

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FIFTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 52**

Introduced by Schumacher, 22.

Read first time January 05, 2017

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to adopt the Modern
- 2 Tax Act; to impose a tax on the interest paid on certain loans; and
- 3 to provide an operative date.
- 4 Be it enacted by the people of the State of Nebraska,

1           Section 1. Sections 1 to 6 of this act shall be known and may be  
2 cited as the Modern Tax Act.

3           Sec. 2. For purposes of the Modern Tax Act:

4           (1) Eligible loan means:

5           (a) A loan secured by real estate located in Nebraska;

6           (b) A loan secured by a filing with the Secretary of State under the  
7 Uniform Commercial Code;

8           (c) A loan secured by a security or commercial paper held in or  
9 delivered to a creditor in Nebraska;

10          (d) A loan secured by a vehicle titled in Nebraska; or

11          (e) Any loan over which Nebraska courts have jurisdiction and venue  
12 in an action for default in payment; and

13          (2) Qualified debtor means:

14          (a) Any resident of Nebraska who has obtained an eligible loan;

15          (b) Any trust created under Nebraska law that has obtained an  
16 eligible loan; or

17          (c) Any corporation, limited liability company, or other type of  
18 business entity that (i) is organized under Nebraska law or has its  
19 principal office located in Nebraska and (ii) has obtained an eligible  
20 loan.

21          Sec. 3. (1) There is hereby imposed a tax at a rate of five and  
22 one-half percent on the amount of interest paid by a qualified debtor on  
23 any eligible loan.

24          (2) The tax shall be paid by the qualified debtor and shall be due  
25 at the same time that any regularly scheduled payment on the eligible  
26 loan is due. The lender shall collect the tax imposed by this section and  
27 shall remit the funds collected to the Tax Commissioner on a monthly  
28 basis along with a form prescribed by the Tax Commissioner containing  
29 such information as the Tax Commissioner deems necessary for the proper  
30 administration of the Modern Tax Act. The Tax Commissioner shall remit  
31 the funds received to the State Treasurer for credit to the General Fund.

1           Sec. 4. The tax imposed by section 3 of this act shall become  
2 delinquent thirty days after it becomes due pursuant to subsection (2) of  
3 section 3 of this act and, in addition to the amount of the delinquent  
4 tax, the qualified debtor shall pay a penalty for such delinquency in the  
5 amount of five percent of the delinquent taxes for each month, or part  
6 thereof, that the delinquency has continued. The Tax Commissioner may  
7 bring an action to collect any delinquent taxes or penalties due under  
8 this section.

9           Sec. 5. The tax imposed by section 3 of this act shall not apply  
10 to:

11           (1) Loans to governmental entities;

12           (2) Publicly traded bonds; or

13           (3) Loans the proceeds of which are ultimately used by a licensed  
14 financial institution or insurance company to make loans subject to the  
15 tax imposed by section 3 of this act.

16           Sec. 6. The Tax Commissioner may adopt and promulgate rules and  
17 regulations to carry out the Modern Tax Act.

18           Sec. 7. This act becomes operative on January 1, 2018.