

LEGISLATIVE BILL 983

Approved by the Governor April 8, 2004

Introduced by Revenue Committee: Landis, 46, Chairperson; Baker, 44;
Hartnett, 45; Raikes, 25; Redfield, 12

AN ACT relating to motor fuels; to amend sections 60-1307, 66-482 to 66-489.01, 66-496, 66-498, 66-499, 66-4,105, 66-4,106, 66-4,114, 66-4,116, 66-4,140, 66-4,141, 66-4,143 to 66-4,147, 66-4,149, 66-502, 66-525, 66-685 to 66-687, 66-698, 66-6,100, 66-6,106, 66-6,107, 66-6,109.01 to 66-6,111, 66-712, 66-713, 66-717, 66-718, 66-720, 66-722, 66-726, 66-727, 66-733 to 66-737, 66-1334, 66-1345, 66-1401, 66-1510, 66-1521, 77-2704.05, and 77-2734.03, Reissue Revised Statutes of Nebraska, and sections 39-2215, 60-1303, and 60-1306, Revised Statutes Supplement, 2003; to change and eliminate provisions relating to motor fuels taxation; to impose taxes; to eliminate provisions relating to tax credit gasoline and the Diesel Fuel Tax Act; to harmonize provisions; to provide an operative date; to repeal the original sections; and to outright repeal sections 66-490 to 66-492, 66-494, 66-4,118 to 66-4,121, 66-4,124 to 66-4,132, 66-4,134, 66-4,142, and 66-650 to 66-683, Reissue Revised Statutes of Nebraska.

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

Section 1. Section 39-2215, Revised Statutes Supplement, 2003, is amended to read:

39-2215. (1) There is hereby created in the state treasury a special fund to be known as the Highway Trust Fund.

(2) All funds credited to the Highway Trust Fund pursuant to sections 66-4,140, 66-4,147, ~~66-669~~, and 66-6,108, and related penalties and interest, shall be allocated as provided in such sections. ~~The State Treasurer shall make the transfer to the General Fund required by section 66-499.~~

(3) All other motor vehicle fuel taxes, diesel fuel taxes, compressed fuel taxes, and alternative fuel taxes related to highway use retained by the state, all motor vehicle registration fees retained by the state other than those fees credited to the State Recreation Road Fund pursuant to section 60-302, and other highway-user taxes imposed by state law and allocated to the Highway Trust Fund, except for the proceeds of the sales and use taxes derived from motor vehicles, trailers, and semitrailers credited to the fund pursuant to section 77-27,132, are hereby irrevocably pledged for the terms of the bonds issued prior to January 1, 1988, to the payment of the principal, interest, and redemption premium, if any, of such bonds as they mature and become due at maturity or prior redemption and for any reserves therefor and shall, as received by the State Treasurer, be deposited in the fund for such purpose.

(4) Of the money in the fund specified in subsection (3) of this section which is not required for the use specified in such subsection, (a) an amount equal to three dollars times the number of motorcycles registered during the previous month shall be placed in the Motorcycle Safety Education Fund, (b) an amount to be determined annually by the Legislature through the appropriations process may be transferred to the Motor Fuel Tax Enforcement and Collection Cash Fund for use as provided in section 66-738 on a monthly or other less frequent basis as determined by the appropriation language, (c) an amount to be determined annually by the Legislature through the appropriations process shall be transferred to the License Plate Cash Fund as needed to meet the current obligations associated with the manufacture of license plates and stickers or tabs provided for in sections 60-311, 60-311.02, and 60-1804, as certified by the Director of Motor Vehicles, and (d) the remaining money may be used for the purchase for retirement of the bonds issued prior to January 1, 1988, in the open market.

(5) The State Treasurer shall monthly transfer, from the proceeds of the sales and use taxes credited to the Highway Trust Fund and any money remaining in the fund after the requirements of subsections (2) through (4) of this section are satisfied, (a) thirty thousand dollars to the Grade Crossing Protection Fund, (b) the amount calculated pursuant to section 13-1210 for financing the operating costs of public transportation systems to the Highway Cash Fund, and (c) each month beginning October 2002 through June 2003, one million six hundred thousand dollars to the Cash Reserve Fund.

(6) Except as provided in subsection (7) of this section, the

balance of the Highway Trust Fund shall be allocated fifty-three and one-third percent, less the amount provided for in section 39-847.01, to the Department of Roads, twenty-three and one-third percent, less the amount provided for in section 39-847.01, to the various counties for road purposes, and twenty-three and one-third percent to the various municipalities for street purposes. If bonds are issued pursuant to subsection (2) of section 39-2223, the portion allocated to the Department of Roads shall be credited monthly to the Highway Restoration and Improvement Bond Fund, and if no bonds are issued pursuant to such subsection, the portion allocated to the department shall be credited monthly to the Highway Cash Fund. The portions allocated to the counties and municipalities shall be credited monthly to the Highway Allocation Fund and distributed monthly as provided by law. Vehicles accorded prorated registration pursuant to section 60-356 shall not be included in any formula involving motor vehicle registrations used to determine the allocation and distribution of state funds for highway purposes to political subdivisions.

(7) If it is determined by December 20 of any year that a county will receive from its allocation of state-collected highway revenue and from any funds relinquished to it by municipalities within its boundaries an amount in such year which is less than such county received in state-collected highway revenue in calendar year 1969, based upon the 1976 tax rates for highway-user fuels and registration fees, the Department of Roads shall notify the State Treasurer that an amount equal to the sum necessary to provide such county with funds equal to such county's 1969 highway allocation for such year shall be transferred to such county from the Highway Trust Fund. Such makeup funds shall be matched by the county as provided in sections 39-2501 to 39-2510. The balance remaining in the fund after such transfer shall then be reallocated as provided in subsection (6) of this section.

(8) The State Treasurer shall disburse the money in the Highway Trust Fund as directed by resolution of the commission. All disbursements from the fund shall be made upon warrants drawn by the Director of Administrative Services. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act and the earnings, if any, credited to the fund.

Sec. 2. Section 60-1303, Revised Statutes Supplement, 2003, is amended to read:

60-1303. (1) The Nebraska State Patrol is hereby designated as the agency to operate the weighing stations and portable scales and to perform carrier enforcement duties.

(2) (a) On and after July 20, 2002, officers of the Nebraska State Patrol appointed to operate the weighing stations and portable scales and to perform carrier enforcement duties shall be known as the carrier enforcement division. The Superintendent of Law Enforcement and Public Safety shall appoint officers of the Nebraska State Patrol to the carrier enforcement division, including officers as prescribed in sections 81-2001 to 81-2009, and carrier enforcement officers as prescribed in sections 60-1301 to 60-1309.

(b) The employees within the Nebraska State Patrol designated to operate the weighing stations and portable scales and to perform carrier enforcement duties before July 20, 2002, and not authorized to act under subdivisions (1) through (8) of section 81-2005 shall be known as carrier enforcement officers.

(3) All carrier enforcement officers shall be bonded under the blanket surety bond required by section 11-201. Premiums on the bond shall be paid from the money appropriated for the construction, maintenance, and operation of the state weighing stations.

(4) All employees of the Nebraska State Patrol who are carrier enforcement officers and who are not officers of the Nebraska State Patrol with the powers and duties prescribed in sections 81-2001 to 81-2009 shall be members of the State Employees Retirement System of the State of Nebraska. Officers of the Nebraska State Patrol who are carrier enforcement officers on July 20, 2002, who subsequently become officers of the Nebraska State Patrol with the powers and duties prescribed in sections 81-2001 to 81-2009, and who elect to remain members of the State Employees Retirement System of the State of Nebraska shall continue to participate in the State Employees Retirement System of the State of Nebraska. Carrier enforcement officers shall not receive any expense allowance as provided for by section 81-2002.

(5) The Nebraska State Patrol and the Department of Roads shall have the duty, power, and authority to contract with one another for the staffing and operation of weighing stations and portable scales and the performance of carrier enforcement duties to ensure that there is adequate personnel in the carrier enforcement division to carry out the duties specified in sections 60-1301 to 60-1309. Through June 30, 2005, the number of full-time equivalent

positions funded pursuant to such contract shall be limited to eighty-eight officers, including carrier enforcement officers as prescribed in sections 60-1301 to 60-1309 and officers of the Nebraska State Patrol as prescribed in sections 81-2001 to 81-2009 assigned to the carrier enforcement division. Pursuant to such contract, command of the personnel involved in such carrier enforcement operations shall be with the Nebraska State Patrol. The Department of Roads may use any funds at its disposal for its financing of such carrier enforcement activity in accordance with such contract as long as such funds are used only to finance those activities directly involved with the duties specified in sections 60-1301 to 60-1309. The Nebraska State Patrol shall account for all appropriations and expenditures related to the staffing and operation of weighing stations and portable scales and the performance of carrier enforcement duties in a budget program that is distinct and separate from budget programs used for non-carrier-enforcement-division-related activities.

(6) The Nebraska State Patrol may adopt, promulgate, and enforce rules and regulations consistent with statutory provisions related to carrier enforcement necessary for (a) the collection of fees, as outlined in ~~sections~~ section 60-305.03 and ~~66-492~~ and the International Fuel Tax Agreement Act, (b) the inspection of licenses and permits required under the motor fuel laws, and (c) weighing and inspection of buses, motor trucks, truck-tractors, semitrailers, trailers, and towed vehicles.

(7) There is hereby created the Carrier Enforcement Cash Fund which shall be administered by the Nebraska State Patrol and used for the operation of the carrier enforcement division. Any money in the Carrier Enforcement Cash Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

(8) The State Treasurer shall transfer nine hundred ninety-three thousand two hundred eighty-one dollars from the Carrier Enforcement Cash Fund to the Nebraska State Patrol Cash Fund within five days after May 27, 2003.

Sec. 3. Section 60-1306, Revised Statutes Supplement, 2003, is amended to read:

60-1306. The carrier enforcement officers shall have the power (1) of peace officers solely for the purpose of enforcing ~~the laws relating to the trip permits provided for in section 66-492~~ and the International Fuel Tax Agreement Act and the laws relating to the size, weight, load, and registration of buses, motor trucks, truck-tractors, semitrailers, trailers, and towed vehicles, (2) when in uniform, to require the driver thereof to stop and exhibit his or her operator's license and registration issued for the vehicle and submit to an inspection of such vehicle, the plates, the registration thereon, and licenses and permits required under the motor fuel laws, (3) to make arrests upon view and without warrant for any violation committed in their presence of the provisions of the Motor Vehicle Operator's License Act or of any other law regulating the operation of vehicles or the use of the highways while in the performance of their duties referred to in subdivisions (1) and (2) of this section and of sections 60-1308, 60-1309, and 75-363 to 75-369.07, (4) to make arrests upon view and without warrant for any violation committed in their presence which is a misdemeanor or felony under the laws of this state while in the performance of their duties referred to in subdivisions (1) and (2) of this section and of sections 60-1308, 60-1309, and 75-363 to 75-369.07, and (5) to make arrests on warrant for any violation which is a misdemeanor or felony under the laws of this state while in the performance of their duties referred to in subdivisions (1) and (2) of this section and of sections 60-1308, 60-1309, and 75-363 to 75-369.07.

Any funds used to arm carrier enforcement officers shall be paid solely from the Carrier Enforcement Cash Fund. The amount of funds shall be determined by the Superintendent of Law Enforcement and Public Safety.

Sec. 4. Section 60-1307, Reissue Revised Statutes of Nebraska, is amended to read:

60-1307. (1) Whenever any person is arrested at one of the state weighing stations or portable scales for a violation of the laws relating to the trip permit provided in section 63 of this act ~~66-492~~ or to the size, weight, load, and registration of buses, trucks, truck-tractors, semitrailers, trailers, or towed vehicles, the arresting officer shall take the name and address of such person and the license number of his or her motor vehicle and issue a summons or otherwise notify him or her in writing to appear at a time and place to be specified in such summons or notice, such time to be at least five days after such arrest unless the person arrested demands an earlier hearing. Such person shall, if he or she desires, have a right to an immediate hearing or a hearing within twenty-four hours at a convenient hour. The hearing shall be before a magistrate within the county in which the

offense was committed. Such officer shall, upon such person giving a written promise to appear at such time and place, release him or her from custody. Such person arrested and released shall not be permitted to operate the motor vehicle concerned until it is in compliance with Chapter 60, article 3, and section 60-6,301. Any person refusing to give such written promise to appear shall be immediately taken by the arresting officer before the nearest or most accessible magistrate. Any person who willfully violates a written promise to appear given in accordance with this section shall be guilty of a Class III misdemeanor regardless of the disposition of the charge upon which he or she was originally arrested.

(2) Subsection (1) of this section shall not apply to any person not a resident of the State of Nebraska. The arresting officer shall take such person forthwith before the nearest or most accessible magistrate.

(3)(a) The arresting officer shall seize and detain the motor vehicle concerned until the motor vehicle is in compliance with section 60-6,294 or in conformity with the exceptions permitted by section 60-6,301, and unless all the violations pending before the magistrate relating to section 60-6,294 have been the subject of a conviction, acquittal, or dismissal and all related fines and costs have been paid, the arresting officer may detain the motor vehicle concerned when the officer has reasonable grounds to believe that (i) the accused will refuse to respond to the citation, (ii) the accused has no ties to the jurisdiction reasonably sufficient to assure his or her appearance in court, or (iii) the accused has previously failed to appear in response to a citation.

(b) If a motor vehicle detained pursuant to this section is transporting livestock, procedures and precautions shall be taken if necessary to ensure the health and welfare of such livestock while the motor vehicle is detained.

(c) A motor vehicle detained pursuant to this subsection shall be released upon execution of a bond with such surety or sureties as the court deems proper or, in lieu of such surety or sureties and at the option of the accused, a cash deposit, conditioned upon his or her appearance before the proper court to answer the offense for which he or she may be charged and to appear at such times thereafter as the court so orders. Such bond shall be in an amount as set forth in the schedule adopted pursuant to section 29-901.05 and shall be administered, subject to review and forfeiture, in the same manner as bail bonds, except that for violations of section 60-6,294, such bond or cash deposit shall be in an amount not less than the sum of costs together with the appropriate fine prescribed in section 60-6,296.

(d) In addition to the operator, any owner or lessee of the motor vehicle may execute the bond or make the cash deposit required by this section. Upon execution of the bond or cash deposit, the arresting or custodial officer shall release the motor vehicle and cargo to the person who executed the bond or deposited the cash or to the designee of such person.

(e) Towing and storage charges, if any, shall be paid by the person to whom the motor vehicle is released prior to the release of the motor vehicle. Such charges shall be assessed as costs in any action for the forfeiture of the recognizance.

(4) Nothing in this section shall (a) prevent the owner or the owner's representative of such motor vehicle or the cargo on the motor vehicle from taking possession of the cargo and transferring it to another vehicle or taking possession of the cargo and the trailer, if the trailer can be separated from the power unit, or (b) create any liability for the state arising out of damage to such motor vehicle and its cargo.

Sec. 5. Section 66-482, Reissue Revised Statutes of Nebraska, is amended to read:

66-482. For purposes of sections 66-482 to 66-4,149 and sections 14, 15, 24, and 30 of this act:

(1) Motor vehicle shall have the same definition as in section 60-301;

(2) Motor vehicle fuel shall include all products and fuel commonly or commercially known as gasoline, including casing head or natural gasoline, and shall include any other liquid and such other volatile and inflammable liquids as may be produced, compounded, or used for the purpose of operating or propelling motor vehicles, motorboats, or aircraft or as an ingredient in the manufacture of such fuel. Agricultural ethyl alcohol produced for use as a motor vehicle fuel shall be considered a motor vehicle fuel. Motor vehicle fuel shall not include the products commonly known as methanol, kerosene oil, kerosene distillate, crude petroleum, naphtha, and benzine with a boiling point over two hundred degrees Fahrenheit, residuum gas oil, smudge oil, leaded automotive racing fuel with an American Society of Testing Materials research method octane number in excess of one hundred five, and any petroleum

product with an initial boiling point under two hundred degrees Fahrenheit, a ninety-five percent distillation (recovery) temperature in excess of four hundred sixty-four degrees Fahrenheit, an American Society of Testing Materials research method octane number less than seventy, and an end or dry point of distillation of five hundred seventy degrees Fahrenheit maximum;

(3) Agricultural ethyl alcohol shall mean ethyl alcohol produced from cereal grains or agricultural commodities grown within the continental United States, and for the purpose of sections 66-482 to 66-4,149, the purity of the ethyl alcohol shall be determined excluding denaturant and the volume of alcohol blended with gasoline for motor vehicle fuel shall include the volume of any denaturant required pursuant to law;

(4) Alcohol blend shall mean a blend of agricultural ethyl alcohol in gasoline or other motor vehicle fuel, such blend to contain not less than five percent by volume of alcohol;

(5) Supplier shall mean any person who owns motor ~~vehicle fuel~~ fuels imported by barge, barge line, or pipeline and stored at a barge, barge line, or pipeline terminal in this state; ~~and any person who refines and stores motor vehicle fuel at a refinery in this state;~~

(6) Distributor shall mean any person who acquires ownership of motor ~~vehicle fuel~~ fuels directly from a producer or supplier at or from a barge, barge line, or pipeline terminal, or ethanol or biodiesel facility in this state;

(7) Wholesaler shall mean any person, other than a producer, supplier, distributor, or importer, who acquires motor ~~vehicle fuel~~ fuels for resale;

(8) Retailer shall mean any person who acquires motor ~~vehicle fuel~~ fuels from a producer, supplier, distributor, wholesaler, or importer for resale to consumers of such fuel;

(9) Importer shall mean any person who owns motor ~~vehicle fuel~~ fuels at the time such ~~fuel enters~~ fuels enter the State of Nebraska by any means other than barge, barge line, or pipeline. Importer shall not include a person who imports motor ~~vehicle fuel~~ fuels in a tank directly connected to the engine of a motor vehicle, train, watercraft, or airplane for purposes of providing fuel to the engine to which the tank is connected;

(10) Exporter shall mean any person who acquires ownership of motor ~~vehicle fuel~~ fuels from any licensed producer, supplier, distributor, wholesaler, or importer exclusively for use or resale in another state;

(11) Gross gallons shall mean measured gallons without adjustment or correction for temperature or barometric pressure;

(12) Diesel fuel shall mean any fuel defined as diesel fuel in section 66-654 all combustible liquids and biodiesel which are suitable for the generation of power for diesel-powered vehicles, except that diesel fuel shall not include kerosene;

(13) Compressed fuel shall mean any fuel defined as compressed fuel in section 66-6,100;

(14) Person shall mean any individual, firm, partnership, limited liability company, company, agency, association, corporation, state, county, municipality, or other political subdivision. Whenever a fine or imprisonment is prescribed or imposed in sections 66-482 to 66-4,149 and sections 14, 15, 24, and 30 of this act, the word person as applied to a partnership, a limited liability company, or an association shall mean the partners or members thereof;

(15) Department shall mean the Motor Fuel Tax Enforcement and Collection Division of the Department of Revenue; ~~and~~

(16) Semiannual period shall mean either the period which begins on January 1 and ends on June 30 of each year or the period which begins on July 1 and ends on December 31 of each year;

(17) Producer shall mean any person who manufactures agricultural ethyl alcohol or biodiesel at an ethanol or biodiesel facility in this state;

(18) Highway shall mean every way or place generally open to the use of the public for the purpose of vehicular travel, even though such way or place may be temporarily closed or travel thereon restricted for the purpose of construction, maintenance, repair, or reconstruction;

(19) Kerosene shall mean kerosene meeting the specifications as found in the American Society for Testing and Materials publication D3699 entitled Standard Specifications for Kerosene;

(20) Biodiesel shall mean mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats which conform to American Society for Testing and Materials D6751 specifications for use in diesel engines. Biodiesel refers to the pure fuel before blending with diesel fuel;

(21) Motor fuels shall mean motor vehicle fuel, diesel fuel, aircraft fuel, or compressed fuel;

(22) Ethanol facility shall mean a plant which produces agricultural ethyl alcohol under the provisions described in section 66-1344; and

(23) Biodiesel facility shall mean a plant which produces biodiesel.

Sec. 6. Section 66-483, Reissue Revised Statutes of Nebraska, is amended to read:

66-483. Before engaging in business as a producer, supplier, distributor, wholesaler, importer, or exporter, a person shall file an application ~~together with a fee of ten dollars~~ with the department. The application shall be filed upon a form prepared and furnished by the department. If the applicant is an individual, the application shall include the applicant's social security number. The application shall contain such information as the department deems necessary. ~~The department shall remit the fees to the State Treasurer for credit to the Highway Cash Fund.~~

Sec. 7. Section 66-484, Reissue Revised Statutes of Nebraska, is amended to read:

66-484. Before engaging in business as a producer, supplier, distributor, wholesaler, importer, or exporter, a person shall procure a license from the department permitting him or her to transact such business within the State of Nebraska. After reviewing the application required in section 66-483, the department may issue a license as provided in this section.

Sec. 8. Section 66-485, Reissue Revised Statutes of Nebraska, is amended to read:

66-485. The department, for the first year of a new license or whenever it deems it necessary to insure compliance with sections 66-482 to 66-4,149 and sections 14, 15, 24, and 30 of this act, may require any producer, supplier, distributor, wholesaler, exporter, or importer subject to such sections to place with the department such security as it determines. The amount and duration of the security shall be fixed by the department and shall be approximately three times the total estimated average monthly tax liability payable by such producer, supplier, distributor, wholesaler, or importer pursuant to such sections. Such security shall consist of a surety bond executed by a surety company duly licensed and authorized to do business within this state in the amount specified by the department. In the case of an exporter, the amount and duration of the security shall be fixed by the department. Such security shall run to the Department of Revenue and be conditioned upon the payment of all taxes, interest, penalties, and costs for which such producer, supplier, distributor, wholesaler, exporter, or importer is liable, whether such liability was incurred prior to or after such security is filed.

Sec. 9. Section 66-486, Reissue Revised Statutes of Nebraska, is amended to read:

66-486. (1) In lieu of the expense of collecting and remitting the gasoline motor vehicle fuel tax and furnishing the security pursuant to Chapter 66, article 4, and complying with the statutes and rules and regulations related thereto, the producer, supplier, distributor, wholesaler, or importer shall be entitled to deduct and withhold a commission of five percent on the first five thousand dollars and two and one-half percent upon all amounts above five thousand dollars remitted each reporting period.

(2) In lieu of the expense of collecting and remitting the diesel fuel tax and furnishing the security pursuant to Chapter 66, article 4, and complying with the statutes and rules and regulations related thereto, the producer, supplier, distributor, wholesaler, or importer shall be entitled to deduct and withhold a commission of two percent upon the first five thousand dollars and one-half of one percent upon all amounts in excess of five thousand dollars remitted each reporting period.

(3) Except as otherwise provided in Chapter 66, article 4, the per-gallon amount of the tax shall be added to the selling price of every gallon of such motor ~~fuel~~ fuels sold in this state and shall be collected from the purchaser so that the ultimate consumer bears the burden of the tax. The tax shall be a direct tax on the retail or ultimate consumer precollected for the purpose of convenience and facility to the consumer. The levy and assessment on the producer, supplier, distributor, wholesaler, or importer as specified in Chapter 66, article 4, shall be as agents of the state for the precollection of the tax. The provisions of this section shall in no way affect the method of collecting the tax as provided in Chapter 66, article 4. The tax imposed by this section shall be collected and paid at the time, in the manner, and by those persons specified in Chapter 66, article 4.

~~(3)~~ (4) In consideration of receiving the commission, the producer, supplier, distributor, wholesaler, or importer shall not be entitled to any deductions, credits, or refunds arising out of such producer's, supplier's, distributor's, wholesaler's, or importer's failure or inability to collect any

such taxes from any subsequent purchaser of motor ~~vehicle fuel~~ fuels.

~~(4)~~ (5) For purposes of this section, reporting period means calendar month unless otherwise provided by rules and regulations of the department, but under no circumstance shall such reporting period extend beyond an annual basis.

Sec. 10. Section 66-487, Reissue Revised Statutes of Nebraska, is amended to read:

66-487. (1) Every licensed producer, supplier, distributor, wholesaler, exporter, and importer shall keep a complete and accurate record of all gallonage of motor ~~vehicle fuel~~ fuels, to be based on gross gallons, received, purchased, refined, manufactured, or obtained and imported by a producer, supplier, distributor, wholesaler, or importer, which record shall show the name and address of the person from whom each transfer or purchase of motor ~~vehicle fuel~~ fuels so received or imported was made, the point from which shipped or delivered, the point at which received, the method of delivery, the quantity of each transfer or purchase, and a complete and accurate record of the number of gallons, to be based on gross gallons, of motor ~~vehicle fuel~~ fuels imported, produced, refined, manufactured, or compounded and the date of importation, production, refining, manufacturing, or compounding. If any licensed producer, supplier, distributor, wholesaler, or importer sells to another licensed producer, supplier, distributor, wholesaler, importer, or exporter any motor ~~vehicle fuel~~ fuels, such seller shall keep as part of its records the name, address, and license number of the producer, supplier, distributor, wholesaler, importer, or exporter to whom the motor ~~vehicle fuel~~ was fuels were sold along with the date, quantity, and location where the motor ~~vehicle fuel~~ was fuels were sold.

(2) Every licensed producer, supplier, distributor, wholesaler, exporter, and importer shall include the information prescribed in subsection (1) of this section with the return required by section 66-488.

(3) The records required by this section shall be retained and be available for audit and examination by the department or its authorized agents during regular business hours for a period of three years following the date of filing fuel tax reports supported by such records or for a period of five years if the required reports are not filed.

Sec. 11. Section 66-488, Reissue Revised Statutes of Nebraska, is amended to read:

66-488. (1) Every producer, supplier, distributor, wholesaler, importer, and exporter who engages in the sale, distribution, delivery, and use of motor ~~vehicle fuel~~ fuels shall render and have on file with the department a return reporting the number of gallons of motor ~~vehicle fuel~~ fuels, based on gross gallons, received, imported, or exported and unloaded and emptied or caused to be received, imported, or exported and unloaded and emptied by such producer, supplier, distributor, wholesaler, or importer in the State of Nebraska and the number of gallons of motor ~~vehicle fuel~~ fuels produced, refined, manufactured, blended, or compounded by such producer, supplier, distributor, wholesaler, or importer within the State of Nebraska, during the preceding reporting period, and defining the nature of such motor ~~vehicle fuel~~ fuels. The return shall also show such information as the department reasonably requires for the proper administration and enforcement of sections 66-482 to 66-4,149 and sections 14, 15, 24, and 30 of this act. The return shall contain a declaration, by the person making the same, to the effect that the statements contained therein are true and are made under penalties of perjury, which declaration shall have the same force and effect as a verification of the return and shall be in lieu of such verification. The return shall be signed by the producer, supplier, distributor, wholesaler, importer, or exporter or a principal officer, general agent, managing agent, attorney in fact, chief accountant, or other responsible representative of the producer, supplier, distributor, wholesaler, importer, or exporter, and such return shall be entitled to be received in evidence in all courts of this state and shall be prima facie evidence of the facts therein stated. The producer, supplier, distributor, wholesaler, importer, or exporter shall file the return in such format as prescribed by the department on or before the twenty-fifth day if filed electronically or the twentieth day if not filed electronically, ~~on forms prescribed by the department,~~ of the next succeeding calendar month following the reporting period to which it relates. If the final filing date for such return falls on a Saturday, Sunday, or legal holiday, the next secular or business day shall be the final filing date. The return shall be considered filed on time if mailed in an envelope properly addressed to the department, postage prepaid, and transmitted or postmarked before midnight of the final filing date.

(2) ~~For tax periods beginning January 1, 2002, and thereafter, the return required by subsection (1) of this section shall be filed with the~~

department by the twenty-fifth day of the next succeeding calendar month following the reporting period to which it relates regardless of whether it is filed electronically.

(3) For purposes of this section, reporting period means calendar month unless otherwise provided by rules and regulations of the department, but under no circumstance shall such reporting period extend beyond an annual basis.

Sec. 12. Section 66-489, Reissue Revised Statutes of Nebraska, is amended to read:

66-489. (1) At the time of filing the return required by section 66-488, such producer, supplier, distributor, wholesaler, or importer shall, in addition to the tax imposed pursuant to sections 66-4,140, ~~66-4,142,~~ 66-4,145, and 66-4,146 and in addition to the other taxes provided for by law, pay a tax of ten and one-half cents per gallon upon all motor ~~vehicle fuel~~ fuels as shown by such return, except that there shall be no tax on the motor ~~vehicle fuel~~ fuels reported if (a) the required taxes on the motor ~~vehicle fuel~~ fuels have been paid, (b) the motor ~~vehicle fuel~~ fuels have been sold to a licensed exporter exclusively for resale or use in another state, (c) the motor ~~vehicle fuel~~ fuels have been sold from a Nebraska barge line terminal, pipeline terminal, ~~or~~ refinery, or ethanol or biodiesel facility, including motor fuels stored offsite in bulk, by a licensed producer or supplier to a licensed distributor, (d) the motor ~~vehicle fuel~~ fuels have been sold by a licensed distributor or licensed importer to a licensed distributor or to a licensed wholesaler and the seller acquired ownership of the motor ~~vehicle fuel~~ fuels directly from a licensed producer or supplier at or from a refinery, barge, barge line, ~~or~~ pipeline terminal, or ethanol or biodiesel facility, including motor fuels stored offsite in bulk, in this state or was the first importer of such fuel into this state, or (e) as otherwise provided in this section. Such producer, supplier, distributor, wholesaler, or importer shall remit such tax to the department.

(2) As part of filing the return required by section 66-488, each producer of ethanol shall, in addition to other taxes imposed by the motor fuel laws, pay an excise tax of one and one-quarter cents per gallon on natural gasoline purchased for use as a denaturant by the producer at an ethanol facility. All taxes, interest, and penalties collected under this subsection shall be remitted to the State Treasurer for credit to the Agricultural Alcohol Fuel Tax Fund. Agricultural ethyl alcohol shall be exempt from the taxes imposed under this section and sections 66-4,140, 66-4,142, 66-4,145, and 66-4,146 and any other taxes provided for by law until the agricultural ethyl alcohol is (a) sold to any person who is not a Nebraska licensed motor vehicle fuels supplier, distributor, wholesaler, or importer, (b) placed directly into a motor vehicle, or (c) blended with gasoline. Agricultural ethyl alcohol that is blended with gasoline shall become subject to the taxes imposed under this section and sections 66-4,140, 66-4,142, 66-4,145, and 66-4,146 and any other taxes provided for by law at the same time as the gasoline with which it is blended becomes subject to such taxes or upon blending if such taxes have already been paid on the gasoline.

(3) (a) Motor ~~vehicle fuel~~ fuels, methanol, and all blending agents or fuel expanders shall be exempt from the taxes imposed by this section and sections 66-4,105, 66-4,140, ~~66-4,142,~~ 66-4,145, and 66-4,146, when the ~~fuel~~ fuels are used for buses equipped to carry more than seven persons for hire and engaged entirely in the transportation of passengers for hire within municipalities or within a radius of six miles thereof.

(b) The owner or agent of any bus equipped to carry more than seven persons for hire and engaged entirely in the transportation of passengers for hire within municipalities, or within a radius of six miles thereof, in lieu of the excise tax provided for in this section, shall pay an equalization fee of a sum equal to twice the amount of the registration fee applicable to such vehicle under the laws of this state. Such equalization fee shall be paid in the same manner as the registration fee and be disbursed and allocated as registration fees.

(c) Nothing in this section shall be construed as permitting motor ~~vehicle fuel~~ fuels to be sold tax exempt. The department shall refund tax paid on motor ~~vehicle fuel~~ fuels used in buses deemed exempt by this section.

(4) Natural gasoline purchased for use as a denaturant by a producer at an ethanol facility as defined in section 66-1333 shall be exempt from the motor fuels tax imposed by subsection (1) of this section as well as the tax imposed pursuant to sections 66-4,140, 66-4,145, and 66-4,146.

(5) Motor fuels purchased on a Nebraska Indian reservation where the purchaser is a Native American who resides on the reservation shall be exempt from the motor fuels tax imposed by this section as well as the tax imposed pursuant to sections 66-4,140, 66-4,145, and 66-4,146.

(6) Motor fuels purchased for use by the United States Government or its agencies shall be exempt from the motor fuels tax imposed by this section as well as the tax imposed pursuant to sections 66-4,140, 66-4,145, and 66-4,146.

(7) In the case of diesel fuel, there shall be no tax on the motor fuels reported if (a) the diesel fuel has been indelibly dyed and chemically marked in accordance with regulations issued by the Secretary of the Treasury of the United States under 26 U.S.C. 4082 or (b) the diesel fuel contains a concentration of sulphur in excess of five-hundredths percent by weight or fails to meet a cetane index minimum of forty and has been indelibly dyed in accordance with regulations promulgated by the Administrator of the Environmental Protection Agency pursuant to 42 U.S.C. 7545.

Sec. 13. Section 66-489.01, Reissue Revised Statutes of Nebraska, is amended to read:

66-489.01. Methanol, benzine, benzol, naphtha, kerosene, and any other volatile, flammable, or combustible liquid suitable for use as a motor ~~vehicle fuel~~ fuels blending agent or fuel expander shall be exempt from the taxes imposed under sections 66-489, 66-4,105, 66-4,140, ~~66-4,142,~~ 66-4,145, and 66-4,146 unless and until such methanol, benzine, benzol, naphtha, kerosene, or other blending agent or fuel expander is blended with motor ~~vehicle fuel~~ fuels or placed directly into the supply tank of a licensed motor vehicle. Any person blending such products with motor ~~vehicle fuel~~ fuels or placing such products into the supply tank of a licensed motor vehicle shall pay the taxes imposed under such sections directly to the department on forms provided by the department at the same time as the motor ~~vehicle fuel~~ fuels with which it is blended ~~becomes~~ become subject to taxation or, if the tax imposed on the motor ~~vehicle fuel~~ fuels has already been paid, upon blending. The taxes imposed by this section shall not apply to fuel additives which are used to enhance engine performance or prevent fuel line freezing or clogging when placed directly into the supply tank of a motor vehicle in quantities of one quart or less.

Sec. 14. (1) A purchaser of undyed diesel fuel may present an exemption certificate to the seller when not more than fifty gallons of such fuel is placed directly into the supply tank of a temperature control unit or power take-off unit. To qualify for this exemption, the supply tank of the temperature control unit or power take-off unit cannot be connected to the engine which provides motive power to a motor vehicle or connected to any fuel supply tank connected to the engine of a motor vehicle.

(2) The seller of undyed diesel fuel may in good faith accept the exemption certificate and sell undyed diesel fuel without collecting the tax. The seller may accept an exemption certificate for multiple purchases. Such a certificate shall be renewed annually. If the seller is a producer, supplier, distributor, wholesaler, or importer, the seller may deduct the number of gallons sold without the tax from the return for the period during which the fuel was sold or for a subsequent period. If the seller is not a producer, supplier, distributor, wholesaler, or importer, the seller may provide a monthly exemption certificate to the producer, distributor, wholesaler, or importer or other supplier of the taxed diesel fuel for the total number of gallons of undyed diesel fuel sold without tax during the prior month.

(3) Receipt of an exemption certificate taken in good faith shall be conclusive proof for the seller that the sale was exempt.

(4) Any person who wrongfully claims an exemption and presents an exemption certificate shall be liable for the tax on the diesel fuel. The department shall, on the basis of information available, determine the tax that would have been due on such transaction and assess the tax against such person.

(5) Any person who unlawfully issues an exemption certificate shall be subject to an administrative penalty of one thousand dollars for each violation to be assessed and collected by the department. All such penalties collected shall be remitted to the State Treasurer for credit to the Highway Trust Fund.

Sec. 15. (1) Except as provided in subsection (5) of this section, the fuel supply tank of a motor vehicle registered or required to be registered for operation on the highway shall not contain or be used with undyed diesel fuel that has not been taxed or diesel fuel which contains any evidence of the dye or chemical marker added pursuant to the regulations promulgated under 26 U.S.C. 4082 or 42 U.S.C. 7545 indicating untaxed low-sulphur or high-sulphur diesel fuel.

(2) No retailer of diesel fuel shall sell or offer to sell diesel fuel that contains any evidence of the dye or chemical marker added pursuant to the regulations promulgated under 26 U.S.C. 4082 or 42 U.S.C. 7545 indicating untaxed low-sulphur or high-sulphur diesel fuel unless the fuel

dispensing device is clearly marked with a notice that the fuel is dyed or chemically marked.

(3) Any law enforcement officer, any carrier enforcement officer, or any agent of the department who has reasonable grounds to suspect a violation of this section may inspect the fuel in the fuel supply tank of any motor vehicle or the fuel storage facilities and dispensing devices of any diesel fuel retailer to determine compliance with this section. Fuel inspections may also be conducted in the course of safety or other inspections authorized by law.

(4) Any person who violates any provision of this section or who refuses to permit an inspection authorized by this section shall be guilty of a Class IV misdemeanor and shall be subject to an administrative penalty of two hundred fifty dollars for the first such violation. If the person had another violation under this section within the last five years, the person shall be subject to an administrative penalty of one thousand dollars for the current violation. If the person had two or more violations under this section within the last five years, the person shall be subject to an administrative penalty of two thousand five hundred dollars for the current violation. All such penalties shall be assessed against the owner of the vehicle as of the date of the violation. The penalty shall be assessed and collected by the department. All such penalties collected shall be remitted to the State Treasurer for credit to the Highway Trust Fund.

(5) Any motor vehicle owned or leased by any state, county, municipality, or other political subdivision may be operated on the highways of this state with dyed diesel fuel, except high-sulphur diesel fuel dyed in accordance with regulations promulgated by the Administrator of the Environmental Protection Agency pursuant to 42 U.S.C. 7545, if the taxes imposed by sections 66-482 to 66-4,149 are paid to the department by the state, county, municipality, or other political subdivision. The state, county, municipality, or other political subdivision shall pay the tax and file a return concerning the tax to the department in like manner and form as is required under sections 66-4,105 and 66-4,106.

(6) For purposes of this section:

(a) Owner means registered owner, titleholder, lessee entitled to possession of the motor vehicle, or anyone otherwise maintaining a possessory interest in the motor vehicle, but does not include anyone who, without participating in the use or operation of the motor vehicle and otherwise not engaged in the purpose for which the motor vehicle is being used, holds indicia of ownership primarily to protect his or her security interest in the motor vehicle or who acquired ownership of the motor vehicle pursuant to a foreclosure of a security interest in the motor vehicle; and

(b) Use means to operate, fuel, or otherwise employ.

Sec. 16. Section 66-496, Reissue Revised Statutes of Nebraska, is amended to read:

66-496. (1) No tax shall be collected with respect to motor ~~vehicle fuel~~ fuels imported by barge, barge line, or pipeline and stored at a barge, barge line, or pipeline terminal in this state or refined at a refinery in this state and stored thereat until the motor ~~vehicle fuel~~ ~~is~~ ~~fuels~~ are withdrawn for sale or use in this state or ~~is~~ are loaded at the terminal or refinery into transportation equipment for shipment or delivery to a destination in this state. No tax shall be collected with respect to motor fuels manufactured at an ethanol or biodiesel facility in this state nor with respect to motor fuels owned by a producer, but stored at another location in this state, until the motor fuels are withdrawn for sale or use in this state or are loaded at the ethanol or biodiesel facility or other storage into transportation equipment for shipment or delivery to a destination in this state.

(2) When motor ~~vehicle fuel~~ ~~is~~ ~~fuels~~ are withdrawn or loaded as provided in this section, the producer, supplier, or distributor in this state, ~~as the case may be,~~ shall be liable for payment of the motor ~~vehicle fuel~~ ~~fuels~~ tax.

(3) The person owning and operating such refinery, barge, barge line terminal, ~~or~~ pipeline terminal, or ethanol or biodiesel facility may, at the department's request, ~~shall~~ make and file such verified reports of operations within the state which may include reporting all ~~fuel~~ motor fuels loaded within this state for delivery in another state and such other information as shall be required by the department.

Sec. 17. Section 66-498, Reissue Revised Statutes of Nebraska, is amended to read:

66-498. ~~Where~~ If such tax ~~shall have~~ ~~has~~ been paid upon any of the ingredients or compounds, under the provisions of section 66-489, credit shall be allowed for such tax previously paid, in computing the tax upon such

compound, so that the motor ~~vehicle~~ fuels used in ~~said~~ the compound ~~shall not be~~ are not taxed twice.

Sec. 18. Section 66-499, Reissue Revised Statutes of Nebraska, is amended to read:

66-499. ~~All~~ Unless otherwise provided, all sums of money received under sections 66-489 and 66-4,105 by the State Treasurer shall be credited to the Highway Trust Fund. ~~The State Treasurer shall then transfer such amounts to the General Fund as the department determines are equal to the credits and refunds allowed under sections 66-4,118 to 66-4,132 and the amounts required by section 66-4,124.~~

Sec. 19. Section 66-4,105, Reissue Revised Statutes of Nebraska, is amended to read:

66-4,105. There is hereby levied and imposed an excise tax of ten and one-half cents per gallon, increased by the amounts imposed or determined under sections 66-4,140, ~~66-4,142,~~ 66-4,145, and 66-4,146, upon the use of all motor ~~vehicle fuel~~ fuels used in this state and due the State of Nebraska under section 66-489. Users of motor ~~vehicle fuel~~ fuels subject to taxation under this section shall be allowed the same exemptions, deductions, and rights of reimbursement as are authorized and permitted by Chapter 66, article 4, other than any commissions provided under such article. For purposes of this section and section 66-4,106, use shall mean the purchase or consumption of motor ~~vehicle fuel~~ fuels in this state.

Sec. 20. Section 66-4,106, Reissue Revised Statutes of Nebraska, is amended to read:

66-4,106. Every person using motor ~~vehicle fuel~~ fuels subject to taxation on the use thereof under sections 66-4,105 and 66-4,114 shall pay the excise taxes and make a report concerning the same to the department in like manner, form, and time as is required by sections 66-488 and 66-489 for producers, suppliers, distributors, wholesalers, or importers of motor vehicle fuel fuels. No such payment of tax or report shall be required if such tax has been paid and the report has been made for such user by any producer, supplier, distributor, wholesaler, or importer licensed under section 66-484. ~~Suppliers~~ Producers, suppliers, distributors, wholesalers, or importers or other persons having paid such tax or liable for its payment shall collect the amount thereof from any person to whom such motor ~~vehicle fuel~~ fuels are sold in this state along with the selling price thereof.

Sec. 21. Section 66-4,114, Reissue Revised Statutes of Nebraska, is amended to read:

66-4,114. Motor ~~vehicle fuel~~ fuels in the supply tank of any qualified motor vehicle as defined in section ~~66-490~~ 61 of this act which is regularly connected with the carburetor of the engine of any such vehicle and which is brought into this state shall be liable for the payment of the tax imposed by this state upon motor ~~vehicle fuel~~ fuels under sections 66-489 and 66-4,105 except when a trip permit is used as provided in ~~section 66-492~~ or the International Fuel Tax Agreement Act.

Sec. 22. Section 66-4,116, Reissue Revised Statutes of Nebraska, is amended to read:

66-4,116. The Legislature declares that it does not intend to place any burden upon the transportation of motor ~~vehicle~~ fuels in interstate commerce under such circumstances as the Constitution and statutes of the United States of America preclude, but deems the tax provided for in section 66-4,114 and the regulations as provided herein to be necessary to the effective collection of a tax on motor ~~vehicle~~ fuels used in motor vehicles upon the highways of this state.

Sec. 23. Section 66-4,140, Reissue Revised Statutes of Nebraska, is amended to read:

66-4,140. (1) Each producer, supplier, distributor, wholesaler, or importer required by section 66-489 to pay motor ~~vehicle fuel~~ fuels taxes shall, in addition to all other taxes provided by law, pay an excise tax at a rate set pursuant to section 66-4,144 for motor ~~vehicle fuel~~ fuels received, imported, produced, refined, manufactured, blended, or compounded by such producer, supplier, distributor, wholesaler, or importer within the State of Nebraska as a ~~motor vehicle fuel~~ motor fuels suitable for retail sale. All sums of money received under this section shall be credited to the Highway Trust Fund. Credits and refunds of such tax allowed to producers, suppliers, distributors, wholesalers, or importers shall be paid from the Highway Trust Fund. The balance of the amount credited, after credits and refunds, shall be allocated to the Highway Restoration and Improvement Bond Fund if bonds are issued pursuant to subsection (2) of section 39-2223 and to the Highway Cash Fund if no bonds are issued pursuant to such subsection.

(2) ~~Suppliers~~ Producers, suppliers, distributors, wholesalers, and importers of motor ~~vehicle fuel~~ fuels subject to taxation under subsection (1)

of this section shall pay such excise tax and shall make a report concerning the tax in like manner, form, and time and be allowed the same exemptions, deductions, and rights of reimbursement as are authorized producers, suppliers, distributors, wholesalers, or importers for taxes paid pursuant to Chapter 66, article 4.

Sec. 24. The repeal of section 66-4,124 by this legislative bill applies to motor fuels purchased during any tax year ending or deemed to end on or after January 1, 2005, under the Internal Revenue Code.

Sec. 25. Section 66-4,141, Reissue Revised Statutes of Nebraska, is amended to read:

66-4,141. (1) Upon receipt of the cost figures required by section 66-4,143, the department shall determine the statewide average cost by dividing the total amount paid for motor ~~vehicle fuel, diesel fuel, and compressed fuel~~ fuels by the State of Nebraska, excluding any state and federal taxes, by the total number of gallons of motor ~~vehicle fuel, diesel fuel, and compressed fuel~~ fuels purchased during the reporting period.

(2) After computing the statewide average cost as required in subsection (1) of this section, the department shall multiply such statewide average cost by the tax rate established pursuant to section 66-4,144.

(3) In making the computations required by subsections (1) and (2) of this section, gallonage reported shall be rounded to the nearest gallon and total costs shall be rounded to the nearest dollar. All other computations shall be made with three decimal places, except that after all computations have been made the tax per gallon shall be rounded to the nearest one-tenth of one cent.

(4) The tax rate per gallon computed pursuant to this section shall be distributed to all licensed motor ~~vehicle fuel~~ fuels ~~producers, suppliers, distributors, wholesalers, and importers, and diesel fuel suppliers, distributors, wholesalers, and importers,~~ compressed fuel retailers, and interstate motor vehicle operators who choose to be subject to sections 66-490 to 66-494 at least five days prior to the first day of any semiannual period during which the tax is to be adjusted. Such tax rate shall be utilized in computing the taxes due for the period specified by the department.

Sec. 26. Section 66-4,143, Reissue Revised Statutes of Nebraska, is amended to read:

66-4,143. (1) The materiel administrator of the Department of Administrative Services shall on or before the tenth day of the fifth calendar month following the end of a semiannual period submit to the Motor Fuel Tax Enforcement and Collection Division of the Department of Revenue a report providing the total cost and number of gallons of motor ~~vehicle fuel, diesel fuel, and compressed fuel~~ fuels purchased by the State of Nebraska during the preceding month. In providing such information, the materiel administrator shall total only those purchases which were fifty or more gallons and shall separately identify the amount of any state or federal tax which was included in the price paid.

(2) The department shall provide any assistance the materiel administrator may need in performing his or her duties under this section.

Sec. 27. Section 66-4,144, Reissue Revised Statutes of Nebraska, is amended to read:

66-4,144. (1) In order to insure that an adequate balance in the Highway Restoration and Improvement Bond Fund is maintained to meet the debt service requirements of bonds to be issued by the commission under subsection (2) of section 39-2223, the Director-State Engineer shall certify to the department the excise tax rate to be imposed by sections 66-4,140, ~~66-669,~~ and 66-6,108 for each year during which such bonds are outstanding necessary to provide in each such year money equal in amount to not less than one hundred twenty-five percent of such year's bond principal and interest payment requirements. The department shall adjust the rate as certified by the Director-State Engineer. Such rate shall be in addition to the rate of excise tax set pursuant to subsection (2) of this section. Each such rate shall be effective from July 1 of a stated year through June 30 of the succeeding year or during such other period not longer than one year as the Director-State Engineer certifies to be consistent with the principal and interest requirements of such bonds. Such excise tax rates set pursuant to this subsection may be increased, but such excise tax rates shall not be subject to reduction or elimination unless the Director-State Engineer has received from the State Highway Commission notice of reduced principal and interest requirements for such bonds, in which event the Director-State Engineer shall certify the new rate or rates to the department. The new rate or rates, if any, shall become effective on the first day of the following semiannual period.

(2) In order to insure that there is maintained an adequate Highway

Cash Fund balance to meet expenditures from such fund as appropriated by the Legislature, by June 15 or five days after the adjournment of the regular legislative session each year, whichever is later, the Director-State Engineer shall certify to the department the excise tax rate to be imposed by sections 66-4,140, ~~66-669~~, and 66-6,108. The department shall adjust the rate as certified by the Director-State Engineer to be effective from July 1 through June 30 of the succeeding year. The rate of excise tax for a given July 1 through June 30 period set pursuant to this subsection shall be in addition to and independent of the rate or rates of excise tax set pursuant to subsection (1) of this section for such period. The Director-State Engineer shall determine the cash and investment balances of the Highway Cash Fund at the beginning of each fiscal year under consideration and the estimated receipts to the Highway Cash Fund from each source which provides at least one million dollars annually to such fund. The rate of excise tax shall be an amount sufficient to meet the appropriations made from the Highway Cash Fund by the Legislature. Such rate shall be set in increments of one-tenth of one percent.

(3) The Department of Roads shall provide to the Legislative Fiscal Analyst a copy of the information that is submitted to the Department of Revenue and used to set or adjust the excise tax rate.

(4) If the actual receipts received to date added to any projections or modified projections of deposits to the Highway Cash Fund for the current fiscal year are less than ninety-nine percent or greater than one hundred two percent of the appropriation for the current fiscal year, the Director-State Engineer shall certify to the department the adjustment in rate necessary to meet the appropriations made from the Highway Cash Fund by the Legislature. The department shall adjust the rate as certified by the Director-State Engineer to be effective on the first day of the following semiannual period.

(5) Nothing in this section shall be construed to abrogate the duties of the Department of Roads or attempt to change any highway improvement program schedule.

Sec. 28. Section 66-4,145, Reissue Revised Statutes of Nebraska, is amended to read:

66-4,145. In addition to the tax imposed by sections 66-489 and 66-4,140, each producer, supplier, distributor, wholesaler, and importer required by section 66-489 to pay motor ~~vehicle fuel~~ fuels taxes shall pay an excise tax of two cents per gallon on all motor ~~vehicle fuel~~ fuels received, imported, produced, refined, manufactured, blended, or compounded by such producer, supplier, distributor, wholesaler, or importer within the State of Nebraska.

Sec. 29. Section 66-4,146, Reissue Revised Statutes of Nebraska, is amended to read:

66-4,146. In addition to the tax imposed by sections 66-489, 66-4,140, and 66-4,145, each producer, supplier, distributor, wholesaler, and importer required by section 66-489 to pay motor ~~vehicle fuel~~ fuels taxes shall pay an excise tax of two cents per gallon on all motor ~~vehicle fuel~~ or diesel fuel fuels used in the State of Nebraska.

Sec. 30. (1) There is hereby imposed a floor-stocks tax on agricultural ethyl alcohol owned by any person on January 1, 2005, if:

(a) No tax was imposed on such fuel under section 66-489 as the section existed on December 31, 2004; and

(b) Tax would have been imposed on such fuel by section 66-489 as the section existed for periods prior to January 1, 2005.

(2) The rate of the tax imposed by this section shall be the amount of tax imposed under section 66-489 on December 31, 2004.

(3) Any person owning agricultural ethyl alcohol on January 1, 2005, to which the tax imposed by this section applies shall be liable for such tax. The tax imposed by this section shall be paid before July 1, 2005, and shall be paid in such manner as the department prescribes.

Sec. 31. Section 66-4,147, Reissue Revised Statutes of Nebraska, is amended to read:

66-4,147. The receipts from the tax established under sections 66-4,145, 66-4,146, ~~66-670~~, and 66-6,109 shall be credited to the Highway Trust Fund. Credits and refunds of such tax allowed to producers, suppliers, distributors, wholesalers, exporters, importers, or retailers shall be paid from the Highway Trust Fund. The balance of the amount credited, after credits and refunds, shall be allocated to the Highway Allocation Fund.

Sec. 32. Section 66-4,149, Reissue Revised Statutes of Nebraska, is amended to read:

66-4,149. The department shall adopt and promulgate rules and regulations, prescribe forms, and perform all duties necessary to carry out its duties relating to the motor ~~vehicle fuel~~ fuels tax.

Sec. 33. Section 66-502, Reissue Revised Statutes of Nebraska, is amended to read:

66-502. The Department of Revenue shall issue a liquid fuel carriers license to the owner and lessee of every car, automobile, truck, trailer, vehicle, or other means of transportation using the highways for the transportation of motor vehicle fuel or diesel fuel into, within, or out of the State of Nebraska. Such licenses shall be issued by the department on receipt of applications from owners and lessees of such vehicles on forms provided by the department. If the applicant is an individual, the application shall include the applicant's social security number. Such licenses may be denied according to the provisions of section 66-729. ~~The applicant for a liquid fuel carriers license shall pay to the Department of Revenue an application fee of ten dollars, and all amounts so received by the department shall be remitted to the State Treasurer for credit to the Highway Cash Fund.~~ The liquid fuel carriers license shall be valid until suspended, revoked for cause, or otherwise canceled and shall not be transferable.

Sec. 34. Section 66-525, Reissue Revised Statutes of Nebraska, is amended to read:

66-525. ~~(1)~~ The department ~~shall~~ may require every railroad or railroad company, motor truck or motor truck transportation company, water transportation company, pipeline company, and other person transporting or bringing into the State of Nebraska or transporting from a refinery, ethanol or biodiesel facility, pipeline, pipeline terminal, or barge terminal within the State of Nebraska for the purpose of delivery within or export from this state any motor vehicle fuel or diesel fuel which is or may be produced and compounded for the purpose of operating or propelling any motor vehicle, to furnish a return on forms prescribed by the department to be delivered and on file in the office of the department by the twenty-fifth day of each calendar month, ~~if filed electronically or by the twentieth day of each month if not filed electronically,~~ showing all quantities of such motor vehicle fuel or diesel fuel transported during the preceding calendar month for which the report is made, giving the name of the consignee, the point at which delivery was made, the date of delivery, the method of delivery, the quantity of each such shipment, and such other information as the department requires.

~~(2) For tax periods beginning January 1, 2002, and thereafter, the return required by subsection (1) of this section shall be filed with the department by the twenty-fifth day of each calendar month regardless of whether it is filed electronically to report the motor vehicle fuel or diesel fuel activity which occurred during the preceding calendar month.~~

Sec. 35. Section 66-685, Reissue Revised Statutes of Nebraska, is amended to read:

66-685. The purpose of the Alternative Fuel Tax Act is to supplement the provisions of the tax upon motor ~~vehicle fuel set forth in Chapter 66, article 4, diesel fuel set forth in the Diesel Fuel Tax Act, and compressed fuel set forth in the Compressed Fuel Tax Act~~ fuels by requiring any person who operates on the highways of this state a motor vehicle powered by alternative fuel to purchase an alternative fuel user permit to pay such person's estimated fuel use tax liability.

Sec. 36. Section 66-686, Reissue Revised Statutes of Nebraska, is amended to read:

66-686. For purposes of the Alternative Fuel Tax Act:

(1) Alternative fuel shall include electricity, solar power, and any other source of energy not otherwise taxed under the motor fuel ~~tax~~ laws which is used to power a motor vehicle. The term shall not include motor vehicle fuel as defined in section 66-482, diesel fuel as defined in section ~~66-654~~ 66-482, or compressed fuel as defined in section 66-6,100;

(2) Department shall mean the Motor Fuel Tax Enforcement and Collection Division of the Department of Revenue;

(3) Motor vehicle shall have the same definition as in section 60-301; and

(4) Person shall mean any individual, firm, partnership, limited liability company, company, agency, association, corporation, state, county, municipality, or other political subdivision.

Sec. 37. Section 66-687, Reissue Revised Statutes of Nebraska, is amended to read:

66-687. Every person registering a motor vehicle designed or modified to be propelled in whole ~~or part~~ by alternative fuel shall obtain from the department an annual alternative fuel user permit for each motor vehicle propelled by alternative fuel. A person shall obtain all required alternative fuel user permits within thirty days of becoming an alternative fuel user.

Sec. 38. Section 66-698, Reissue Revised Statutes of Nebraska, is

amended to read:

66-698. The purpose of the Compressed Fuel Tax Act is to supplement the provisions of the tax upon motor vehicle fuel set forth in Chapter 66, article 4, and the tax upon diesel fuel set forth in the Diesel Fuel Tax Act fuels by imposing a tax upon all compressed fuel sold or distributed for use in motor vehicles registered or required to be registered for operation upon the highways of this state.

Sec. 39. Section 66-6,100, Reissue Revised Statutes of Nebraska, is amended to read:

66-6,100. Compressed fuel means compressed natural gas, liquefied petroleum gas, liquefied natural gas, butane, and any other type of compressed gas or compressed liquid suitable for fueling a motor vehicle. Compressed fuel does not include motor vehicle fuel as defined in section 66-482 or diesel fuel as defined in section ~~66-654~~ 66-482.

Sec. 40. Section 66-6,106, Reissue Revised Statutes of Nebraska, is amended to read:

66-6,106. (1) Before engaging in business as a retailer, a person shall obtain a license to transact such business in the State of Nebraska. An application for a retailer's license shall be made to the department on a form prepared and furnished by the department. The application shall contain such information as the department deems necessary, and shall be accompanied by an application fee of ten dollars to cover the cost of issuing the license. If the applicant is an individual, the application shall include the applicant's social security number. All fees collected shall be remitted to the State Treasurer for credit to the Highway Cash Fund.

(2) After reviewing an application received in proper form, the department may issue to the applicant a retailer's license. The department may refuse to issue such license to any person according to the provisions of section 66-729. Each retailer's license shall be valid until suspended or revoked for cause or otherwise canceled and shall not be transferable.

(3) The department, for the first year of a new license or whenever it deems it necessary to insure compliance with the Compressed Fuel Tax Act, may require any retailer subject to the act to place with the department such security as it determines. The amount and duration of the security shall be fixed by the department and shall be approximately two times the estimated average quarterly tax liability payable by such retailer pursuant to the act, unless such retailer is required to file monthly tax returns pursuant to section 66-6,110, in which case the amount of the security shall be approximately three times the estimated monthly tax liability payable by the retailer. The security shall consist of a surety bond executed by a surety company duly licensed and authorized to do business within this state in the amount specified by the department. The security shall run to the department and be conditioned upon the payment of all taxes, interest, penalties, and costs for which such retailer is liable, whether such liability was incurred prior to or after the security is filed.

Sec. 41. Section 66-6,107, Reissue Revised Statutes of Nebraska, is amended to read:

66-6,107. In addition to the tax imposed pursuant to sections ~~66-4,142~~, 66-6,108, and 66-6,109, an excise tax of ten and one-half cents per gallon or gallon equivalent is levied and imposed on all compressed fuel sold for use in registered motor vehicles.

Sec. 42. Section 66-6,109.01, Reissue Revised Statutes of Nebraska, is amended to read:

66-6,109.01. (1) Compressed fuel shall be exempt from the taxes imposed under the Compressed Fuel Tax Act and section ~~66-4,142~~ when the fuel is used for buses equipped to carry more than seven persons for hire and engaged entirely in the transportation of passengers for hire within municipalities or within a radius of six miles thereof.

(2) The owner or agent of any bus equipped to carry more than seven persons for hire and engaged entirely in the transportation of passengers for hire within municipalities, or within a radius of six miles thereof, in lieu of the excise tax provided for in the act, and section ~~66-4,142~~, shall pay an equalization fee of a sum equal to twice the amount of the registration fee applicable to such vehicle under the laws of this state. Such equalization fee shall be paid in the same manner as the registration fee and be disbursed and allocated as registration fees.

(3) Nothing in this section shall be construed as permitting compressed fuel to be sold tax exempt. The department shall refund tax paid on compressed fuel used in buses deemed exempt by this section.

Sec. 43. Section 66-6,110, Reissue Revised Statutes of Nebraska, is amended to read:

66-6,110. ~~(1)~~ Each retailer shall file a tax return with the

department on forms prescribed by the department. Annual returns are required if the retailer's yearly tax liability is less than two hundred fifty dollars. Quarterly returns are required if the retailer's yearly tax liability is at least two hundred fifty dollars but less than six thousand dollars. Monthly returns are required if the retailer's yearly tax liability is at least six thousand dollars. The return shall contain a declaration by the person making the return to the effect that the statements contained in the return are true and are made under penalties of law, which declaration has the same force and effect as a verification of the return and is in lieu of such verification. The return shall show such information as the department reasonably requires for the proper administration and enforcement of the Compressed Fuel Tax Act. The retailer shall file the return in such format as prescribed by the department on or before the twenty-fifth day if filed electronically or the twentieth day if not filed electronically of the next succeeding calendar month following the reporting period to which it relates. If the final filing date falls on a Saturday, Sunday, or legal holiday, the next secular or business day is the final filing date. The return is filed on time if mailed in an envelope properly addressed to the department, postage paid, and transmitted or postmarked before midnight of the final filing date.

~~(2) For tax periods beginning January 1, 2002, and thereafter, the return required by subsection (1) of this section shall be filed with the department by the twenty-fifth day of the next succeeding calendar month following the reporting period to which it relates regardless of whether it is filed electronically.~~

Sec. 44. Section 66-6,111, Reissue Revised Statutes of Nebraska, is amended to read:

66-6,111. The tax imposed by the Compressed Fuel Tax Act shall be computed by each retailer by multiplying the tax rate established in sections ~~66-4,142,~~ 66-6,107, 66-6,108, and 66-6,109 by the number of gallons or gallon equivalents of compressed fuel sold for use in registered motor vehicles.

Sec. 45. Section 66-712, Reissue Revised Statutes of Nebraska, is amended to read:

66-712. For purposes of Chapter 66, articles 4, 5, 6, and 14, and sections 66-712 to 66-737:

(1) Department means the Motor Fuel Tax Enforcement and Collection Division of the Department of Revenue, except that for purposes of enforcement of Chapter 66, article 14, department means the Division of Motor Carrier Services of the Department of Motor Vehicles;

(2) Motor fuel means any fuel defined as motor vehicle fuel in section 66-482, any fuel defined as diesel fuel in section ~~66-654~~ 66-482, and any fuel defined as compressed fuel in section 66-6,100;

(3) Motor fuel laws means the provisions of Chapter 66, articles 4, 5, and 6 and sections 66-712 to 66-737, except that for purposes of enforcement of Chapter 66, article 14, motor fuel laws means the provisions of Chapter 66, article 14, and sections 66-712 to 66-737; and

(4) Person means any individual, firm, partnership, limited liability company, company, agency, association, corporation, state, county, municipality, or other political subdivision. Whenever a fine, imprisonment, or both are prescribed or imposed in sections 66-712 to 66-737, the word person as applied to a partnership, a limited liability company, or an association means the partners or members thereof.

Sec. 46. Section 66-713, Reissue Revised Statutes of Nebraska, is amended to read:

66-713. (1) Any person operating as a retailer of motor vehicle fuel or diesel fuel in this state shall obtain a license from the department. A separate license shall be issued for each retail location operated by such person.

(2)(a) Every retailer shall keep a complete and accurate record of all motor ~~vehicle fuel fuels~~ fuels, to be based on gross gallons, received, purchased, or obtained, which record shows the name and address of the person from whom each transfer or purchase of motor ~~vehicle fuel fuels~~ was made, the point from which shipped or delivered, the point at which received, the method of delivery, the quantity of each transfer or purchase, and the total amount of motor ~~vehicle fuel fuels~~ sold at retail during the month.

~~(b) The retailer shall also record all sales of nonhighway use motor vehicle fuel to include the date of sale, the quantity sold, the identity of the purchaser, and the license number of the purchaser.~~

(3) The retailer shall maintain separate records containing the information required in subdivision (2)(a) of this section for diesel fuel. The records shall also include all exempt sales of ~~diesel fuel motor fuels~~, the date of sale, the quantity sold, and the identity of the purchaser.

(4) The records required by this section shall be retained and be

available for audit and examination by the department or its authorized agents during regular business hours for a period of three years.

Sec. 47. Section 66-717, Reissue Revised Statutes of Nebraska, is amended to read:

66-717. (1) All producers, suppliers, distributors, wholesalers, and importers and other persons selling motor fuel for resale that have been taxed under the motor fuel laws shall include on all invoices or other billing documents for the motor fuel the amount of the fuel tax or a statement that the Nebraska fuel taxes have been paid on the motor fuel.

(2) If the invoice or other billing document does not contain the amount of the tax or the statement that the Nebraska fuel taxes have been paid, the motor fuel shall be presumed to be untaxed and the purchaser shall be liable for the tax on such fuel.

(3) Any licensed producer, supplier, distributor, wholesaler, or importer who has recorded his or her liability for the tax on the motor fuel with the intent to remit the tax on the next return that is due may make the statement required by this section.

Sec. 48. Section 66-718, Reissue Revised Statutes of Nebraska, is amended to read:

66-718. (1) The department may require such other information as it deems necessary on any report, return, or other statement under the motor fuel laws.

(2) ~~The department shall require any of the reports, returns, or other filings due from suppliers and terminal operators under the motor fuel laws to be made electronically, except that such requirement shall not apply to any person normally reporting less than one hundred thousand gallons of motor fuel a month. Beginning January 17, 2002, the Tax Commissioner may require any of the reports, returns, or other filings due from any motor fuels licensees to be filed electronically.~~

(3) The department shall prescribe the formats or procedures for electronic filing. To the extent not inconsistent with requirements of the motor fuel laws, the department shall adopt formats and procedures that are consistent with other states requiring electronic reporting of motor fuel information.

(4) Any person who does not file electronically when required or who fails to use the prescribed formats and procedures shall be considered to have not filed the return, report, or other filing.

(5) For purposes of the electronic funds transfer requirements contained in section 77-1784, motor vehicle fuel tax, diesel fuel tax, compressed fuel tax, and all other tax programs administered by the Motor Fuel Tax Enforcement and Collection Division shall be considered as comprising one tax program.

Sec. 49. Section 66-720, Reissue Revised Statutes of Nebraska, is amended to read:

66-720. (1) Any license or permit issued by the department under the motor fuel laws may be suspended for the following reasons:

(a) Cancellation of security;
 (b) Failure to provide additional security as required;
 (c) Failure to file any report or return, filing an incomplete report or return, or not filing electronically, within the time provided;
 (d) Failure to pay taxes due within the time provided;
 (e) Filing of any false report, return, statement, or affidavit, knowing it to be false;

(f) Delivering motor fuel to a Nebraska destination if Nebraska is not listed as the destination state on the original bill of sale, bill of lading, or manifest except as authorized under section 66-503;

(g) Failure to remain in compliance with requirements of the State Fire Marshal regarding underground storage tanks;

(h) Failure to remain in compliance with requirements of the Department of Agriculture regarding weights and measures;

(i) ~~Using tax credit gasoline in a motor vehicle;~~

~~(j) Using or placing dyed diesel fuel in a motor vehicle except as authorized under section 66-681 15 of this act;~~

~~(k) (j) No longer being eligible to obtain a license or permit; or~~

~~(l) (k) Any other violation of the motor fuel laws or the rules and regulations.~~

(2) The department shall mail notice of suspension of any license or permit.

(3) The licensee or permitholder may, within thirty days after the mailing of the notice of such suspension, petition the Department of Revenue in writing for a hearing and reconsideration of such suspension. If a petition is filed, the department shall, within ten days of receipt of the

petition, set a hearing date at which the licensee or permitholder may show cause why his or her suspended license or permit should not be canceled. The department shall give the licensee or permitholder reasonable notice of the time and place of such hearing. Within a reasonable time after the conclusion of the hearing, the department shall issue an order either reinstating or canceling such license or permit.

(4) If a petition is not filed within the thirty-day period, the suspended license or permit shall be canceled by the department at the expiration of the period.

(5) The department shall not issue a new permit or license to the same person for one year from the date of cancellation. Any reissuance of a permit or license to the same person within three years from the date of cancellation shall require a reinstatement fee of one hundred dollars to be submitted to the department. The department shall remit the fee to the State Treasurer for credit to the Highway Cash Fund.

(6) Suspension or cancellation of a license or permit issued by the department shall not relieve any person from making or filing the reports or returns required by the motor fuel laws in the manner or within the time required.

Sec. 50. Section 66-722, Reissue Revised Statutes of Nebraska, is amended to read:

66-722. (1) As soon as practical after a return is filed, the department shall examine it to determine the correct amount of tax. If the department finds that the amount of tax shown on the return is less than the correct amount, it shall notify the taxpayer of the amount of the deficiency determined.

(2) If any person fails to file a return or has improperly purchased motor fuel without the payment of tax, the department shall estimate the person's liability from any available information and notify the person of the amount of the deficiency determined.

(3) The amount of the deficiency determined shall constitute a final assessment together with interest and penalties thirty days after the date on which notice was mailed to the taxpayer at his or her last-known address unless a written protest is filed with the department within such thirty-day period.

(4) The final assessment provisions of this section shall constitute a final decision of the agency for purposes of the Administrative Procedure Act.

(5) An assessment made by the department shall be presumed to be correct. In any case when the validity of the assessment is questioned, the burden shall be on the person who challenges the assessment to establish by a preponderance of the evidence that the assessment is erroneous or excessive.

(6)(a) Except in the case of a fraudulent return or of neglect or refusal to make a return, the notice of a proposed deficiency determination shall be mailed within three years after the ~~twentieth~~ twenty-fifth day of the month following the end of the period for which the amount proposed is to be determined or within three years after the return is filed, whichever period expires later.

(b) The taxpayer and the department may agree, prior to the expiration of the period in subdivision (a) of this subsection, to extend the period during which the notice of a deficiency determination can be mailed. The extension of the period for the mailing of a deficiency determination shall also extend the period during which a refund can be claimed.

~~(c) For tax periods beginning January 1, 2002, and thereafter, the notice required by subdivision (a) of this subsection shall be mailed within three years after the twenty-fifth day of the month following the end of the period for which the amount proposed is to be determined or within three years after the return is filed, whichever period expires later.~~

Sec. 51. Section 66-726, Reissue Revised Statutes of Nebraska, is amended to read:

66-726. (1) The department may adjust all errors in payment, refund tax paid on motor fuel destroyed, ~~refund tax paid on motor fuel used and consumed by the United States Government or its agencies,~~ refund tax overpaid on motor fuel, and refund an amount equal to the per-gallon tax imposed by this state on sales of motor fuel on which tax was paid in this state but which was sold in a state other than Nebraska.

(2)(a) Motor fuels shall be exempt from the taxes imposed by sections 66-489, 66-4,105, 66-4,140, 66-4,145, and 66-4,146 when the fuels are used for agricultural, quarrying, industrial, or other nonhighway use.

(b) The department shall refund tax paid on motor fuels used for an exempt purpose. The purchaser of tax-paid motor fuels used for an exempt purpose shall file a claim for refund with the department on forms prescribed

by the department and shall provide such documentation and maintain such records as the department reasonably requires to substantiate that the fuels were used for exempt purposes.

(c) The refund claim shall include: (i) The name of claimant; (ii) the make, horsepower, and other mechanical description of machinery in which the motor fuels were used; (iii) a statement as to the source or place of business where such motor fuels, used solely for agricultural, quarrying, industrial, or other nonhighway uses, were acquired; that no part of such motor fuels were used in propelling licensed motor vehicles; and that the motor fuels for which refund of the tax thereon is claimed were used solely for agricultural, quarrying, industrial, or other nonhighway uses; and (iv) any other information deemed necessary by the department.

(d) The department shall deduct from each claim for refund of tax paid on purchases of motor vehicle fuels under this subsection two and one-quarter cents per gallon of the tax paid and from each claim for refund of tax paid on purchases of diesel fuel under this subsection one cent per gallon of the tax paid.

(e) The department shall transmit monthly to the State Treasurer a report of the number of gallons of motor vehicle fuel for which refunds have been approved under this subsection, and the State Treasurer shall thereupon transfer from the Highway Trust Fund to the Agricultural Alcohol Fuel Tax Fund one and one-quarter cents per gallon approved for refund. ~~The department shall refund the tax paid on motor fuel purchased on a Nebraska Indian reservation if the purchaser is a Native American who resides on the reservation.~~

(3) No refund shall be allowed unless a claim is filed setting forth the circumstances by reason of which refund should be allowed. Such claim shall be filed with the department within three years from the date of the payment of the tax.

(4) In each calendar year, no claim for refund related to motor vehicle fuel, diesel fuel, aircraft fuel, or compressed fuel can be for an amount less than twenty-five dollars.

(5) The department shall administer and enforce this section. The department may call to its aid when necessary any member of the Nebraska State Patrol, any police officer, any county attorney, or the Attorney General. The employees of the department are empowered to stop and inspect motor vehicles, to inspect premises, and temporarily to impound motor vehicles or motor fuels when necessary to administer this section.

(6) The department may adopt and promulgate such rules and regulations as are necessary for the prompt and effective enforcement of this section.

(7) Any claimant for refund of motor fuels tax under this section who is unable to produce the original copy of any invoice to substantiate the refund for the reason that the same has been lost, mutilated, or destroyed may make proof of his or her claim by affidavit and such other evidence as may be required by the department, and if such claim is verified by investigation, such claim may be allowed.

(8) ~~The changes made to this section by this legislative bill apply to motor fuels purchased during any tax year ending or deemed to end on or after January 1, 2005, under the Internal Revenue Code. No refund shall be made in any amount less than two dollars.~~

Sec. 52. Section 66-727, Reissue Revised Statutes of Nebraska, is amended to read:

66-727. (1) It shall be unlawful for any person to:

(a) Knowingly import, distribute, sell, produce, refine, compound, blend, or use any motor vehicle fuel, diesel fuel, or compressed fuel in the State of Nebraska without remitting the full amount of tax imposed by the provisions of the motor fuel laws;

(b) Refuse or knowingly and intentionally fail to make and file any return, report, or statement required by the motor fuel laws in the manner or within the time required;

(c) Knowingly and with intent to evade or to aid or abet any other person in the evasion of the tax imposed by the motor fuel laws (i) make any false or incomplete report, return, or statement, (ii) conceal any material fact in any record, report, return, or affidavit provided for in the motor fuel laws, (iii) improperly claim any exemption from tax imposed by the motor fuel laws, or (iv) create or submit any false documentation purporting to show that tax-free fuel has been purchased or sold tax paid or that tax-paid fuel has been used for a tax-exempt purpose;

(d) Knowingly conduct any activities requiring a license under the provisions of the Petroleum Release Remedial Action Act, ~~the Diesel Fuel Tax Act~~, the Compressed Fuel Tax Act, and Chapter 66, articles 4, 5, and 7,

without a license or after a license has been surrendered, suspended, or canceled;

(e) Knowingly conduct any activities requiring a permit under the provisions of the motor fuel laws without such permit or after such permit has been surrendered, suspended, or canceled;

(f) Knowingly assign or attempt to assign a license or permit;

(g) Knowingly fail to keep and maintain books and records required by the motor fuel laws;

(h) Knowingly fail or refuse to pay a fuel tax when due;

(i) Knowingly make any false statement in connection with an application for the refund of any money or tax;

(j) Fail or refuse to produce for inspection any license or permit issued under the motor fuel laws; or

(k) Knowingly violate any of the motor fuel laws or any rule or regulation under the motor fuel laws.

(2) Any person who violates subdivision (1)(b), (f), (h), or (k) of this section shall be guilty of a Class IV felony. Failing to report or pay taxes due shall constitute a separate offense for each reporting period.

(3) Any person who violates subdivision (1)(a), (c), (d), (g), or (i) of this section shall be guilty of a Class IV felony if the amount of tax involved is less than five thousand dollars and a Class III felony if the amount of tax is five thousand dollars or more. Failing to report or pay taxes due shall constitute a separate offense for each reporting period.

(4) Any person who violates subdivision (1)(e) or (j) of this section shall be guilty of a separate Class IV misdemeanor for each day of operation.

Sec. 53. Section 66-733, Reissue Revised Statutes of Nebraska, is amended to read:

66-733. (1) All motor fuel producers, suppliers, distributors, wholesalers, and importers licensed under section 3-149, or 66-484, ~~or 66-666~~ and all retailers licensed under section 66-6,106 shall jointly furnish a cash bond to the state to secure the payment of all fuel taxes.

(2) The cash bond shall be held by the State Treasurer in a motor fuel trust fund, which fund is hereby created, for the benefit of producers, suppliers, distributors, wholesalers, importers, and retailers. No producer, supplier, distributor, wholesaler, importer, or retailer shall have any claim or rights against the fund as a separate person. Any money in the diesel fuel importers trust fund and the motor vehicle fuel importers trust fund on March 30, 1995, shall be transferred to the motor fuel trust fund on such date.

(3) All funds in the trust fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act and may be pooled with other funds for the purposes of section 72-1267.

Sec. 54. Section 66-734, Reissue Revised Statutes of Nebraska, is amended to read:

66-734. (1) The contribution for the cash bond required in section 66-733 shall be collected by the department each tax period with the tax return for all such periods beginning on and after September 30, 1985. The amount due shall be deemed to be tax for the purpose of collection or refund.

(2) The amount collected each tax period from the motor fuel producers, suppliers, distributors, wholesalers, importers, and retailers shall be the portion of the commission allowed which equals one-fourth of one percent of the total tax due.

(3) The contributions from the motor fuel producers, suppliers, distributors, wholesalers, importers, and retailers shall continue to be collected until the amount in the trust fund, including interest earned, is equal to one percent of the total motor fuel tax collected during the preceding year. The contributions shall resume whenever the amount is less than one-half of one percent of the motor fuel tax collected during the preceding year.

(4) The department shall notify the producers, suppliers, distributors, wholesalers, importers, and retailers whenever it is necessary for the contributions to resume. The contributions shall begin with the first tax return that is due at least thirty days after notice is provided by the department.

Sec. 55. Section 66-735, Reissue Revised Statutes of Nebraska, is amended to read:

66-735. (1) Money in the trust fund created pursuant to section 66-733 shall be used solely for the purpose of preventing a loss to the state for fuel taxes that are not paid.

(2) Whenever the department determines that fuel tax has been delinquent for ninety days, it shall certify the delinquent amount of tax and

the interest due thereon to the State Treasurer. The certification shall include the specific fund into which the tax would have been deposited if received.

(3) Upon receipt of the certification, the State Treasurer shall transfer the amount to the fund identified.

(4) Such transfer shall not affect the liability of the producer, supplier, distributor, wholesaler, importer, or retailer to the state.

Sec. 56. Section 66-736, Reissue Revised Statutes of Nebraska, is amended to read:

66-736. (1) A refund of the contributions made pursuant to section 66-734 shall be made only when there is a refund of the tax on which the contribution is calculated or when there was an error in the calculation.

(2) If the cash bond is abolished, the money in the trust fund shall be returned to the producers, suppliers, distributors, wholesalers, importers, and retailers who are then licensed by increasing the commission by the amount specified for the contributions. The reduction in collections because of the additional amount allowed to the producers, suppliers, distributors, wholesalers, importers, and retailers shall be replaced by a transfer from the cash bond to the appropriate highway fund.

Sec. 57. Section 66-737, Reissue Revised Statutes of Nebraska, is amended to read:

66-737. (1) The department shall appoint a committee to oversee the operation of the trust fund created in section 66-733. The committee shall consist of seven members. Two members shall be diesel fuel producers, suppliers, distributors, wholesalers, or importers, two members shall be motor vehicle fuel producers, suppliers, distributors, wholesalers, or importers, and two members shall be compressed fuel retailers, and one member shall be selected at large. Members shall be appointed for terms of four years. ~~except that of the initial appointees appointed after July 1, 1994, the term of one of the diesel fuel suppliers, distributors, wholesalers, or importers, one of the motor vehicle fuel suppliers, distributors, wholesalers, or importers, and one of the compressed fuel retailers shall expire two years from the date of appointment. The terms of all current members shall expire December 31, 1994, and the department shall appoint a new committee as provided in this section.~~

(2) The committee shall have access to information concerning any transfers occurring from the trust fund, the collection efforts of the department to collect from the person owing the tax, and the management of the trust fund.

(3) Members of the committee shall be considered employees of the department solely for the purpose of the disclosure of confidential information and the imposition of penalties for the unauthorized disclosure of such information.

(4) The committee may receive confidential information only for the purpose of determining the effectiveness of the department in collecting the amounts transferred from the cash bond collected pursuant to section 66-734.

Sec. 58. Section 66-1334, Reissue Revised Statutes of Nebraska, is amended to read:

66-1334. (1) The Agricultural Alcohol Fuel Tax Fund is hereby created. No part of the funds ~~collected under section 66-4,134~~ deposited in the fund or of federal funds or other funds solicited in conjunction with research or demonstration programs shall lapse to the General Fund. In addition to such unexpended balance appropriation, there is hereby appropriated such amounts as are deposited in the Agricultural Alcohol Fuel Tax Fund ~~pursuant to such section~~ in each year. The fund shall be administered by the board. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

(2) The fund shall be used for the following purposes:

(a) Establishment, with cooperation of private industry, of procedures and processes necessary to the manufacture and marketing of fuel containing agricultural ethyl alcohol;

(b) Establishment of procedures for entering blended fuel into the marketplace by private enterprise;

(c) Analysis of the marketing process and testing of marketing procedures to assure acceptance in the private marketplace of blended fuel and byproducts resulting from the manufacturing process;

(d) Cooperation with private industry to establish privately owned agricultural ethyl alcohol manufacturing plants in Nebraska to supply demand for blended fuel;

(e) Sponsoring research and development of industrial and commercial uses for agricultural ethyl alcohol and for byproducts resulting from the

manufacturing process;

(f) Promotion of state and national air quality improvement programs and influencing federal legislation that requires or encourages the use of fuels oxygenated by the inclusion of agricultural ethyl alcohol or its derivatives;

(g) Promotion of the use of renewable agricultural ethyl alcohol as a partial replacement for imported oil and for the energy and economic security of the nation;

(h) Participation in development and passage of national legislation dealing with research, development, and promotion of United States production of fuels oxygenated by the inclusion of agricultural ethyl alcohol or its derivatives, access to potential markets, tax incentives, imports of foreign-produced fuel, and related concerns that may develop in the future; and

(i) As the board may otherwise direct to fulfill the goals set forth under the Ethanol Development Act, including monitoring contracts for existing ethanol program commitments consummated pursuant to the law in existence prior to September 1, 1993, and solicitation of federal funds.

Sec. 59. Section 66-1345, Reissue Revised Statutes of Nebraska, is amended to read:

66-1345. (1) There is hereby created the Ethanol Production Incentive Cash Fund which shall be used by the board to pay the credits created in section 66-1344 to the extent provided in this section. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act. The State Treasurer shall transfer to the Ethanol Production Incentive Cash Fund such money as shall be (a) appropriated to the Ethanol Production Incentive Cash Fund by the Legislature, (b) given as gifts, bequests, grants, or other contributions to the Ethanol Production Incentive Cash Fund from public or private sources, (c) made available due to failure to fulfill conditional requirements pursuant to investment agreements entered into prior to April 30, 1992, (d) received as return on investment of the Ethanol Authority and Development Cash Fund, (e) credited to the Ethanol Production Incentive Cash Fund from the excise taxes imposed by section 66-1345.01, and (f) credited to the Ethanol Production Incentive Cash Fund pursuant to section 66-1345.04.

(2) The Department of Revenue shall, at the end of each calendar month, notify the State Treasurer of the amount of motor fuel tax that was not collected in the preceding calendar month due to the credits provided in section 66-1344. The State Treasurer shall transfer from the Ethanol Production Incentive Cash Fund to the Highway Trust Fund an amount equal to such credits less the following amounts:

(a) For 1993, 1994, and 1995, the amount generated during the calendar quarter by a one-cent tax on motor fuel pursuant to sections 66-489, ~~66-668~~, and 66-6,107;

(b) For 1996, the amount generated during the calendar quarter by a three-quarters-cent tax on motor fuel pursuant to such sections;

(c) For 1997, the amount generated during the calendar quarter by a one-half-cent tax on motor fuel pursuant to such sections; and

(d) For 1998 and each year thereafter, no reduction.

For 1993 through 1997, if the amount generated pursuant to subdivisions (a), (b), and (c) of this subsection and the amount transferred pursuant to subsection (1) of this section are not sufficient to fund the credits provided in section 66-1344, then the credits shall be funded through the Ethanol Production Incentive Cash Fund but shall not be funded through either the Highway Cash Fund or the Highway Trust Fund. For 1998 and each year thereafter, the credits provided in such section shall be funded through the Ethanol Production Incentive Cash Fund but shall not be funded through either the Highway Cash Fund or the Highway Trust Fund.

(3) The State Treasurer shall transfer from the Ethanol Production Incentive Cash Fund to the Management Services Expense Revolving Fund the amount reported under subsection (4) of section 66-1345.02 for each calendar month of the fiscal year as provided in such subsection.

(4) On December 31, 2012, the State Treasurer shall transfer one-half of the unexpended and unobligated funds from the Ethanol Production Incentive Cash Fund to the Nebraska Corn Development, Utilization, and Marketing Fund and Grain Sorghum Development, Utilization, and Marketing Fund in the same proportion as funds were collected pursuant to section 66-1345.01 from corn and grain sorghum. The Department of Agriculture shall assist the State Treasurer in determining the amounts to be transferred to the funds. The remaining one-half of the unexpended and unobligated funds shall be transferred to the General Fund.

(5) Whenever the unobligated balance in the Ethanol Production Incentive Cash Fund exceeds fifteen million dollars, the Department of Revenue shall notify the Department of Agriculture at which time the Department of Agriculture shall suspend collection of the excise tax levied pursuant to section 66-1345.01. If, after suspension of the collection of such excise tax, the balance of the fund falls below eight million dollars, the Department of Revenue shall notify the Department of Agriculture which shall resume collection of the excise tax.

(6) On or before December 1, 2003, and each December 1 thereafter, the Department of Revenue and the Nebraska Ethanol Board shall jointly submit a report to the Legislature which shall project the anticipated revenue and expenditures from the Ethanol Production Incentive Cash Fund through the termination of the ethanol production incentive programs pursuant to section 66-1344. The initial report shall include a projection of the amount of ethanol production for which the Department of Revenue has entered agreements to provide ethanol production credits pursuant to section 66-1344.01 and any additional ethanol production which the Department of Revenue and the Nebraska Ethanol Board reasonably anticipate may qualify for credits pursuant to section 66-1344.

Sec. 60. Section 66-1401, Reissue Revised Statutes of Nebraska, is amended to read:

66-1401. Sections 66-1401 to 66-1415 and sections 61 to 64 of this act shall be known and may be cited as the International Fuel Tax Agreement Act.

Sec. 61. The purpose of sections 61 to 64 of this act is to provide an additional method of collecting motor fuels taxes from interstate motor vehicle operators commensurate with their operations in Nebraska and to permit the department to suspend the collection as to transportation entering Nebraska from any other state when it appears that Nebraska tax revenue and interstate highway transportation moving out of Nebraska will not be unduly prejudiced thereby.

For purposes of such sections, (1) fuel used or consumed in operations includes all fuel placed in the supply tanks and consumed in the engine of a qualified motor vehicle and (2) qualified motor vehicle means a motor vehicle used, designed, or maintained for transportation of persons or property which (a) has two axles and a gross vehicle weight or registered gross vehicle weight exceeding twenty-six thousand pounds, (b) has three or more axles regardless of weight, or (c) is used in combination when the weight of such combination exceeds twenty-six thousand pounds gross vehicle or registered gross vehicle weight. Qualified motor vehicle does not include a recreational vehicle.

Sec. 62. No person shall bring into this state in the fuel supply tanks of a qualified motor vehicle or in any other container, regardless of whether or not the supply tanks are connected to the motor of the vehicle, any motor fuels to be used in the operation of the vehicle in this state unless he or she has purchased a trip permit pursuant to section 63 of this act or paid or made arrangements in advance for payment of Nebraska motor fuels taxes on the gallonage consumed in operating the vehicle in this state.

Any person who brings into this state in the fuel supply tanks of a qualified motor vehicle motor fuels in violation of the International Fuel Tax Agreement Act shall be subject to an administrative penalty of one hundred dollars for each violation to be assessed and collected by the department or another state agency which may be contracted with to act as the department's agent for such purpose. All such penalties collected shall be remitted to the State Treasurer for credit to the Highway Cash Fund.

Sec. 63. The department shall provide for a trip permit to be issued. Such trip permits shall be issued for a fee of twenty dollars and shall be valid for a period of seventy-two hours. The carrier enforcement division designated under section 60-1303 shall act as an agent for the department in collecting the fees prescribed in this section and shall remit all such fees collected to the State Treasurer for credit to the Highway Cash Fund. Such trip permits shall be available at weighing stations operated by the carrier enforcement division and at various vendor stations as determined appropriate by the carrier enforcement division. Trip permits shall be obtained at the first available location, whether that is a weighing station or a vendor station. The vendor stations shall be entitled to collect and retain an additional fee of ten percent of the fee collected pursuant to this section as reimbursement for the clerical work of issuing the permits.

Sec. 64. Every person operating under sections 61 to 64 of this act shall make and keep for a period of three years, or five years if required reports, returns, or statements are not filed, such records as may reasonably be required by the department for the administration of such sections.

If, in the normal conduct of the business, the required records are maintained and kept at an office outside the State of Nebraska, it shall be a sufficient compliance with this section if the records are made available for audit and examination by the department within this state, but such audit and examination shall be without expense to the State of Nebraska.

Sec. 65. Section 66-1510, Reissue Revised Statutes of Nebraska, is amended to read:

66-1510. Petroleum shall mean:

(1) Motor vehicle ~~fuels~~ fuel as defined in section 66-482, except ~~denatured agricultural ethyl alcohol that is not blended with motor vehicle fuels,~~ natural gasoline used as a denaturant by an ethanol facility as defined in section 66-1333; and

(2) Diesel fuel as defined in section 66-482, including kerosene which has been blended for use as a motor fuel. ~~66-654, including kerosene, and~~

~~(3) A fraction of crude oil that is liquid at a temperature of sixty degrees Fahrenheit and a pressure of fourteen and seven-tenths pounds per square inch absolute, except any such fraction which is regulated as a hazardous substance under section 101(14) of the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980.~~

Sec. 66. Section 66-1521, Reissue Revised Statutes of Nebraska, is amended to read:

66-1521. (1) A petroleum release remedial action fee is hereby imposed upon the producer, refiner, importer, distributor, wholesaler, or supplier who first sells, offers for sale, or uses engages in the sale, distribution, delivery, and use of petroleum within this state, except that the fee shall not be imposed on petroleum that is exported. The fee shall also be imposed on diesel fuel which is indelibly dyed. or packaged in individual containers of one hundred ten gallons or less and intended for sale or use in this state. The amount of the fee shall be nine-tenths of one cent per gallon on motor vehicle ~~fuels~~ fuel as defined in section 66-482 and three-tenths of one cent per gallon on ~~petroleum other than such motor vehicle fuels~~ diesel fuel as defined in section 66-482. The amount of the fee shall be used first for payment of claims approved by the State Claims Board pursuant to section 66-1531; second, up to three million dollars of the fee per year shall be used for reimbursement of owners and operators under the Petroleum Release Remedial Action Act for investigations of releases ordered pursuant to section 81-15,124; and third, the remainder of the fee shall be used for any other purpose authorized by section 66-1519. The fee shall be paid by all producers, refiners, importers, distributors, wholesalers, and suppliers subject to the fee by filing a monthly return on or before the twenty-fifth day if filed electronically or the twentieth day if not filed electronically of the calendar month following the monthly period to which it relates. The pertinent provisions, specifically including penalty provisions, of the motor fuel laws as defined in section 66-712 shall apply to the administration and collection of the fee except for the treatment given refunds. There shall be a refund allowed on any fee paid on petroleum which was taxed and then exported, destroyed, or purchased for use by the United States Government or its agencies. The department may also adjust for all errors in the payment of the fee. In each calendar year, no claim for refund related to the fee can be for an amount less than ten dollars. The fee paid under this subsection shall not be eligible for the credit under section 66-4,124.

(2) No producer, refiner, importer, distributor, wholesaler, or supplier shall sell, offer for sale, or use engage in the sale, distribution, delivery, or use of petroleum in this state without having first obtained a petroleum release remedial action license. Application for a license shall be made to the Motor Fuel Tax Enforcement and Collection Division of the Department of Revenue upon a form prepared and furnished by the division. If the applicant is an individual, the application shall include the applicant's social security number. Failure to obtain a license prior to such sale, offer for sale, or use engaging in the sale, distribution, delivery, or use of petroleum shall be a Class IV misdemeanor. The division may suspend or cancel the license of any producer, refiner, importer, distributor, wholesaler, or supplier who fails to pay the fee imposed by subsection (1) of this section in the same manner as licenses are suspended or canceled pursuant to section 66-720.

(3) The division ~~shall~~ may adopt and promulgate rules and regulations necessary to carry out this section.

(4) The division shall deduct and withhold from the petroleum release remedial action fee collected pursuant to this section an amount sufficient to reimburse the direct costs of collecting and administering the

petroleum release remedial action fee. Such costs shall not exceed twenty-eight thousand dollars for each fiscal year. The twenty-eight thousand dollars shall be prorated, based on the number of months the fee is collected, whenever the fee is collected for only a portion of a year. The amount deducted and withheld for costs shall be deposited in the Petroleum Release Remedial Action Collection Fund which is hereby created. The Petroleum Release Remedial Action Collection Fund shall be appropriated to the Department of Revenue. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

(5) The division shall collect the fee imposed by subsection (1) of this section.

~~(6) For tax periods beginning January 1, 2002, and thereafter, the return required by subsection (1) of this section shall be filed with the department by the twenty-fifth day of the calendar month following the monthly period to which it relates regardless of whether it is filed electronically.~~

Sec. 67. Section 77-2704.05, Reissue Revised Statutes of Nebraska, is amended to read:

77-2704.05. Sales and use taxes shall not be imposed on the gross receipts from the sale, lease, or rental of and the storage, use, or other consumption in this state of motor vehicle fuels as defined, taxed, or exempted under Chapter 66, article 4, diesel ~~fuel and compressed fuels~~ as taxed for use on the highways under Chapter 66, article 4, compressed fuels as taxed for use on the highways under the Diesel Fuel Tax Act and the Compressed Fuel Tax Act, diesel and compressed fuels used to provide motive power for railroad rolling stock, and diesel and compressed fuels delivered into the fuel supply tanks of other vehicles.

Sec. 68. Section 77-2734.03, Reissue Revised Statutes of Nebraska, is amended to read:

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

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

(c) For taxable years commencing or deemed to commence prior to, on, or after January 1, 1998, any insurer paying a tax on premiums and assessments pursuant to section 77-908 or 81-523 shall be credited, in the computation of the tax due under the Nebraska Revenue Act of 1967, with the amount paid during the taxable year as assessments allowed as an offset against premium and related retaliatory tax liability pursuant to section 44-4233.

~~(2) There shall be allowed to corporate taxpayers a credit for nonhighway use motor vehicle fuels as provided in section 66-4,124.~~

~~(3) There shall be allowed to corporate taxpayers a tax credit for contributions to community betterment programs as provided in the Community Development Assistance Act.~~

~~(4) (3) There shall be allowed to corporate taxpayers a refundable income tax credit under the Beginning Farmer Tax Credit Act for all taxable years beginning or deemed to begin on or after January 1, 2001, under the Internal Revenue Code of 1986, as amended.~~

~~(5) (4) There shall be allowed to corporate taxpayers a tax credit as provided in section 77-27,222.~~

(5) The changes made to this section by this legislative bill apply to motor fuels purchased during any tax year ending or deemed to end on or after January 1, 2005, under the Internal Revenue Code of 1986, as amended.

Sec. 69. This act becomes operative on January 1, 2005.

Sec. 70. Original sections 60-1307, 66-482 to 66-489.01, 66-496, 66-498, 66-499, 66-4,105, 66-4,106, 66-4,114, 66-4,116, 66-4,140, 66-4,141, 66-4,143 to 66-4,147, 66-4,149, 66-502, 66-525, 66-685 to 66-687, 66-698, 66-6,100, 66-6,106, 66-6,107, 66-6,109.01 to 66-6,111, 66-712, 66-713, 66-717, 66-718, 66-720, 66-722, 66-726, 66-727, 66-733 to 66-737, 66-1334, 66-1345, 66-1401, 66-1510, 66-1521, 77-2704.05, and 77-2734.03, Reissue Revised Statutes of Nebraska, and sections 39-2215, 60-1303, and 60-1306, Revised

Statutes Supplement, 2003, are repealed.

Sec. 71. The following sections are outright repealed: Sections 66-490 to 66-492, 66-494, 66-4,118 to 66-4,121, 66-4,124 to 66-4,132, 66-4,134, 66-4,142, and 66-650 to 66-683, Reissue Revised Statutes of Nebraska.