device is
8 placed in operation. ~~All occupation taxes collected pursuant to the act~~
9 ~~shall be remitted to the State Treasurer for credit to the General Fund.~~

10 (3) The amount of the occupation tax for each mechanical amusement
11 device that is not a cash device shall be:

12 (a) Thirty-five ~~thirty-five~~ dollars for ~~each mechanical amusement~~
13 ~~device that is not a cash device~~ for any period beginning on or after
14 January 1, 2000, and prior to January 1, 2027, except that for such
15 mechanical amusement devices placed in operation after July 1, and before
16 January 1 of any such ~~each~~ year, the occupation tax shall be twenty
17 dollars for each mechanical amusement device; and -

18 (b) For calendar year 2027 and each calendar year thereafter,
19 seventy dollars.

20 (4) The occupation taxes collected pursuant to this section shall be
21 remitted to the State Treasurer for credit as follows:

22 (a) Twenty percent of such amount to the Department of Revenue
23 Enforcement Fund; and

24 (b) Eighty percent of such amount to the General Fund.

25 **Sec. 34.** Section 77-3006, Revised Statutes Cumulative Supplement,
26 2024, is amended to read:

27 77-3006 (1) The administration of the Mechanical Amusement Device
28 Tax Act is hereby vested in the Tax Commissioner subject to other
29 provisions of law relating to the Tax Commissioner. The Tax Commissioner
30 may prescribe, adopt and promulgate, and enforce rules and regulations
31 relating to the administration and enforcement of the act and may

1 delegate authority to his or her representatives to conduct hearings or
2 perform any other duties imposed under the act. The Tax Commissioner
3 ~~shall~~ may adopt and promulgate rules and regulations necessary to carry
4 out section 77-3003.01. Such rules and regulations shall include
5 standards for determining when advertising or packaging is used to appeal
6 to minors or primarily marketed to minors.

7 (2) The department has the authority to review all documents between
8 a distributor, manufacturer, and operator regarding a cash device. Such
9 documents shall include, but not be limited to, any a contract,
10 agreement, lease, revenue-sharing agreement, profit-sharing document,
11 annual report, tax filing, or bill of sale.

12 (3) The department has the authority to approve all cash device
13 locations across the state. No cash device shall be moved from such cash
14 device's approved location without the prior approval of the department.

15 (4) The department shall establish retail establishment location
16 standards required for the placement of any cash device in this state.

17 (5) The following factors shall be considered for the issuance of a
18 license to operate a cash device at a particular retail establishment
19 location:

20 (a) Whether there are physical walls separating a retail
21 establishment operating a cash device from other businesses located in
22 the same building;

23 (b) Whether there are dedicated entrances and exits to the retail
24 establishment;

25 (c) Whether a separate sales tax permit has been obtained by the
26 retail establishment;

27 (d) Whether the retail establishment has separate points of sale;

28 (e) Whether the retail establishment has separate points of ticket
29 redemption;

30 (f) Whether there is diversity of merchandise for sale in the retail
31 establishment;

1 (g) Whether the retail establishment issues a receipt for sales;

2 (h) The number of dedicated employees on duty at the same time at
3 the retail establishment;

4 (i) The level of business activity being conducted in the retail
5 establishment;

6 (j) Whether the physical space for the retail establishment within
7 the building is contiguous to other businesses; and

8 (k) Whether there are distinct owners or officers of the retail
9 establishment within the shared building.

10 **Sec. 35.** Section 77-3012, Revised Statutes Cumulative Supplement,
11 2024, is amended to read:

12 77-3012 (1) Except as otherwise provided in subsection (5) of this
13 section, a tax is hereby imposed and levied, in the amount and in
14 accordance with this section, upon the net operating revenue of all cash
15 devices operating within the State of Nebraska for profit or gain either
16 directly or indirectly received. The tax shall be paid in the amount and
17 manner specified in this section.

18 (2) Except as otherwise provided in subsection (5) of this section,
19 beginning on and after July 1, 2025, any distributor of a cash device,
20 and any operator of a cash device if the operator is not subject to a
21 revenue-sharing or other agreement with a distributor who is paying the
22 tax, shall pay a tax for each cash device in operation each calendar
23 quarter during the taxable year. The tax shall be collected by the
24 department and due and payable on January 1, April 1, July 1, and October
25 1 of each year on each cash device in operation during the preceding
26 calendar quarter. For each cash device put into operation on a date
27 subsequent to a quarterly due date that has not been included in
28 computing the tax imposed and levied by the Mechanical Amusement Device
29 Tax Act, the tax shall be due and payable on the immediately succeeding
30 quarterly due date.

31 (3) The amount of the tax imposed and levied under this section

1 shall be ten ~~five~~ percent of the net operating revenue for each cash
2 device. The quarterly tax shall be submitted on a form prescribed by the
3 Tax Commissioner documenting the total gross and net operating revenue
4 for that quarter.

5 (4) The Tax Commissioner shall remit the taxes collected pursuant to
6 this section to the State Treasurer for credit as follows:

7 (a) Nine and seventy-five hundredths ~~Twenty~~ percent to the
8 Department of Revenue Enforcement Charitable Gaming Operations Fund for
9 enforcement of the act and maintenance of the central server;

10 (b) Two and twenty-five hundredths ~~one-half~~ percent to the
11 Compulsive Gamblers Assistance Fund;

12 (c) Forty-six and seventy-five hundredths ~~Two and one-half~~ percent
13 to the General Fund;

14 (d) Five ~~Ten~~ percent to the Nebraska Tourism Commission Promotional
15 Cash Fund;

16 (e) Twenty ~~Forty~~ percent to the Property Tax Credit Cash Fund; and

17 (f) Three and seventy-five hundredths percent to the Behavioral
18 Health Services Fund; and

19 (g) ~~(f)~~ The remaining twelve and one-half ~~twenty-five~~ percent to the
20 county treasurer of the county in which the cash device is located to be
21 distributed as follows: (i) If the cash device is located completely
22 within an unincorporated area of a county, the remaining twelve and one-
23 half ~~twenty-five~~ percent shall be distributed to the county in which the
24 cash device is located, or (ii) if the cash device is located within the
25 limits of a city or village in such county, one-half of the remaining
26 twelve and one-half ~~twenty-five~~ percent shall be distributed to such
27 county and one-half of the remaining twelve and one-half ~~twenty-five~~
28 percent shall be distributed to the city or village in which such cash
29 device is located.

30 (5) This section does not apply to cash devices operated by a
31 fraternal benefit society organized and licensed under sections 44-1072

1 to 44-10,109 or a recognized veterans organization as defined in section
2 80-401.01.

3 **Sec. 36.** Section 77-5601, Revised Statutes Supplement, 2025, is
4 amended to read:

5 77-5601 (1) From August 1, 2004, through October 31, 2004, there
6 shall be conducted a tax amnesty program with regard to taxes due and
7 owing that have not been reported to the Department of Revenue. Any
8 person applying for tax amnesty shall pay all unreported taxes that were
9 due on or before April 1, 2004. Any person that applies for tax amnesty
10 and is accepted by the Tax Commissioner shall have any penalties and
11 interest waived on unreported and delinquent taxes notwithstanding any
12 other provisions of law to the contrary.

13 (2) To be eligible for the tax amnesty provided by this section, the
14 person shall apply for amnesty within the amnesty period, file a return
15 for each taxable period for which the amnesty is requested by December
16 31, 2004, if no return has been filed, and pay in full all taxes for
17 which amnesty is sought with the return or within thirty days after the
18 application if a return was filed prior to the amnesty period. Tax
19 amnesty shall not be available for any person that is under civil or
20 criminal audit, investigation, or prosecution for unreported or
21 delinquent taxes by this state or the United States Government on or
22 before April 16, 2004.

23 (3) The department shall not seek civil or criminal prosecution
24 against any person for any taxable period for which amnesty has been
25 granted. The Tax Commissioner shall develop forms for applying for the
26 tax amnesty program, develop procedures for qualification for tax
27 amnesty, and conduct a public awareness campaign publicizing the program.

28 (4) If a person elects to participate in the amnesty program, the
29 election shall constitute an express and irrevocable relinquishment of
30 all administrative and judicial rights to challenge the imposition of the
31 tax or its amount. Nothing in this section shall prohibit the department

1 from adjusting a return as a result of any state or federal audit.

2 (5)(a) Except for any local option sales tax collected and returned
3 to the appropriate municipality and any motor vehicle fuel, diesel fuel,
4 and compressed fuel taxes, which shall be deposited in the Highway Trust
5 Fund or Highway Allocation Fund as provided by law, no less than eighty
6 percent of all revenue received pursuant to the tax amnesty program shall
7 be deposited in the General Fund and ten percent, not to exceed five
8 hundred thousand dollars, shall be deposited in the Department of Revenue
9 Enforcement Fund. Any amount that would otherwise be deposited in the
10 Department of Revenue Enforcement Fund that is in excess of the five-
11 hundred-thousand-dollar limitation shall be deposited in the General
12 Fund.

13 (b) For fiscal year 2005-06, all proceeds in the Department of
14 Revenue Enforcement Fund shall be appropriated to the department for
15 purposes of employing investigators, agents, and auditors and otherwise
16 increasing personnel for enforcement of the Nebraska Revenue Act of 1967.

17 (c) For fiscal years after fiscal year 2005-06, twenty percent of
18 all proceeds received during the previous calendar year due to the
19 efforts of auditors and investigators hired pursuant to subdivision (5)
20 (b) of this section, not to exceed seven hundred fifty thousand dollars,
21 shall be deposited in the Department of Revenue Enforcement Fund for
22 purposes of employing investigators and auditors or continuing such
23 employment for purposes of increasing enforcement of the act.

24 ~~(d) Ten percent of all proceeds received during each calendar year~~
25 ~~due to the contracts entered into pursuant to section 77-367 shall be~~
26 ~~deposited in the Department of Revenue Enforcement Fund for purposes of~~
27 ~~identifying nonfilers of returns, underreporters, nonpayers of taxes, and~~
28 ~~improper or fraudulent payments.~~

29 (6)(a) The department shall prepare a report by April 1, 2005, and
30 by February 1 of each year thereafter detailing the results of the tax
31 amnesty program and the subsequent enforcement efforts. For the report

1 due April 1, 2005, the report shall include (i) the amount of revenue
2 obtained as a result of the tax amnesty program broken down by tax
3 program, (ii) the amount obtained from instate taxpayers and from out-of-
4 state taxpayers, and (iii) the amount obtained from individual taxpayers
5 and from business enterprises.

6 (b) For reports due in subsequent years, the report shall include
7 (i) the number of personnel hired for purposes of subdivision (5)(b) of
8 this section and their duties, (ii) a description of lists, software,
9 programming, computer equipment, and other technological methods acquired
10 and the purposes of each, and (iii) the amount of new revenue obtained as
11 a result of the new personnel and acquisitions during the prior calendar
12 year, broken down into the same categories as described in subdivision
13 (6)(a) of this section.

14 ~~(7)(a) (7)~~ The Department of Revenue Enforcement Fund is created.
15 The money in the fund shall be used by the Department of Revenue for the
16 administration and enforcement of any activity or function administered
17 by the Tax Commissioner.

18 (b) Transfers may be made from the Department of Revenue Enforcement
19 Fund to the General Fund at the direction of the Legislature. The
20 Department of Revenue Enforcement Fund may receive transfers from the
21 Civic and Community Center Financing Fund at the direction of the
22 Legislature for the purpose of administering the Sports Arena Facility
23 Financing Assistance Act. ~~The Department of Revenue Enforcement Fund~~
24 ~~shall include any money credited to the fund (a) under section 77-2703,~~
25 ~~and such money shall be used by the Department of Revenue to defray the~~
26 ~~costs incurred to implement Laws 2019, LB237, (b) under the Mechanical~~
27 ~~Amusement Device Tax Act, and such money shall be used by the department~~
28 ~~to defray the costs incurred to implement and enforce Laws 2019, LB538,~~
29 ~~and any rules and regulations adopted and promulgated to carry out Laws~~
30 ~~2019, LB538, (c) under section 77-2906, and such money shall be used by~~
31 ~~the Department of Revenue to defray the costs incurred to implement Laws~~

1 ~~2020, LB310, (d) under the Kratom Consumer Protection Act, and such money~~
2 ~~shall be used by the Department of Revenue to defray the costs incurred~~
3 ~~to administer the act, and (e) under section 77-3,124.~~

4 (c) Any money in the Department of Revenue Enforcement Fund
5 available for investment shall be invested by the state investment
6 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
7 State Funds Investment Act. ~~Beginning October 1, 2024, any investment~~
8 ~~earnings from investment of money in the fund shall be credited to the~~
9 ~~General Fund.~~

10 (8) For purposes of this section, taxes mean any taxes collected by
11 the department, including, but not limited to state and local sales and
12 use taxes, individual and corporate income taxes, financial institutions
13 deposit taxes, motor vehicle fuel, diesel fuel, and compressed fuel
14 taxes, cigarette taxes, transfer taxes, and charitable gaming taxes.

15 **Sec. 37.** Section 77-5804, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 77-5804 (1) The credit allowed under section 77-5803 may be used (a)
18 to obtain a refund of state sales and use taxes paid or (b) ~~, may be used~~
19 ~~against the income tax liability of the taxpayer. , or may be used as a~~
20 ~~refundable credit claimed on an income tax return of the taxpayer. The~~
21 ~~return need not reflect any income tax liability owed by the taxpayer.~~

22 (2) A claim for the credit may be filed quarterly for refund of the
23 state sales and use taxes paid, either directly or indirectly, after the
24 filing of the income tax return for the tax year in which the credit was
25 first allowed.

26 (3) The credit may be used to obtain a refund of state sales and use
27 taxes paid before the end of the tax year for which the credit was
28 allowed, except that the amount refunded under this subsection shall not
29 exceed the amount of the state sales and use taxes paid, either directly
30 or indirectly, by the taxpayer on the qualifying expenditures.

31 (4) Credits distributed to a partner, limited liability company

1 member, shareholder, or beneficiary may be used against the income tax
2 liability of the partner, member, shareholder, or beneficiary receiving
3 the credits.

4 (5) Interest shall not be allowed on any taxes refunded under the
5 Nebraska Advantage Research and Development Act.

6 **Sec. 38.** Section 77-6818, Revised Statutes Cumulative Supplement,
7 2024, is amended to read:

8 77-6818 (1) Qualified location means a location at which the
9 majority of the business activities conducted are within one or more of
10 the following NAICS codes or the following descriptions:

11 (a) Manufacturing - 31, 32, or 33, including pre-production
12 services;

13 (b) Testing Laboratories - 541380;

14 (c) Rail Transportation - 482;

15 (d) Truck Transportation - 484;

16 (e) Insurance Carriers - 5241;

17 (f) Wired Telecommunications Carriers - 517311;

18 (g) Wireless Telecommunications Carriers (except Satellite) -
19 517312;

20 (h) Telemarketing Bureaus and Other Contact Centers - 561422;

21 (i) Data Processing, Hosting, and Related Services - 518210;

22 (j) Computer Facilities Management Services - 541513;

23 (k) Warehousing and Storage - 4931;

24 (l) The administrative management of the taxpayer's activities,
25 including headquarter facilities relating to such activities, or the
26 administrative management of any of the activities of any business entity
27 or entities in which the taxpayer or a group of its owners hold any
28 direct or indirect ownership interest of at least ten percent, including
29 headquarter facilities relating to such activities;

30 (m) Logistics Facilities - Portions of NAICS 488210, 488310, and
31 488490 dealing with independently operated trucking terminals,

1 independently operated railroad and railway terminals, and waterfront
2 terminal and port facility operations;

3 (n) Services provided on aircraft brought into this state by an
4 individual who is a resident of another state or any other person who has
5 a business location in another state when the aircraft is not to be
6 registered or based in this state and will not remain in this state more
7 than ten days after the service is completed;

8 (o) The conducting of research, development, or testing, or any
9 combination thereof, for scientific, agricultural, animal husbandry, food
10 product, industrial, or technology purposes;

11 (p) The production of electricity by using one or more sources of
12 renewable energy to produce electricity for sale. For purposes of this
13 subdivision, sources of renewable energy includes, but is not limited to,
14 wind, solar, energy storage, geothermal, hydroelectric, biomass, nuclear,
15 and transmutation of elements;

16 (q) Computer Systems Design and Related Services - 5415;

17 (r) The performance of financial services. For purposes of this
18 subdivision, financial services includes only financial services provided
19 by any financial institution subject to tax under Chapter 77, article 38,
20 or any person or entity licensed by the Department of Banking and Finance
21 or the federal Securities and Exchange Commission;

22 (s) Postharvest Crop Activities (except Cotton Ginning) - 115114; or

23 (t) The processing of tangible personal property. For purposes of
24 this subdivision, processing means to subject to a particular method,
25 system, or technique of preparation, handling, or other treatment
26 designed to prepare tangible personal property for market, manufacture,
27 or other commercial use which does not result in the transformation of
28 such property into a substantially different character. ~~or~~

29 ~~(u) Waste Treatment and Disposal - 5622.~~

30 (2)(a) Qualified location also includes any other business location
31 if at least seventy-five percent of the revenue derived at the location

1 is from sales to customers who are not related persons which are
2 delivered or provided from the qualified location to a location that is
3 not within Nebraska according to the sourcing rules in subsections (2)
4 and (3) of section 77-2734.14. Intermediate sales to related persons are
5 included as sales to customers delivered or provided to a location
6 outside Nebraska if the related person delivers or provides the goods or
7 services to a location outside Nebraska. Even if a location meets the
8 seventy-five percent requirement of this subdivision, such location shall
9 not constitute a qualified location under this subdivision if the
10 majority of the business activities conducted at such location are within
11 any of the following NAICS codes or any combination thereof:

12 (i) Agriculture, Forestry, Fishing and Hunting - 11, excluding NAICS
13 code 115114;

14 (ii) Transportation and Warehousing - 48-49;

15 (iii) Information - 51;

16 (iv) Utilities - 22;

17 (v) Mining, Quarrying, and Oil and Gas Extraction - 21;

18 (vi) Public Administration - 92; or

19 (vii) Construction - 23.

20 (b) The director may adopt and promulgate rules and regulations
21 establishing an alternative method in circumstances in which subdivision
22 (2)(a) of this section does not accurately reflect the out-of-state sales
23 taking place at locations within Nebraska for a particular industry.

24 (3) The determination of the majority of the business activities
25 shall be made based on the number of employees working in the respective
26 business activities. The director may adopt and promulgate rules and
27 regulations establishing an alternative method in circumstances in which
28 other factors provide a better reflection of business activities.

29 (4) The delineation of the types of business activities which enable
30 a location to constitute a qualified location is based on the state's
31 intention to attract certain types of business activities and to

1 responsibly accomplish the purposes of the Imagine Nebraska Act by
2 directing the state's incentive capabilities towards business activities
3 which, due to their national nature, could locate outside of Nebraska and
4 which therefore would, through the use of incentives, be motivated to
5 locate in Nebraska. By listing specific types of business activities in
6 subsection (1) of this section, the state has determined such business
7 activities by their nature meet these objectives. By specifying the
8 national nature of a taxpayer's revenue in subsection (2) of this
9 section, the state has determined that certain other types of business
10 activities can meet these objectives.

11 **Sec. 39.** Sections 5, 6, 7, 15, 16, 17, 18, 19, 20, 21, 22, 23, 27,
12 28, 36, 37, 38, 40, and 43 of this act become operative on July 1, 2026.
13 Sections 1, 2, 3, 4, 14, 24, 25, 26, and 41 of this act become operative
14 on January 1, 2027. Sections 8, 9, 10, 11, 12, 13, 29, 30, 31, 32, 33,
15 34, 35, and 42 of this act become operative three calendar months after
16 the adjournment of this legislative session. The other sections of this
17 act become operative on their effective date.

18 **Sec. 40.** Original sections 77-367, 77-377.01, 77-3,109, 77-3,118,
19 77-2704.46, 77-27,107, 77-27,235, and 77-5804, Reissue Revised Statutes
20 of Nebraska, sections 77-377.02, 77-382, 77-2704.12, and 77-6818, Revised
21 Statutes Cumulative Supplement, 2024, and sections 9-1,101, 77-3,110, and
22 77-5601, Revised Statutes Supplement, 2025, are repealed.

23 **Sec. 41.** Original section 77-2717, Revised Statutes Cumulative
24 Supplement, 2024, and sections 77-202, 77-2715.07, and 77-2734.03,
25 Revised Statutes Supplement, 2025, are repealed.

26 **Sec. 42.** Original sections 77-3003.01, 77-3003.02, 77-3004,
27 77-3006, and 77-3012, Revised Statutes Cumulative Supplement, 2024, and
28 sections 71-812, 71-3801, 71-3809, 71-3810, 71-3812, 77-3003, and
29 77-3003.03, Revised Statutes Supplement, 2025, are repealed.

30 **Sec. 43.** The following sections are outright repealed: Sections
31 77-2701.54, 77-2704.57, 77-2704.60, 77-2704.61, and 77-2704.62, Reissue

1 Revised Statutes of Nebraska.

2 **Sec. 44.** Since an emergency exists, this act takes effect when
3 passed and approved according to law.