

LEGISLATIVE BILL 9

Approved by the Governor May 27, 2009

Introduced by Wightman, 36.

FOR AN ACT relating to revenue and taxation; to amend section 77-2704.13, Reissue Revised Statutes of Nebraska, and sections 77-2701 and 77-2701.04, Revised Statutes Cumulative Supplement, 2008; to exempt mineral oil from sales and use taxes as prescribed; to exempt wood and corn used as fuel in irrigation and farming from sales and use taxes; to harmonize provisions; to provide operative dates; to repeal the original sections; and to declare an emergency.

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

Section 1. 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 mineral oil to be applied to grain as a dust suppressant.

Sec. 2. Section 77-2701, Revised Statutes Cumulative Supplement, 2008, is amended to read:

77-2701 Sections 77-2701 to 77-27,135.01 and 77-27,228 to 77-27,236 and section 1 of this act shall be known and may be cited as the Nebraska Revenue Act of 1967.

Sec. 3. Section 77-2701.04, Revised Statutes Cumulative Supplement, 2008, is amended to read:

77-2701.04 For purposes of sections 77-2701.04 to 77-2713 and section 1 of this act, unless the context otherwise requires, the definitions found in sections 77-2701.05 to 77-2701.53 shall be used.

Sec. 4. Section 77-2704.13, Reissue Revised Statutes of Nebraska, is amended to read:

77-2704.13 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:

(1) Sales and purchases of electricity, coal, gas, fuel oil, diesel fuel, tractor fuel, propane, gasoline, coke, nuclear fuel, ~~and butane~~, wood as fuel, and corn as fuel when more than fifty percent of the amount purchased is for use directly in irrigation or farming;

(2) Sales and purchases of such energy sources or fuels made before April 1, 1993, or after March 31, 1994, when more than fifty percent of the amount purchased is for use directly in processing, manufacturing, or refining, in the generation of electricity, or by any hospital. The state tax paid on purchases of such energy sources or fuels during the period beginning April 1, 1993, and ending March 31, 1994, shall not exceed one hundred thousand dollars for any one location when more than fifty percent of the amount purchased is for use directly in processing, manufacturing, or refining or by any hospital. All purchases of such energy sources or fuels for use in the generation of electricity during the period beginning April 1, 1993, and ending March 31, 1994, shall be taxable. Any taxpayer who has paid the limit of state tax on such energy sources or fuels at one location shall be exempt on all other qualifying purchases at such location. Such taxpayer shall be entitled to a refund of any amount of state or local option tax paid on an energy source or fuel exempt under this subdivision. A refund shall be made pursuant to section 77-2708; and

(3) Sales and purchases of water used for irrigation of agricultural lands and manufacturing purposes.

Sec. 5. Sections 4, 5, 7, and 8 of this act become operative on April 1, 2009. The other sections of this act become operative on October 1, 2009.

Sec. 6. Original sections 77-2701 and 77-2701.04, Revised Statutes Cumulative Supplement, 2008, are repealed.

Sec. 7. Original section 77-2704.13, Reissue Revised Statutes of Nebraska, is repealed.

Sec. 8. Since an emergency exists, this act takes effect when passed and approved according to law.