

AMENDMENTS TO LB727

(Amendments to E&R amendments, ER34)

Introduced by Linehan, 39.

1 1. Strike the original sections and all amendments thereto and
2 insert the following new sections:

3 Section 1. Sections 1 to 8 of this act shall be known and may be
4 cited as the Nebraska Biodiesel Tax Credit Act.

5 Sec. 2. For purposes of the Nebraska Biodiesel Tax Credit Act:

6 (1) Biodiesel means mono-alkyl esters of long chain fatty acids
7 derived from vegetable oils or animal fats which conform to American
8 Society for Testing and Materials D6751 specifications for use in diesel
9 engines. Biodiesel refers to the pure fuel with less than one percent
10 blended with diesel fuel;

11 (2) Department means the Department of Revenue;

12 (3) Motor fuel pump means a meter or similar commercial weighing and
13 measuring device used to measure and dispense motor fuel originating from
14 a motor fuel storage tank;

15 (4) Retail dealer means a person engaged in the business of storing
16 and dispensing motor fuel from a motor fuel pump for sale on a retail
17 basis;

18 (5) Retail motor fuel site means a geographic location in this state
19 where a retail dealer sells and dispenses motor fuel from a motor fuel
20 pump on a retail basis, including a permanent or mobile location; and

21 (6) Taxpayer means any natural person or any limited liability
22 company, partnership, private domestic or private foreign corporation, or
23 domestic or foreign nonprofit corporation certified pursuant to section
24 501(c)(3) of the Internal Revenue Code of 1986, as amended.

25 Sec. 3. (1) Any taxpayer who is a retail dealer and who sold and
26 dispensed biodiesel on a retail basis during the prior calendar year

1 through a motor fuel pump located at the taxpayer's retail motor fuel
2 site shall be eligible to receive tax credits under the Nebraska
3 Biodiesel Tax Credit Act.

4 (2) The tax credit shall be in an amount equal to fourteen cents
5 multiplied by the total number of gallons of biodiesel sold by the
6 taxpayer on a retail basis during the prior calendar year through a motor
7 fuel pump located at the taxpayer's retail motor fuel site.

8 (3) The tax credit shall be a refundable credit that may be used
9 against the income tax imposed by the Nebraska Revenue Act of 1967.

10 (4) Tax credits allowed under this section may be claimed for
11 taxable years beginning or deemed to begin on or after January 1, 2024,
12 under the Internal Revenue Code of 1986, as amended.

13 (5) To receive tax credits, a taxpayer shall submit an application
14 to the department on a form prescribed by the department. Applications
15 may be submitted from January 1 to April 15 of each calendar year
16 beginning in 2024. The application shall include the following
17 information:

18 (a) The name and address of the taxpayer;

19 (b) The total number of gallons of biodiesel sold by the taxpayer on
20 a retail basis during the prior calendar year through a motor fuel pump
21 located at the taxpayer's retail motor fuel site; and

22 (c) Any other documentation required by the department.

23 Sec. 4. (1) If the department determines that an application is
24 complete and that the taxpayer qualifies for tax credits, the department
25 shall approve the application within the limits set forth in this section
26 and shall certify the amount of tax credits approved to the taxpayer.

27 (2) The department may approve up to one million dollars in tax
28 credits in any calendar year. If the total amount of tax credits
29 requested in any calendar year exceeds such limit, the department shall
30 allocate the tax credits proportionally based upon amounts requested.

31 Sec. 5. (1) A taxpayer shall claim the tax credit by attaching the

1 tax credit certification received from the department under section 4 of
2 this act to the taxpayer's tax return.

3 (2) Any credit in excess of the taxpayer's tax liability shall be
4 refunded to the taxpayer. In lieu of claiming a refund, the taxpayer may
5 elect to have the excess carried forward to subsequent taxable years. A
6 taxpayer may carry forward the excess tax credits until fully utilized.

7 Sec. 6. Any tax credit allowable to a partnership, a limited
8 liability company, a subchapter S corporation, a cooperative corporation,
9 or an estate or trust may be distributed to the partners, limited
10 liability company members, shareholders, cooperative members, or
11 beneficiaries in the same manner as income is distributed.

12 Sec. 7. There shall be no new applications filed under the Nebraska
13 Biodiesel Tax Credit Act after December 31, 2028. All applications and
14 all tax credits pending or approved before such date shall continue in
15 full force and effect.

16 Sec. 8. The department may adopt and promulgate rules and
17 regulations to carry out the Nebraska Biodiesel Tax Credit Act.

18 Sec. 9. Sections 9 to 15 of this act shall be known and may be
19 cited as the Good Life Transformational Projects Act.

20 Sec. 10. (1) The purpose of the Good Life Transformational Projects
21 Act is to promote and develop the general and economic welfare of this
22 state and its communities by providing support for unique Nebraska
23 projects that will attract new industries and employment opportunities
24 and further grow and strengthen Nebraska's retail, entertainment, and
25 tourism industries.

26 (2) The Legislature finds that it will be beneficial to the economic
27 well-being of the people of this state to encourage transformational
28 development projects within the state that create jobs, infrastructure,
29 and other improvements and attract and retain tourists and college
30 graduates from around the state.

31 (3) The Legislature further finds that such projects will (a)

1 generate new economic activity, as well as additional state and local
2 taxes from persons residing within and outside the state, (b) create new
3 economic opportunities and jobs for residents, and (c) promote new-to-
4 market retail, entertainment, and dining attractions.

5 Sec. 11. For purposes of the Good Life Transformational Projects
6 Act:

7 (1) Department means the Department of Economic Development; and

8 (2) Good life district means a district established pursuant to
9 section 13 of this act.

10 Sec. 12. (1) Until December 31, 2024, any person may apply to the
11 department to create a good life district. All applications shall be in
12 writing and shall contain:

13 (a) A description of the proposed project to be undertaken within
14 the good life district, including a description of any existing
15 development, an estimate of the total new development costs for the
16 project, and an estimate of the number of new jobs to be created as a
17 result of the project;

18 (b) A map identifying the good life district to be used for purposes
19 of the project;

20 (c) A description of the proposed financing of the project;

21 (d) Documentation of local financial commitment to support the
22 project, including all public and private resources pledged or committed
23 to the project and including a copy of any operating agreement or lease
24 with substantial users of the project area; and

25 (e) Sufficient documents, plans, and specifications as required by
26 the department to define the project, including the following:

27 (i) A statement of how the jobs and taxes obtained from the project
28 will contribute significantly to the economic development of the state
29 and region;

30 (ii) Visitation expectations and a plan describing how the number of
31 visitors to the good life district will be tracked and reported on an

1 annual basis;

2 (iii) Any unique qualities of the project;

3 (iv) An economic impact study, including the anticipated effect of
4 the project on the regional and statewide economies;

5 (v) Project accountability, measured according to best industry
6 practices;

7 (vi) The expected return on state and local investment the project
8 is anticipated to produce; and

9 (vii) A summary of community involvement, participation, and support
10 for the project.

11 (2) Upon receiving an application, the department shall review the
12 application and notify the applicant of any additional information needed
13 for a proper evaluation of the application.

14 (3) The application and all supporting information shall be
15 confidential except for the location of the project, the total new
16 development costs estimated for the project, and the number of new jobs
17 estimated to be created as a result of the project.

18 Sec. 13. (1) If the department finds that the project described in
19 the application meets the eligibility requirements of this section, the
20 application shall be approved.

21 (2) A project is eligible if:

22 (a) The applicant demonstrates that the total new development costs
23 of the project will exceed:

24 (i) One billion dollars if the project will be located in a city of
25 the metropolitan class;

26 (ii) Seven hundred fifty million dollars if the project will be
27 located in a city of the primary class;

28 (iii) Five hundred million dollars if the project will be located in
29 a city of the first class, city of the second class, or village within a
30 county with a population of one hundred thousand inhabitants or more; or

31 (iv) One hundred million dollars if the project will be located in a

1 city of the first class, city of the second class, or village within a
2 county with a population of less than one hundred thousand inhabitants;

3 (b) The applicant demonstrates that the project will directly or
4 indirectly result in the creation of:

5 (i) One thousand new jobs if the project will be located in a city
6 of the metropolitan class;

7 (ii) Five hundred new jobs if the project will be located in a city
8 of the primary class;

9 (iii) Two hundred fifty new jobs if the project will be located in a
10 city of the first class, city of the second class, or village within a
11 county with a population of one hundred thousand inhabitants or more; or

12 (iv) Fifty new jobs if the project will be located in a city of the
13 first class, city of the second class, or village within a county with a
14 population of less than one hundred thousand inhabitants; and

15 (c)(i) For a project that will be located in a county with a
16 population of one hundred thousand inhabitants or more, the applicant
17 demonstrates that, upon completion of the project, at least twenty
18 percent of sales at the project will be made to persons residing outside
19 the State of Nebraska or the project will generate a minimum of six
20 hundred thousand visitors per year who reside outside the State of
21 Nebraska and the project will attract new-to-market retail to the state
22 and will generate a minimum of three million visitors per year; or

23 (ii) For a project that will be located in a county with a
24 population of less than one hundred thousand inhabitants, the applicant
25 demonstrates that, upon completion of the project, at least twenty
26 percent of sales at the project will be made to persons residing outside
27 the State of Nebraska.

28 (3) The applicant must certify that any anticipated diversion of
29 state sales tax revenue will be offset or exceeded by sales tax paid on
30 anticipated development costs, including construction to real property,
31 during the same period.

1 (4) A project is not eligible if the project includes a licensed
2 racetrack enclosure or an authorized gaming operator as such terms are
3 defined in section 9-1103.

4 (5) Approval of an application under this section shall establish
5 the good life district as that area depicted in the map accompanying the
6 application as submitted pursuant to subdivision (1)(b) of section 12 of
7 this act. Such district shall last for twenty-five years and shall not
8 exceed two thousand acres in size.

9 (6) Upon establishment of a good life district under this section,
10 any transactions occurring within the district shall be subject to a
11 reduced sales tax rate as provided in section 77-2701.02.

12 Sec. 14. The department shall terminate a good life district
13 established pursuant to section 13 of this act if the applicant has not
14 met seventy-five percent of the investment threshold required under
15 subdivision (2)(a) of section 13 of this act within ten years after
16 establishment of such district.

17 Sec. 15. No provision in the Good Life Transformational Projects
18 Act shall be construed to limit the existing statutory authority of any
19 political subdivision.

20 Sec. 16. Section 13-2602, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 13-2602 (1) The Legislature finds that it will be beneficial to the
23 economic well-being of the people of this state that there be convention
24 and meeting center facilities and sports arena facilities of appropriate
25 size and quality to host regional, national, or international events.
26 Regional refers to states that border Nebraska; national refers to states
27 other than those that border Nebraska; and international refers to
28 nations other than the United States.

29 (2) The Legislature further finds that such facilities may (a)
30 generate new economic activity as well as additional state and local
31 taxes from persons residing within and outside the state and (b) create

1 new economic opportunities for residents.

2 (3) In order that the state may receive any long-term economic and
3 fiscal benefits from such facilities, a need exists to provide some state
4 assistance to political subdivisions endeavoring to construct, acquire,
5 substantially reconstruct, expand, operate, improve, or equip such
6 facilities.

7 (4) ~~Therefore~~ ~~Therefor~~, it is deemed to be in the best interest of
8 both the state and its political subdivisions that the state assist
9 political subdivisions in financing the construction, acquisition,
10 substantial reconstruction, expansion, operation, improvement, or
11 equipping of such facilities.

12 (5) The amount of state assistance provided under the Convention
13 Center Facility Financing Assistance Act shall be limited to a designated
14 portion of state sales tax revenue collected by retailers and operators
15 doing business at such facilities on sales at such facilities, state
16 sales tax revenue collected on primary and secondary box office sales of
17 admissions to such facilities, and state sales tax revenue collected by
18 associated hotels and nearby retailers.

19 Sec. 17. Section 13-2603, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 13-2603 For purposes of the Convention Center Facility Financing
22 Assistance Act:

23 (1) Associated hotel means any publicly or privately owned facility
24 in which the public may, for a consideration, obtain sleeping
25 accommodations and which is located, in whole or in part, within six
26 hundred yards of an eligible facility, measured from any point of the
27 exterior perimeter of the eligible facility but not from any parking
28 facility or other structure, except that if the eligible facility is
29 within six hundred yards of the State Capitol, the area used in
30 determining associated hotels shall be one or more areas selected by the
31 applicant which aggregate the same total amount of square footage that

1 such area would have contained had the eligible facility not been within
2 six hundred yards of the State Capitol. The area used in determining
3 associated hotels shall be depicted on a map submitted pursuant to
4 section 13-2605;

5 (2) Board means a board consisting of the Governor, the State
6 Treasurer, the chairperson of the Nebraska Investment Council, the
7 chairperson of the Nebraska State Board of Public Accountancy, and a
8 professor of economics on the faculty of a state postsecondary
9 educational institution appointed to a two-year term on the board by the
10 Coordinating Commission for Postsecondary Education. For administrative
11 and budget purposes only, the board shall be considered part of the
12 Department of Revenue;

13 (3) Bond means a general obligation bond, redevelopment bond, lease-
14 purchase bond, revenue bond, or combination of any such bonds;

15 (4) Convention and meeting center facility means a temperature-
16 controlled building and personal property primarily used as a convention
17 and meeting center, including an auditorium, an exhibition hall, a
18 facility for onsite food preparation and serving, an onsite, directly
19 connected parking facility for the use of the convention and meeting
20 center facility, a nearby parking facility for the use of the convention
21 and meeting center facility, and an onsite administrative office of the
22 convention and meeting center facility;

23 (5)(a) Eligible facility means any publicly owned convention and
24 meeting center facility approved for state assistance on or before June
25 1, 2007, any publicly owned sports arena facility attached to such
26 convention and meeting center facility, or any publicly ~~or privately~~
27 owned convention and meeting center facility or publicly ~~or privately~~
28 owned sports arena facility acquired, constructed, improved, or equipped
29 after June 1, 2007; and

30 (b) Beginning with applications for financial assistance received on
31 or after February 1, 2008, eligible facility does not include any

1 publicly ~~or privately~~ owned sports arena facility with a seating capacity
2 greater than sixteen thousand seats;

3 (6) General obligation bond means any bond or refunding bond issued
4 by a political subdivision and which is payable exclusively from the
5 proceeds of an ad valorem tax;

6 (7) Nearby parking facility means any parking lot, parking garage,
7 or other parking structure that is not directly connected to a convention
8 and meeting center facility but which is located, in whole or in part,
9 within six hundred yards of a convention and meeting center facility,
10 measured from any point of the exterior perimeter of such facility but
11 not from any other parking facility or other structure;

12 (8) Nearby retailer means a retailer as defined in section
13 77-2701.32 that is located, in whole or in part, within six hundred yards
14 of an eligible facility the application for which is approved on or after
15 the operative date of this section, measured from any point of the
16 exterior perimeter of the eligible facility but not from any parking
17 facility or other structure, except that if the eligible facility is
18 within six hundred yards of the State Capitol, the area used in
19 determining nearby retailers shall be one or more areas selected by the
20 applicant which aggregate the same total amount of square footage that
21 such area would have contained had the eligible facility not been within
22 six hundred yards of the State Capitol. The area used in determining
23 nearby retailers shall be depicted on a map submitted pursuant to section
24 13-2605;

25 (9) ~~(8)~~ Political subdivision means any local governmental body
26 formed and organized under state law and any joint entity or joint public
27 agency created under state law to act on behalf of political subdivisions
28 which has statutory authority to issue general obligation bonds;

29 (10) ~~(9)~~ Revenue bond means any bond or refunding bond issued by a
30 political subdivision which is limited or special rather than a general
31 obligation bond of the political subdivision and which is not payable

1 from the proceeds of an ad valorem tax; and

2 (11) ~~(10)~~ Sports arena facility means any enclosed temperature-
3 controlled building primarily used for competitive sports, including
4 arenas, dressing and locker facilities, concession areas, parking
5 facilities, and onsite administrative offices connected with operating
6 the facilities.

7 Sec. 18. Section 13-2604, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 13-2604 Any political subdivision that has acquired, constructed,
10 improved, or equipped or has approved a ~~general obligation~~ bond issue to
11 acquire, construct, improve, or equip eligible facilities may apply to
12 the board for state assistance. The state assistance shall be used:

13 (1) To pay back amounts expended or borrowed through one or more
14 issues of bonds to be expended by the political subdivision to acquire,
15 construct, improve, repair, replace, and equip any eligible facilities
16 until repayment in full of the amounts expended or borrowed by the
17 political subdivision, including the principal of and interest on bonds,
18 for all of its eligible facilities;

19 (2) To pay for capital improvements to any eligible facilities; and

20 (3) To acquire, construct, improve, repair, replace, and equip
21 nearby parking facilities.

22 Sec. 19. Section 13-2605, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 13-2605 (1) All applications for state assistance under the
25 Convention Center Facility Financing Assistance Act shall be in writing
26 and shall include a certified copy of the approving action of the
27 governing body of the applicant describing the proposed eligible facility
28 and the anticipated financing.

29 (2) The application shall contain:

30 (a) A description of the proposed financing of the eligible
31 facility, including the estimated principal and interest requirements for

1 the bonds proposed to be issued in connection with the eligible facility
2 or the amounts necessary to repay the original investment by the
3 applicant in the eligible facility;

4 (b) Documentation of local financial commitment to support the
5 project, including all public and private resources pledged or committed
6 to the project; ~~and~~

7 (c) A map identifying the area to be used in determining associated
8 hotels and nearby retailers; and

9 (d) ~~(e)~~ Any other project information deemed appropriate by the
10 board.

11 (3) Upon receiving an application for state assistance, the board
12 shall review the application and notify the applicant of any additional
13 information needed for a proper evaluation of the application.

14 (4) Any state assistance received pursuant to the act shall be used
15 only for public purposes.

16 (5) Approval of an application for state assistance by the board
17 after the operative date of this section pursuant to section 13-2607
18 shall establish the area to be used for determining associated hotels and
19 nearby retailers as the aggregate area depicted in the map accompanying
20 the application for state assistance as submitted pursuant to subdivision
21 (2)(c) of this section.

22 (6) ~~(5)~~ Each political subdivision that had an application for state
23 assistance approved prior to October 1, 2016, shall submit a map to the
24 Department of Revenue showing the area that lies within six hundred yards
25 of the eligible facility as such area is described in subdivision (1) of
26 section 13-2603. The department shall approve such area if it satisfies
27 the requirements of subdivision (1) of section 13-2603.

28 Sec. 20. Section 13-2609, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 13-2609 (1) If an application is approved, the Tax Commissioner
31 shall:

1 (a) Audit or review audits of the approved convention and meeting
2 center facility, sports arena facility, ~~or~~ associated hotel, or nearby
3 retailer to determine the state sales tax revenue collected by retailers
4 and operators doing business at such facilities on sales at such
5 facilities, state sales tax revenue collected on primary and secondary
6 box office sales of admissions to such facilities, and state sales tax
7 revenue collected by associated hotels and nearby retailers; and

8 (b) Certify annually the amount of state sales tax revenue collected
9 by retailers and operators doing business at such facilities on sales at
10 such facilities, state sales tax revenue collected on primary and
11 secondary box office sales of admissions to such facilities, and state
12 sales tax revenue collected by associated hotels and nearby retailers, to
13 the State Treasurer.

14 (2) State sales tax revenue collected by retailers and operators
15 that are not eligible facilities but are doing business at eligible
16 facilities shall be reported on informational returns developed by the
17 Department of Revenue and provided to any such retailers and operators by
18 the eligible facility. The informational returns shall be submitted to
19 the department by the retailer or operator by the twentieth day of the
20 month following the month the sales taxes are collected. The Tax
21 Commissioner shall use the data from the informational returns and sales
22 tax returns of eligible facilities, ~~and~~ associated hotels, and nearby
23 retailers to determine the appropriate amount of state sales tax revenue.

24 (3) Changes made to the Convention Center Facility Financing
25 Assistance Act by Laws 2007, LB 551, shall apply to state sales tax
26 revenue collected commencing on July 1, 2006.

27 Sec. 21. Section 13-2610, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 13-2610 (1) Upon the annual certification under section 13-2609, the
30 State Treasurer shall transfer after the audit the amount certified to
31 the Convention Center Support Fund. The Convention Center Support Fund is

1 created. Transfers may be made from the fund to the General Fund at the
2 direction of the Legislature. Any money in the Convention Center Support
3 Fund available for investment shall be invested by the state investment
4 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
5 State Funds Investment Act.

6 (2)(a) It is the intent of the Legislature to appropriate from the
7 fund to any political subdivision for which an application for state
8 assistance under the Convention Center Facility Financing Assistance Act
9 has been approved an amount not to exceed (i) seventy percent of the
10 state sales tax revenue collected by retailers and operators doing
11 business at such facilities on sales at such facilities, state sales tax
12 revenue collected on primary and secondary box office sales of admissions
13 to such facilities, and state sales tax revenue collected by associated
14 hotels and nearby retailers, (ii) one hundred fifty million dollars for
15 any one approved project, or (iii) the total cost of acquiring,
16 constructing, improving, repairing, replacing, or equipping the eligible
17 facilities of the political subdivision facility. State assistance shall
18 not be used for an operating subsidy.

19 (b) It is further the intent of the Legislature to appropriate from
20 the fund to any city of the metropolitan class for which an application
21 for state assistance under the Convention Center Facility Financing
22 Assistance Act has been approved an amount not to exceed the amount of
23 money transferred to the fund pursuant to subdivision (9)(a) of section
24 13-3108.

25 (3)(a) Ten percent of the funds appropriated to a city of the
26 metropolitan class under subdivision (2)(a) of this section and all of
27 the funds appropriated to a city of the metropolitan class under
28 subdivision (2)(b) of this section shall be equally distributed to areas
29 with a high concentration of poverty. Fifty-five percent of such funds
30 shall be used to showcase important historical aspects of such areas or
31 areas within close geographic proximity of the area with a high

1 concentration of poverty and to assist with the reduction of street and
2 gang violence in such areas. Forty-five percent of such funds shall be
3 used to assist with small business and entrepreneurship growth in such
4 areas.

5 (b) Each area with a high concentration of poverty that has been
6 distributed funds under subdivision (3)(a) of this section shall
7 establish a development fund and form a committee which shall identify
8 and research potential projects to be completed in the area with a high
9 concentration of poverty or in an area within close geographic proximity
10 of such area if the project would have a significant or demonstrable
11 impact on such area and make final determinations on the use of the funds
12 received for such projects.

13 (c) A committee formed under subdivision (3)(b) of this section
14 shall include the following members:

15 (i) The member of the city council whose district includes a
16 majority of the census tracts which each contain a percentage of persons
17 below the poverty line of greater than thirty percent, as determined by
18 the most recent federal decennial census, within the area with a high
19 concentration of poverty;

20 (ii) The commissioner of the county whose district includes a
21 majority of the census tracts which each contain a percentage of persons
22 below the poverty line of greater than thirty percent, as determined by
23 the most recent federal decennial census, within the area with a high
24 concentration of poverty;

25 (iii) Two residents of the area with a high concentration of
26 poverty, appointed by the two members of the committee described in
27 subdivisions (3)(c)(i) and (ii) of this section. Such resident members
28 shall be appointed for four-year terms. Each time a resident member is to
29 be appointed pursuant to this subdivision, the committee shall solicit
30 applications from interested individuals by posting notice of the open
31 position on the city's website and on the city's official social media

1 accounts, if any, and by publishing the notice in a legal newspaper in or
2 of general circulation in the area with a high concentration of poverty.
3 Applications may be submitted to either of the committee members
4 described in subdivisions (3)(c)(i) and (ii) of this section. Prior to
5 making any appointment, the committee shall hold a public hearing in the
6 area with a high concentration of poverty. Notice of the hearing shall be
7 provided, at least seven days prior to the hearing, by posting the notice
8 on the city's website and on the city's official social media accounts,
9 if any, and by publishing the notice in a legal newspaper in or of
10 general circulation in the area with a high concentration of poverty; and

11 (iv) The member of the Legislature whose district includes a
12 majority of the census tracts which each contain a percentage of persons
13 below the poverty line of greater than thirty percent, as determined by
14 the most recent federal decennial census, within the area with a high
15 concentration of poverty. The member described in this subdivision shall
16 be a nonvoting member of the committee.

17 (d) A committee formed under subdivision (3)(b) of this section
18 shall solicit project ideas from the public and shall hold a public
19 hearing in the area with a high concentration of poverty. Notice of a
20 proposed hearing shall be provided in accordance with the procedures for
21 notice of a public hearing pursuant to section 18-2115.01. The committee
22 shall research potential projects and make the final determination
23 regarding the annual distribution of funding to such projects.

24 (e) For any committee formed under subdivision (3)(b) of this
25 section:

26 (i) The two committee members described in subdivisions (3)(c)(i)
27 and (ii) of this section shall share joint responsibility of all
28 committee operations and meetings. Applications for funding may be
29 submitted to either of such members; and

30 (ii) All applications, reports, and other records of the committee
31 shall be accessible to any member of the committee.

1 (f) Each recipient of funding from a committee formed under
2 subdivision (3)(b) of this section shall submit an itemized report to
3 such committee on the use of such funds. A recipient shall not be
4 eligible to receive funding for more than three consecutive years unless
5 such recipient is able to justify continued funding based on the
6 following criteria:

7 (i) The number of people served by the project;

8 (ii) The relevance and scale of the project;

9 (iii) The desirability of the social or environmental outcomes of
10 the project and how such outcomes will be achievable and measurable;

11 (iv) The economic impact on the area with a high concentration of
12 poverty; and

13 (v) The recipient's sustainability plan.

14 (g) On or before July 1, 2022, and on or before July 1 of each year
15 thereafter, a committee formed under subdivision (3)(b) of this section
16 shall electronically submit a report to the Legislature which includes:

17 (i) A description of the projects that were funded during the most
18 recently completed calendar year;

19 (ii) A description of where such projects were located;

20 (iii) A description of the outcomes of such projects; and

21 (iv) A ten-year strategic plan on how the committee plans to meet
22 the goals described in subdivision (3)(a) of this section.

23 (h) For purposes of this subsection, an area with a high
24 concentration of poverty means an area within the corporate limits of a
25 city of the metropolitan class consisting of one or more contiguous
26 census tracts, as determined by the most recent federal decennial census,
27 which contain a percentage of persons below the poverty line of greater
28 than thirty percent, and all census tracts contiguous to such tract or
29 tracts, as determined by the most recent federal decennial census.

30 (4)(a) Ten percent of the funds appropriated to a city of the
31 primary class under subdivision (2)(a) of this section may, if the city

1 determines by consent of the city council that such funds are not
2 currently needed for the purposes described in section 13-2604, be used
3 as follows:

4 (i) For investment in the construction of qualified low-income
5 housing projects as defined in 26 U.S.C. 42, including qualified projects
6 receiving Nebraska affordable housing tax credits under the Affordable
7 Housing Tax Credit Act; or

8 (ii) If there are no such qualified low-income housing projects as
9 defined in 26 U.S.C. 42 being constructed or expected to be constructed
10 within the political subdivision, for investment in areas with a high
11 concentration of poverty to assist with low-income housing needs.

12 (b) For purposes of this subsection, an area with a high
13 concentration of poverty means an area within the corporate limits of a
14 city of the primary class consisting of one or more contiguous census
15 tracts, as determined by the most recent American Community Survey 5-Year
16 Estimate, which contain a percentage of persons below the poverty line of
17 greater than thirty percent, and all census tracts contiguous to such
18 tract or tracts, as determined by the most recent American Community
19 Survey 5-Year Estimate.

20 (5) State assistance to the political subdivision shall no longer be
21 available upon the retirement of the bonds issued to acquire, construct,
22 improve, repair, replace, or equip all of the political subdivision's
23 facilities ~~facility~~ or any subsequent bonds that refunded the original
24 issue or when state assistance reaches the amount determined under
25 subdivision (2)(a) of this section, whichever comes first.

26 (6) The remaining thirty percent of state sales tax revenue
27 collected by retailers and operators doing business at such facilities on
28 sales at such facilities, state sales tax revenue collected on primary
29 and secondary box office sales of admissions to such facilities, and
30 state sales tax revenue collected by associated hotels and nearby
31 retailers, shall be appropriated by the Legislature to the Civic and

1 Community Center Financing Fund. Upon the annual certification required
2 pursuant to section 13-2609 and following the transfer to the Convention
3 Center Support Fund required pursuant to subsection (1) of this section,
4 the State Treasurer shall transfer an amount equal to the remaining
5 thirty percent from the Convention Center Support Fund to the Civic and
6 Community Center Financing Fund.

7 (7) Any municipality that has applied for and received a grant of
8 assistance under the Civic and Community Center Financing Act may not
9 receive state assistance under the Convention Center Facility Financing
10 Assistance Act.

11 Sec. 22. Section 13-2611, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 13-2611 (1) The applicant political subdivision may issue from time
14 to time its bonds and refunding bonds to finance and refinance the
15 acquisition, construction, improving, repairing, replacing, and equipping
16 of eligible facilities and appurtenant public facilities that are a part
17 of the same project or projects. The bonds may be sold by the applicant
18 in such manner and for such price as the applicant determines, at a
19 discount, at par, or at a premium, at private negotiated sale or at
20 public sale, after notice published prior to the sale in a legal
21 newspaper having general circulation in the political subdivision or in
22 such other medium of publication of notice of sale as the applicant deems
23 appropriate. The bonds shall have a stated maturity of forty ~~thirty~~ years
24 or less and shall bear interest at such rate or rates and otherwise be
25 issued in accordance with the respective procedures and with such other
26 terms and provisions as are established, permitted, or authorized by
27 applicable state laws and home rule charters for the type of bonds to be
28 issued. Such bonds may be secured as to payment in whole or in part by a
29 pledge, as shall be determined by the applicant, from the income,
30 proceeds, and revenue of the eligible facilities financed with proceeds
31 of such bonds, from the income, proceeds, and revenue of any of its

1 eligible facilities, or from its revenue and income, including its sales,
2 use, or occupation tax revenue, fees, appropriations, or receipts, as may
3 be determined by the applicant. The applicant may further secure the
4 bonds by a mortgage or deed of trust encumbering all or any portion of
5 the eligible facilities and by a bond insurance policy or other credit
6 support facility. No general obligation bonds, except refunding bonds,
7 shall be issued until authorized by greater than fifty percent of the
8 applicant's electors voting on the question as to their issuance at any
9 election as defined in section 32-108. The face of the bonds shall
10 plainly state that the bonds and the interest thereon shall not
11 constitute nor give rise to an indebtedness, obligation, or pecuniary
12 liability of the state nor a charge against the general credit, revenue,
13 or taxing power of the state. Bonds of the applicant are declared to be
14 issued for an essential public and governmental purpose and, together
15 with interest thereon and income therefrom, shall be exempt from all
16 state income taxes.

17 (2) All payments to political subdivisions under the Convention
18 Center Facility Financing Assistance Act are made subject to specific
19 appropriation for such purpose. Nothing in the act precludes the
20 Legislature from amending or repealing the act at any time.

21 Sec. 23. Section 13-2612, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 13-2612 The board shall not accept applications for assistance under
24 the Convention Center Facility Financing Assistance Act after December
25 31, 2030 ~~2012~~.

26 Sec. 24. Section 13-2706, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 13-2706 (1) Except as provided in subsection (2) of this section for
29 a city of the primary class, any municipality that has applied for and
30 received a grant of assistance under the Sports Arena Facility Financing
31 Assistance Act shall not receive state assistance under the Civic and

1 Community Center Financing Act for the same project for which the grant
2 was awarded under the Sports Arena Facility Financing Assistance Act.

3 (2) A city of the primary class shall not be eligible to receive a
4 grant of assistance from the Civic and Community Center Financing Act if
5 the city has applied for and received a grant of assistance under the
6 Sports Arena Facility Financing Assistance Act.

7 (3) Any city that has received funding under the Convention Center
8 Facility Financing Assistance Act shall not receive state assistance
9 under the Civic and Community Center Financing Act.

10 (4) From July 1, 2023, to June 30, 2024, a municipality shall be
11 eligible for a grant of assistance under the Civic and Community Center
12 Financing Act only if such municipality (a) partners with a certified
13 creative district and (b) is not prohibited from receiving a grant of
14 assistance under subsection (1), (2), or (3) of this section.
15 Notwithstanding the limitations on the amount of grants of assistance in
16 section 13-2705, the department may award grants of assistance to
17 qualifying municipalities in amounts set by the Nebraska Arts Council,
18 which shall not be less than one hundred thousand dollars. The department
19 shall coordinate with the Nebraska Arts Council for purposes of setting
20 such amounts ~~amount of any grant of assistance for a municipality~~
21 ~~partnering with a certified creative district shall not be less than one~~
22 ~~hundred thousand dollars or more than two hundred fifty thousand dollars,~~
23 ~~regardless of the population of the municipality.~~ For purposes of this
24 subsection, certified creative district means a creative district
25 certified pursuant to subdivision (5) of section 82-312. After June 30,
26 2024, this subsection no longer applies.

27 (5) Any municipality eligible for a grant of assistance as provided
28 in this section may apply for a grant of assistance from the fund. Any
29 tribal government may apply for a grant of assistance from the fund.
30 Application shall be made on forms developed by the department.

31 Sec. 25. Section 13-3102, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 13-3102 For purposes of the Sports Arena Facility Financing
3 Assistance Act:

4 (1) Applicant means:

5 (a) A political subdivision; or

6 (b) A political subdivision and nonprofit organization that jointly
7 submit an application under the act;

8 (2) Board means a board consisting of the Governor, the State
9 Treasurer, the chairperson of the Nebraska Investment Council, the
10 chairperson of the Nebraska State Board of Public Accountancy, and a
11 professor of economics on the faculty of a state postsecondary
12 educational institution appointed to a two-year term on the board by the
13 Coordinating Commission for Postsecondary Education. For administrative
14 and budget purposes only, the board shall be considered part of the
15 Department of Revenue;

16 (3) Bond means a general obligation bond, redevelopment bond, lease-
17 purchase bond, revenue bond, or combination of any such bonds;

18 (4) Concert venue means any enclosed, temperature-controlled
19 building that is primarily used for live performances with an indoor
20 capacity of at least two thousand two hundred fifty but no more than
21 three thousand five hundred persons;

22 (5) (4) Court means a rectangular hard surface primarily used
23 indoors for competitive sports, including, but not limited to,
24 basketball, volleyball, or tennis;

25 (6) (5) Date that the project commenced means the date when a
26 project starts as specified by a contract, resolution, or formal public
27 announcement;

28 (7) (6) Economic redevelopment area means an area in the State of
29 Nebraska in which:

30 (a) The average rate of unemployment in the area during the period
31 covered by the most recent federal decennial census or American Community

1 Survey 5-Year Estimate by the United States Bureau of the Census is at
2 least one hundred fifty percent of the average rate of unemployment in
3 the state during the same period; and

4 (b) The average poverty rate in the area is twenty percent or more
5 for the federal census tract in the area;

6 (8) ~~(7)~~ Eligible sports arena facility means:

7 (a) Any publicly owned, enclosed, and temperature-controlled
8 building primarily used for sports that has a permanent seating capacity
9 of at least three thousand but no more than seven thousand seats and in
10 which initial occupancy occurs on or after July 1, 2010, including
11 stadiums, arenas, dressing and locker facilities, concession areas,
12 parking facilities, nearby parking facilities for the use of the eligible
13 sports arena facility, and onsite administrative offices connected with
14 operating the facilities;

15 (b) Any racetrack enclosure licensed by the State Racing and Gaming
16 Commission in which initial occupancy occurs on or after July 1, 2010,
17 including concession areas, parking facilities, and onsite administrative
18 offices connected with operating the racetrack;~~and~~

19 (c) Any sports complex, including concession areas, parking
20 facilities, and onsite administrative offices connected with operating
21 the sports complex; and

22 (d) Any privately owned concert venue, including stages, dressing
23 rooms, concession areas, parking facilities, lobby areas, and onsite
24 administrative offices used in operating the concert venue;

25 (9) ~~(8)~~ General obligation bond means any bond or refunding bond
26 issued by a political subdivision and which is payable from the proceeds
27 of an ad valorem tax;

28 (10) ~~(9)~~ Increase in state sales tax revenue means the amount of
29 state sales tax revenue collected by a nearby retailer during the fiscal
30 year for which state assistance is calculated minus the amount of state
31 sales tax revenue collected by the nearby retailer in the fiscal year

1 that ended immediately preceding the project completion date of the
2 eligible sports arena facility, except that the amount of state sales tax
3 revenue of a nearby retailer shall not be less than zero;

4 (11) ~~(10)~~ Multipurpose field means a rectangular field of grass or
5 synthetic turf which is primarily used for competitive field sports,
6 including, but not limited to, soccer, football, flag football, lacrosse,
7 or rugby;

8 (12) ~~(11)~~ Nearby parking facility means any parking lot, parking
9 garage, or other parking structure that is not directly connected to an
10 eligible sports arena facility but which is located, in whole or in part,
11 within seven hundred yards of an eligible sports arena facility, measured
12 from any point of the exterior perimeter of such facility but not from
13 any other parking facility or other structure;

14 (13) ~~(12)~~ Nearby retailer means a retailer as defined in section
15 77-2701.32 that is located within the program area. The term includes a
16 subsequent owner of a nearby retailer operating at the same location;

17 (14) ~~(13)~~ New state sales tax revenue means:

18 (a) For any eligible sports arena facility that is not a sports
19 complex:

20 (i) One hundred percent of the state sales tax revenue that (A) is
21 collected by a nearby retailer that commenced collecting state sales tax
22 during the period of time beginning twenty-four months prior to the
23 project completion date of the eligible sports arena facility and ending
24 forty-eight months after the project completion date of the eligible
25 sports arena facility or, for applications for state assistance approved
26 prior to October 1, 2016, forty-eight months after October 1, 2016, and
27 (B) is sourced under sections 77-2703.01 to 77-2703.04 to the program
28 area; and

29 (ii) The increase in state sales tax revenue that (A) is collected
30 by a nearby retailer that commenced collecting state sales tax prior to
31 twenty-four months prior to the project completion date of the eligible

1 sports arena facility and (B) is sourced under sections 77-2703.01 to
2 77-2703.04 to the program area; or

3 (b) For any eligible sports arena facility that is a sports complex,
4 one hundred percent of the state sales tax revenue that (i) is collected
5 by a nearby retailer that commenced collecting state sales tax during the
6 period of time beginning on the date that the project commenced and
7 ending forty-eight months after the project completion date of the
8 eligible sports arena facility and (ii) is sourced under sections
9 77-2703.01 to 77-2703.04 to the program area;

10 ~~(15)~~ ~~(14)~~ Political subdivision means any city, village, or county;

11 ~~(16)~~ ~~(15)~~ Program area means:

12 (a) For any eligible sports arena facility that is not a sports
13 complex:

14 (i) For applications for state assistance submitted prior to October
15 1, 2016, the area that is located within six hundred yards of an eligible
16 sports arena facility, measured from any point of the exterior perimeter
17 of the facility but not from any parking facility or other structure; or

18 (ii) For applications for state assistance submitted on or after
19 October 1, 2016, the area that is located within six hundred yards of an
20 eligible sports arena facility, measured from any point of the exterior
21 perimeter of the facility but not from any parking facility or other
22 structure, except that if twenty-five percent or more of such area is
23 unbuildable property, then the program area shall be adjusted so that:

24 (A) It avoids as much of the unbuildable property as is practical;
25 and

26 (B) It contains contiguous property with the same total amount of
27 square footage that the program area would have contained had no
28 adjustment been necessary; or

29 (b) For any eligible sports arena facility that is a sports complex,
30 the area that is located within six hundred yards of an eligible sports
31 arena facility, measured from any point of the exterior boundary or

1 property line of the facility.

2 Approval of an application for state assistance by the board
3 pursuant to section 13-3106 shall establish the program area as that area
4 depicted in the map accompanying the application for state assistance as
5 submitted pursuant to subdivision (2)(c) of section 13-3104;

6 (17) ~~(16)~~ Project completion date means:

7 (a) For projects involving the acquisition or construction of an
8 eligible sports arena facility, the date of initial occupancy of the
9 facility following the completion of such acquisition or construction; or

10 (b) For all other projects, the date of completion of the project
11 for which state assistance is received;

12 (18) ~~(17)~~ Revenue bond means any bond or refunding bond issued by a
13 political subdivision which is limited or special rather than a general
14 obligation bond of the political subdivision and which is not payable
15 from the proceeds of an ad valorem tax;

16 (19) ~~(18)~~ Sports complex means a facility that:

17 (a) Includes indoor areas, outdoor areas, or both;

18 (b) Is primarily used for competitive sports; and

19 (c) Contains at least:

20 (i) Twelve separate sports venues if such facility is located in a
21 city of the metropolitan class;

22 (ii) Six separate sports venues if such facility is located in a
23 city of the primary class; or

24 (iii) Four separate sports venues if such facility is located (A) in
25 a city of the first class, city of the second class, or village, (B)
26 within a county but outside the corporate limits of any city or village,
27 (C) in an economic redevelopment area, or (D) in an opportunity zone
28 designated pursuant to the federal Tax Cuts and Jobs Act, Public Law
29 115-97;

30 (20) ~~(19)~~ Sports venue includes, but is not limited to:

31 (a) A baseball field;

- 1 (b) A softball field;
- 2 (c) A multipurpose field;
- 3 (d) An outdoor stadium primarily used for competitive sports;
- 4 (e) An outdoor arena primarily used for competitive sports; or
- 5 (f) An enclosed, temperature-controlled building primarily used for
- 6 competitive sports. If any such building contains more than one
- 7 multipurpose field, court, swimming pool, or other facility primarily
- 8 used for competitive sports, then each such multipurpose field, court,
- 9 swimming pool, or facility shall count as a separate sports venue; and

10 (21) ~~(20)~~ Unbuildable property means any real property that is
11 located in a floodway, an environmentally protected area, a right-of-way,
12 or a brownfield site as defined in 42 U.S.C. 9601 that the political
13 subdivision determines is not suitable for the construction or location
14 of residential, commercial, or other buildings or facilities.

15 Sec. 26. Section 13-3103, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 13-3103 (1) Any applicant may apply to the board for state
18 assistance if that has (a) the applicant has acquired, constructed,
19 improved, or equipped an eligible sports arena facility, (b) the
20 applicant has approved a revenue bond issue or a general obligation bond
21 issue to acquire, construct, improve, or equip an eligible sports arena
22 facility, ~~or~~ (c) the applicant has adopted a resolution authorizing the
23 applicant to pursue a general obligation bond issue to acquire,
24 construct, improve, or equip an eligible sports arena facility, or (d) a
25 building permit has been issued within the applicant's jurisdiction for
26 an eligible sports arena facility that is a privately owned concert venue
27 may apply to the board for state assistance.

28 (2) The state assistance shall only be used by the applicant to pay
29 back amounts expended or borrowed through one or more issues of bonds to
30 be expended by the applicant to acquire, construct, improve, or equip the
31 eligible sports arena facility and to acquire, construct, improve, or

1 equip nearby parking facilities.

2 (3) For an eligible sports arena facility that is a privately owned
3 concert venue, the state assistance shall only be used by the applicant
4 (a) to pay back amounts expended or borrowed through one or more issues
5 of bonds to be expended by the applicant to acquire, construct, improve,
6 or equip a nearby parking facility or (b) to promote arts and cultural
7 events which are open to or made available to the general public.

8 (4) ~~(3)~~ For applications for state assistance approved on or after
9 October 1, 2016, (a) no more than fifty percent of the final cost of the
10 project shall be funded by state assistance received pursuant to section
11 13-3108 and (b) no more than ten years of funding for promotion of the
12 arts and cultural events shall be paid by state assistance received
13 pursuant to section 13-3108.

14 Sec. 27. Section 13-3104, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 13-3104 (1) All applications for state assistance under the Sports
17 Arena Facility Financing Assistance Act shall be in writing and shall
18 include a certified copy of the approving action of the governing body of
19 the applicant describing the proposed project for which state assistance
20 is requested and the anticipated financing.

21 (2) Except as provided in subsection (3) of this section, the The
22 application shall contain:

23 (a) A description of the proposed financing of the project,
24 including the estimated principal and interest requirements for the bonds
25 proposed to be issued in connection with the project or the amounts
26 necessary to repay the original investment by the applicant in the
27 project;

28 (b) Documentation of local financial commitment to support the
29 project, including all public and private resources pledged or committed
30 to the project and including a copy of any operating agreement or lease
31 with substantial users of the eligible sports arena facility;

1 (c) For applications submitted on or after October 1, 2016, a map
2 identifying the program area, including any unbuildable property within
3 the program area or taken into account in adjusting the program area as
4 described in subdivision (16)(a)(ii) ~~(15)(a)(ii)~~ of section 13-3102; and

5 (d) Any other project information deemed appropriate by the board.

6 (3) If the state assistance will be used to provide funding for
7 promotion of the arts and cultural events, the application shall contain:

8 (a) A detailed description of the programs contemplated and how such
9 programs will be in furtherance of the applicant's public use or public
10 purpose if such funds are to be expended through one or more private
11 organizations; and

12 (b) Any other program information deemed appropriate by the board.

13 (4) ~~(3)~~ Upon receiving an application for state assistance, the
14 board shall review the application and notify the applicant of any
15 additional information needed for a proper evaluation of the application.

16 (5) ~~(4)~~ Any state assistance received pursuant to the act shall be
17 used only for public purposes.

18 Sec. 28. Section 13-3108, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 13-3108 (1) The Sports Arena Facility Support Fund is created. Any
21 money in the fund available for investment shall be invested by the state
22 investment officer pursuant to the Nebraska Capital Expansion Act and the
23 Nebraska State Funds Investment Act.

24 (2)(a) Upon receiving the certification described in subsection (3)
25 of section 13-3107, the State Treasurer shall transfer the amount
26 certified to the fund.

27 (b) Upon receiving the quarterly certification described in
28 subsection (4) of section 13-3107, the State Treasurer shall transfer the
29 amount certified to the fund.

30 (3)(a) It is the intent of the Legislature to appropriate from the
31 fund money to be distributed as provided in subsections (4) and (5) of

1 this section to any political subdivision for which an application for
2 state assistance under the Sports Arena Facility Financing Assistance Act
3 has been approved an amount not to exceed seventy percent of the (i)
4 state sales tax revenue collected by retailers doing business at eligible
5 sports arena facilities on sales at such facilities, (ii) state sales tax
6 revenue collected on primary and secondary box office sales of admissions
7 to such facilities, and (iii) new state sales tax revenue collected by
8 nearby retailers and sourced under sections 77-2703.01 to 77-2703.04 to
9 the program area.

10 (b) The amount to be appropriated for distribution as state
11 assistance to a political subdivision under this subsection for any one
12 year after the tenth year shall not exceed the highest such amount
13 appropriated under subdivision (3)(a) of this section during any one year
14 of the first ten years of such appropriation. If seventy percent of the
15 state sales tax revenue as described in subdivision (3)(a) of this
16 section exceeds the amount to be appropriated under this subdivision,
17 such excess funds shall be transferred to the General Fund.

18 (4) The amount certified under subsection (3) of section 13-3107
19 shall be distributed as state assistance on or before April 15, 2014.

20 (5) Beginning in 2014, quarterly distributions and associated
21 transfers of state assistance shall be made. Such quarterly distributions
22 and transfers shall be based on the certifications provided under
23 subsection (4) of section 13-3107 and shall occur within fifteen days
24 after receipt of such certification.

25 (6) The total amount of state assistance approved for an eligible
26 sports arena facility shall not exceed one hundred million dollars.

27 (7)(a) ~~(7)~~ State assistance to the political subdivision shall no
28 longer be available upon the retirement of the bonds issued to acquire,
29 construct, improve, or equip the facility or any subsequent bonds that
30 refunded the original issue or when state assistance reaches the amount
31 determined under subsection (6) of this section, whichever comes first.

1 (b) If the state assistance will be used to provide funding for
2 promotion of the arts and cultural events, such state assistance to the
3 political subdivision shall no longer be available after ten years of
4 funding or when state assistance reaches the amount determined under
5 subsection (6) of this section, whichever comes first.

6 (8) State assistance shall not be used for an operating subsidy.

7 (9) The thirty percent of state sales tax revenue remaining after
8 the appropriation and transfer in subsection (3) of this section shall be
9 appropriated by the Legislature and transferred quarterly as follows:

10 (a) If the revenue relates to an eligible sports arena facility that
11 is a sports complex and that is approved for state assistance under
12 section 13-3106 on or after May 26, 2021, eighty-three percent of such
13 revenue shall be transferred to the Support the Arts Cash Fund and
14 seventeen percent of such revenue shall be transferred to the Convention
15 Center Support Fund; and

16 (b) If the revenue relates to any other eligible sports arena
17 facility, such revenue shall be transferred to the Civic and Community
18 Center Financing Fund.

19 (10) Except as provided in subsection (11) of this section for a
20 city of the primary class, any municipality that has applied for and
21 received a grant of assistance under the Civic and Community Center
22 Financing Act shall not receive state assistance under the Sports Arena
23 Facility Financing Assistance Act for the same project for which the
24 grant was awarded under the Civic and Community Center Financing Act.

25 (11) A city of the primary class shall not be eligible to receive a
26 grant of assistance from the Civic and Community Center Financing Act if
27 the city has applied for and received a grant of assistance under the
28 Sports Arena Facility Financing Assistance Act.

29 Sec. 29. The Legislature finds that safe and modern highway
30 infrastructure is of great importance to Nebraska's residents,
31 agricultural economy, business economy, and future economic growth.

1 Furthermore, the Legislature finds that it is in the interest of Nebraska
2 taxpayers to leverage interest rates to offset the challenges that
3 construction inflation and uncertain federal highway funding pose to
4 adequately financing the state's infrastructure needs. It is the intent
5 of the Legislature to conservatively utilize bond financing by issuing
6 bonds, not to exceed four hundred fifty million dollars in principal and
7 thirty-five million dollars in annual debt service for a period of not
8 more than nineteen years, in order to accelerate completion of the
9 highway construction projects identified and to be identified for funding
10 under the Build Nebraska Act.

11 Sec. 30. Upon the written recommendation of the Department of
12 Transportation, the commission, acting for and on behalf of the state,
13 may issue from time to time bonds under the Nebraska Highway Bond Act by
14 resolution as described in section 39-2209 in such principal amounts as
15 determined by the commission for the purpose of accelerating completion
16 of the highway construction projects identified and to be identified for
17 funding under the Build Nebraska Act. The principal amounts, interest
18 rates, maturities, redemption provisions, sale prices, and other terms of
19 the bonds so authorized to be issued shall be in accordance with terms or
20 conditions established by the commission. No bonds shall be issued after
21 June 30, 2029, except for refunding bonds issued in accordance with the
22 Nebraska Highway Bond Act. The proceeds from the sale of any bonds
23 issued, net of costs of issuance, capitalized interest, and necessary or
24 appropriate reserve funds, shall be deposited in the State Highway
25 Capital Improvement Fund for use pursuant to the Build Nebraska Act. The
26 commission is hereby granted all powers necessary or convenient to carry
27 out the purposes and exercise the powers granted by the Nebraska Highway
28 Bond Act. Bonds shall be paid off by June 30, 2042.

29 Sec. 31. The bonds issued pursuant to section 30 of this act shall
30 be special obligations of the state payable solely and only from the
31 State Highway Capital Improvement Fund and any other funds specifically

1 pledged by the commission for such purpose, and neither the members of
2 the commission nor any person executing the bonds shall be liable
3 thereon. Such bonds shall not be a general obligation or debt of the
4 state, and they shall contain on the face thereof a statement to such
5 effect. Such bonds, and the transfer of and the income from any such
6 bonds, shall be exempt from all taxation and assessments in this state.
7 In the resolution authorizing the bonds, the commission may waive the
8 exemption from federal income taxation for interest on the bonds.

9 Sec. 32. Section 39-2205, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 39-2205 Bonds may be issued under the Nebraska Highway Bond Act only
12 to the extent that the annual aggregate principal and interest
13 requirements, in the calendar year in which such bonds are issued and in
14 each calendar year thereafter until the scheduled maturity of such bonds,
15 on such bonds and on all other bonds theretofore issued and to be
16 outstanding and unpaid upon the issuance of such bonds shall not exceed
17 the amount which is equal to fifty percent of the money deposited in the
18 fund, the State Highway Capital Improvement Fund, or the bond fund, as
19 the case may be, from which such bonds shall be paid during the calendar
20 year preceding the issuance of the bonds proposed to be issued. This
21 section shall not apply to the first issuance of each series of bonds
22 authorized by the Legislature.

23 If short-term bonds are issued in anticipation of the issuance of
24 long-term refunding bonds and such short-term bonds are secured by
25 insurance or a letter of credit or similar guarantee issued by a
26 financial institution rated by a national rating agency in one of the two
27 highest categories of bond ratings, then, for the purposes of the
28 Nebraska Highway Bond Act, when determining the amount of short-term
29 bonds that may be issued and the amount of taxes, fees, or other money to
30 be deposited in any fund for the payment of bonds issued under the act,
31 the annual aggregate principal and interest payments on the short-term

1 bonds shall be deemed to be such payments thereon, except that the final
2 principal payment shall not be that specified in the short-term bonds but
3 shall be the principal and all interest payments required to reimburse
4 the issuer of the insurance policy or letter of credit or similar
5 guarantee pursuant to the reimbursement agreement between the commission
6 and such issuer.

7 Sec. 33. Section 39-2209, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 39-2209 Any resolution or resolutions of the commission authorizing
10 any bonds or any issue thereof may contain provisions, consistent with
11 the Nebraska Highway Bond Act and not in derogation or limitation of such
12 act, which shall be a part of the contract with the holders thereof, as
13 to:

14 (1) Pledging all or any part of the money in the fund, the State
15 Highway Capital Improvement Fund, or the ~~or~~ bond fund, as the case may
16 be, to secure the payment of the bonds, subject to such agreements with
17 the bondholders as may then prevail;

18 (2) The use and disposition of money in the fund, the State Highway
19 Capital Improvement Fund, or the ~~or~~ bond fund;

20 (3) The setting aside of reserves, sinking funds, or arbitrage
21 rebate funds and the funding, regulation, and disposition thereof;

22 (4) Limitations on the purpose to which the proceeds from the sale
23 of bonds may be applied;

24 (5) Limitations on the issuance of additional bonds and on the
25 retirement of outstanding or other bonds pursuant to the Nebraska Highway
26 Bond Act;

27 (6) The procedure by which the terms of any agreement with
28 bondholders may be amended or abrogated, the amount of bonds the holders
29 of which must consent thereto, and the manner in which such consent may
30 be given;

31 (7) Vesting in a bank or trust company as paying agent such rights,

1 powers, and duties as the commission may determine, vesting in a trustee
2 appointed by the bondholders pursuant to the Nebraska Highway Bond Act
3 such rights, powers, and duties as the commission may determine, and
4 limiting or abrogating the right of the bondholders to appoint a trustee
5 under such act or limiting the rights, powers, and duties of such
6 trustee;

7 (8) Providing for a municipal bond insurance policy, surety bond,
8 letter of credit, or other credit support facility or liquidity facility;
9 and

10 (9) Any other matters, of like or different character, which in any
11 way affect the security or protection of the bonds.

12 Sec. 34. Section 39-2211, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 39-2211 In addition to the powers conferred upon the commission to
15 secure the bonds in the Nebraska Highway Bond Act, the commission shall
16 have power in connection with the issuance of bonds to enter into such
17 agreements, consistent with the act and not in derogation or limitation
18 of the act, as it may deem necessary, convenient, or desirable concerning
19 the use or disposition of the money in the fund, the State Highway
20 Capital Improvement Fund, or the ~~or~~ bond fund including the pledging or
21 creation of any security interest in such money and the doing of or
22 refraining from doing any act which the commission would have the right
23 to do to secure the bonds in the absence of such agreements. The
24 commission shall have the power to enter into amendments of any such
25 agreements, consistent with the Nebraska Highway Bond Act and not in
26 derogation or limitation of the act, within the powers granted to the
27 commission by the act and to perform such agreements. The provisions of
28 any such agreements may be made a part of the contract with the holders
29 of the bonds.

30 Sec. 35. Section 39-2212, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 39-2212 Any pledge or security instrument made by the commission
2 shall be valid and binding from the time when the pledge or security
3 instrument is made. The money in the fund, the State Highway Capital
4 Improvement Fund, or the ~~or~~ bond fund so pledged and entrusted shall
5 immediately be subject to the lien of such pledge or security instrument
6 upon the deposit thereof in the fund without any physical delivery
7 thereof or further act. The lien of any such pledge or security
8 instrument shall be valid and binding as against all parties having
9 subsequently arising claims of any kind in tort, contract, or otherwise,
10 irrespective of whether such parties have notice thereof. Neither the
11 resolution nor any security instrument or other instrument by which a
12 pledge or other security is created need be recorded or filed and the
13 commission shall not be required to comply with any of the provisions of
14 the Uniform Commercial Code.

15 Sec. 36. Section 39-2213, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 39-2213 The bonds shall be special obligations of the state payable
18 solely and only from the fund, the State Highway Capital Improvement
19 Fund, or the ~~or~~ bond fund, as the case may be, and neither the members of
20 the commission nor any person executing the bonds shall be liable
21 thereon. Such bonds shall not be a general obligation debt of this state
22 and they shall contain on the face thereof a statement to such effect.

23 Sec. 37. Section 39-2215, Revised Statutes Cumulative Supplement,
24 2022, is amended to read:

25 39-2215 (1) There is hereby created in the state treasury a special
26 fund to be known as the Highway Trust Fund.

27 (2) Except as provided in subsection (4) of this section, all ~~All~~
28 funds credited to the Highway Trust Fund pursuant to sections 66-489.02,
29 66-499, 66-4,140, 66-4,147, 66-6,108, and 66-6,109.02, and related
30 penalties and interest, shall be allocated as provided in such sections.

31 (3) All sums of money credited to the Highway Trust Fund pursuant to

1 subdivision (2)(c) of section 77-27,132 shall only be allocated to the
2 Highway Cash Fund and shall not be used for the purposes described in
3 subsection (4) of this section.

4 (4) The State Treasurer shall monthly credit, from those portions of
5 the Highway Trust Fund otherwise allocated to the Highway Cash Fund, to
6 the State Highway Capital Improvement Fund an amount equal to the sums of
7 money credited to the Highway Trust Fund by subdivision (2)(c) of section
8 77-27,132, but in no event less than seventy million dollars annually.
9 Such credit shall occur prior to allocating funds from the Highway Trust
10 Fund to the Highway Cash Fund. Such credited funds shall only be derived
11 from revenue closely related to the use of highways, including, but not
12 limited to, motor vehicle fuel taxes, diesel fuel taxes, compressed fuel
13 taxes, and alternative fuel fees related to highway use retained by the
14 state, all motor vehicle registration fees retained by the state other
15 than those fees credited to the State Recreation Road Fund, and other
16 highway-user taxes, fees, and penalties imposed by state law. The
17 remainder of such funds shall thereafter be credited to the Highway Cash
18 Fund.

19 (5) ~~(3)~~ All other motor vehicle fuel taxes, diesel fuel taxes,
20 compressed fuel taxes, and alternative fuel fees related to highway use
21 retained by the state, all motor vehicle registration fees retained by
22 the state other than those fees credited to the State Recreation Road
23 Fund pursuant to subdivision (3) of section 60-3,156, and other highway-
24 user taxes imposed by state law and allocated to the Highway Trust Fund,
25 except for the proceeds of the sales and use taxes derived from motor
26 vehicles, trailers, and semitrailers credited to the fund pursuant to
27 section 77-27,132, are hereby irrevocably pledged for the terms of the
28 bonds issued prior to January 1, 1988, to the payment of the principal,
29 interest, and redemption premium, if any, of such bonds as they mature
30 and become due at maturity or prior redemption and for any reserves
31 therefor and shall, as received by the State Treasurer, be deposited in

1 the fund for such purpose.

2 ~~(6)~~ ~~(4)~~ Of the money in the fund specified in subsection ~~(5)~~ ~~(3)~~ of
3 this section which is not required for the use specified in such
4 subsection, (a) an amount to be determined annually by the Legislature
5 through the appropriations process may be transferred to the Motor Fuel
6 Tax Enforcement and Collection Cash Fund for use as provided in section
7 66-739 on a monthly or other less frequent basis as determined by the
8 appropriation language, (b) an amount to be determined annually by the
9 Legislature through the appropriations process shall be transferred to
10 the License Plate Cash Fund as certified by the Director of Motor
11 Vehicles, and (c) the remaining money may be used for the purchase for
12 retirement of the bonds issued prior to January 1, 1988, in the open
13 market.

14 ~~(7)~~ ~~(5)~~ The State Treasurer shall monthly transfer, from the
15 proceeds of the sales and use taxes credited to the Highway Trust Fund
16 and any money remaining in the fund after the requirements of subsections
17 ~~(2)~~ through ~~(6)~~ ~~(4)~~ of this section are satisfied, thirty thousand
18 dollars to the Grade Crossing Protection Fund.

19 ~~(8)~~ ~~(6)~~ Except as provided in subsection ~~(9)~~ ~~(7)~~ of this section,
20 the balance of the Highway Trust Fund shall be allocated fifty-three and
21 one-third percent, less the amount provided for in section 39-847.01, to
22 the Department of Transportation, twenty-three and one-third percent,
23 less the amount provided for in section 39-847.01, to the various
24 counties for road purposes, and twenty-three and one-third percent to the
25 various municipalities for street purposes. If bonds are issued pursuant
26 to subsection (2) of section 39-2223, the portion allocated to the
27 department shall be credited monthly to the Highway Restoration and
28 Improvement Bond Fund, and if no bonds are issued pursuant to such
29 subsection, the portion allocated to the department shall be credited
30 monthly to the Highway Cash Fund. The portions allocated to the counties
31 and municipalities shall be credited monthly to the Highway Allocation

1 Fund and distributed monthly as provided by law. Vehicles accorded
2 prorated registration pursuant to section 60-3,198 shall not be included
3 in any formula involving motor vehicle registrations used to determine
4 the allocation and distribution of state funds for highway purposes to
5 political subdivisions.

6 (9) ~~(7)~~ If it is determined by December 20 of any year that a county
7 will receive from its allocation of state-collected highway revenue and
8 from any funds relinquished to it by municipalities within its boundaries
9 an amount in such year which is less than such county received in state-
10 collected highway revenue in calendar year 1969, based upon the 1976 tax
11 rates for highway-user fuels and registration fees, the department shall
12 notify the State Treasurer that an amount equal to the sum necessary to
13 provide such county with funds equal to such county's 1969 highway
14 allocation for such year shall be transferred to such county from the
15 Highway Trust Fund. Such makeup funds shall be matched by the county as
16 provided in sections 39-2501 to 39-2510. The balance remaining in the
17 fund after such transfer shall then be reallocated as provided in
18 subsection (8) ~~(6)~~ of this section.

19 (10) ~~(8)~~ The State Treasurer shall disburse the money in the Highway
20 Trust Fund as directed by resolution of the commission. All disbursements
21 from the fund shall be made by electronic funds transfer by the Director
22 of Administrative Services. Any money in the fund available for
23 investment shall be invested by the state investment officer pursuant to
24 the Nebraska Capital Expansion Act and the Nebraska State Funds
25 Investment Act and the earnings, if any, credited to the fund.

26 Sec. 38. (1) If bonds are issued pursuant to subsection (3) of
27 section 39-2223, seventy million dollars of the funds annually retained
28 by the state and allocated to the State Highway Capital Improvement Fund
29 pursuant to subsection (4) of section 39-2215 shall be hereby irrevocably
30 pledged for the terms of the bonds to the payment of the principal,
31 interest, and redemption premium, if any, of such bonds as they mature

1 and become due at maturity or prior redemption and for any reserves
2 therefor and shall, as received by the State Treasurer, be deposited
3 directly in the State Highway Capital Improvement Fund for such purpose.
4 Of the money in the State Highway Capital Improvement Fund not required
5 for such purpose, such remaining money may be used as prescribed in
6 section 39-2704.

7 (2) The State Treasurer shall disburse the money in the State
8 Highway Capital Improvement Fund as directed by resolution of the
9 commission. All disbursements from the State Highway Capital Improvement
10 Fund shall be made upon warrants drawn by the Director of Administrative
11 Services. Any money in the State Highway Capital Improvement Fund
12 available for investment shall be invested by the state investment
13 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
14 State Funds Investment Act.

15 Sec. 39. Section 39-2216, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 39-2216 The Legislature hereby irrevocably pledges and agrees with
18 the holders of the bonds issued under the Nebraska Highway Bond Act that
19 so long as such bonds remain outstanding and unpaid it shall not repeal,
20 diminish, or apply to any other purposes the motor vehicle fuel taxes,
21 diesel fuel taxes, compressed fuel taxes, and alternative fuel fees
22 related to highway use, motor vehicle registration fees, and such other
23 highway-user taxes which may be imposed by state law and allocated to the
24 fund, the State Highway Capital Improvement Fund, or the ~~or~~ bond fund, as
25 the case may be, if to do so would result in fifty percent of the amount
26 deposited in the fund, the State Highway Capital Improvement Fund, or the
27 ~~or~~ bond fund in each year being less than the amount equal to the maximum
28 annual principal and interest requirements of such bonds.

29 Sec. 40. Section 39-2222, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 39-2222 Sections 39-2201 to 39-2226 and sections 29 to 31 and 38 of

1 this act shall be known and may be cited as the Nebraska Highway Bond
2 Act.

3 Sec. 41. Section 39-2223, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 39-2223 (1) Under the authority granted by Article XIII, section 1,
6 of the Constitution of Nebraska, the Legislature hereby authorizes the
7 issuance of bonds in the principal amount of twenty million dollars in
8 1969 and in the principal amount of twenty million dollars on or before
9 June 30, 1977, with the proceeds thereof to be used for the construction
10 of highways in this state, the Legislature expressly finding that the
11 need for such construction requires such action. Such bonds shall in all
12 respects comply with the provisions of Article XIII, section 1, of the
13 Constitution of Nebraska.

14 (2) Under the authority granted by Article XIII, section 1, of the
15 Constitution of Nebraska, the Legislature hereby authorizes after July 1,
16 1988, the issuance of bonds in a principal amount to be determined by the
17 commission, not to exceed fifty million dollars. The outstanding
18 principal amount of such bonds may exceed such limit if and to the extent
19 that the commission determines that the issuance of advance refunding
20 bonds under section 39-2226 in a principal amount greater than the bonds
21 to be refunded would reduce the aggregate bond principal and interest
22 requirements payable from the bond fund. The proceeds of such issues
23 shall be used exclusively (a) for the construction, resurfacing,
24 reconstruction, rehabilitation, and restoration of highways in this
25 state, the Legislature expressly finding that the need for such
26 construction and reconstruction work and the vital importance of the
27 highway system to the welfare and safety of all Nebraskans requires such
28 action, or (b) to eliminate or alleviate cash-flow problems resulting
29 from the receipt of federal funds. Such bonds shall in all respects
30 comply with the provisions of Article XIII, section 1, of the
31 Constitution of Nebraska.

1 (3) Under the authority granted by Article XIII, section 1, of the
2 Constitution of Nebraska, the Legislature hereby authorizes after July 1,
3 2023, in addition to the authority granted in subsections (1) and (2) of
4 this section, the issuance of bonds in one or more series in an aggregate
5 principal amount to be determined by the commission, not to exceed four
6 hundred fifty million dollars. The outstanding principal amount of such
7 bonds may exceed such limit if and to the extent that the commission
8 determines that the issuance of advance refunding bonds under section
9 39-2226 in a principal amount greater than the bonds to be refunded would
10 reduce the aggregate bond principal and interest requirements payable
11 from the State Highway Capital Improvement Fund. The proceeds of such
12 issues shall be used exclusively for purposes of the Build Nebraska Act,
13 the Legislature expressly finding that the need for such construction and
14 reconstruction work and the vital importance of the highway system to the
15 welfare and safety of all Nebraskans requires such action. Such bonds
16 shall in all respects comply with the provisions of Article XIII, section
17 1, of the Constitution of Nebraska.

18 Sec. 42. Section 39-2224, Revised Statutes Cumulative Supplement,
19 2022, is amended to read:

20 39-2224 (1) The proceeds of the sale of bonds authorized by
21 subsection (1) of section 39-2223 are hereby appropriated to the Highway
22 Cash Fund of the Department of Transportation, for the biennium ending
23 June 30, 1977, for expenditure for the construction of highways.

24 (2) The proceeds of the sale of bonds authorized by subsection (2)
25 of section 39-2223 are hereby appropriated to the Highway Cash Fund of
26 the Department of Transportation for expenditure for highway
27 construction, resurfacing, reconstruction, rehabilitation, and
28 restoration and for the elimination or alleviation of cash-flow problems
29 resulting from the receipt of federal funds.

30 (3) The proceeds of the sale of bonds authorized by subsection (3)
31 of section 39-2223 are hereby appropriated to the State Highway Capital

1 Improvement Fund of the Department of Transportation for use pursuant to
2 the Build Nebraska Act.

3 Sec. 43. Section 39-2703, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 39-2703 (1) The State Highway Capital Improvement Fund is created.
6 The fund shall consist of money credited to the fund pursuant to
7 subsection (4) of section 39-2215, proceeds of bonds issued pursuant to
8 subsection (3) of section 39-2223, ~~section 77-27,132~~ and any other money
9 as determined by the Legislature.

10 (2) The department may create or direct the creation of accounts
11 within the fund as the department determines to be appropriate and useful
12 in administering the fund.

13 (3) Any money in the fund available for investment shall be invested
14 by the state investment officer pursuant to the Nebraska Capital
15 Expansion Act and the Nebraska State Funds Investment Act. Investment
16 earnings from investment of money in the fund shall be credited to the
17 fund.

18 Sec. 44. Section 39-2704, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 39-2704 (1) The money credited to the fund pursuant to subsection
21 (4) of section 39-2215 shall be used for repayment of bonds issued
22 pursuant to subsection (3) of section 39-2223. If any of the money
23 credited to the fund pursuant to subsection (4) of section 39-2215
24 exceeds the amount of the annual principal and interest requirements for
25 such bonds which are issued, such money shall be used as follows:

26 (a) ~~(1)~~ At least twenty-five percent of the money ~~credited to the~~
27 ~~fund pursuant to section 77-27,132~~ each fiscal year shall be used, as
28 determined by the department, for construction of the expressway system
29 and federally designated high priority corridors; and

30 (b) ~~(2)~~ The remaining money ~~credited to the fund pursuant to section~~
31 ~~77-27,132~~ each fiscal year shall be used to pay for surface

1 transportation projects of the highest priority as determined by the
2 department.

3 (2) The proceeds of bonds issued pursuant to subsection (3) of
4 section 39-2223 which are credited to the fund shall be used as follows:

5 (a) At least seventy-five percent of the proceeds from such bonds
6 shall be used, as determined by the department, for construction of the
7 expressway system and federally designated high priority corridors; and

8 (b) The remaining proceeds shall be used to pay for surface
9 transportation projects of the highest priority as determined by the
10 department.

11 Sec. 45. Section 66-4,100, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 66-4,100 The Highway Cash Fund and the Roads Operations Cash Fund
14 are hereby created. If bonds are issued pursuant to subsection (2) of
15 section 39-2223, the balance of the share of the Highway Trust Fund
16 allocated to the Department of Transportation and deposited into the
17 Highway Restoration and Improvement Bond Fund as provided in subsection
18 (8) (6) of section 39-2215 and the balance of the money deposited in the
19 Highway Restoration and Improvement Bond Fund as provided in section
20 39-2215.01 shall be transferred by the State Treasurer, on or before the
21 last day of each month, to the Highway Cash Fund. If no bonds are issued
22 pursuant to subsection (2) of section 39-2223, the share of the Highway
23 Trust Fund allocated to the Department of Transportation shall be
24 transferred by the State Treasurer on or before the last day of each
25 month to the Highway Cash Fund.

26 The Legislature may direct the State Treasurer to transfer funds
27 from the Highway Cash Fund to the Roads Operations Cash Fund. Both funds
28 shall be expended by the department (1) for acquiring real estate, road
29 materials, equipment, and supplies to be used in the construction,
30 reconstruction, improvement, and maintenance of state highways, (2) for
31 the construction, reconstruction, improvement, and maintenance of state

1 highways, including grading, drainage, structures, surfacing, roadside
2 development, landscaping, and other incidentals necessary for proper
3 completion and protection of state highways as the department shall,
4 after investigation, find and determine shall be for the best interests
5 of the highway system of the state, either independent of or in
6 conjunction with federal-aid money for highway purposes, (3) for the
7 share of the department of the cost of maintenance of state aid bridges,
8 (4) for planning studies in conjunction with federal highway funds for
9 the purpose of analyzing traffic problems and financial conditions and
10 problems relating to state, county, township, municipal, federal, and all
11 other roads in the state and for incidental costs in connection with the
12 federal-aid grade crossing program for roads not on state highways, (5)
13 for tests and research by the department or proportionate costs of
14 membership, tests, and research of highway organizations when
15 participated in by the highway departments of other states, (6) for the
16 payment of expenses and costs of the Board of Examiners for County
17 Highway and City Street Superintendents as set forth in section 39-2310,
18 (7) for support of the public transportation assistance program
19 established under section 13-1209 and the intercity bus system assistance
20 program established under section 13-1213, and (8) for purchasing from
21 political or governmental subdivisions or public corporations, pursuant
22 to section 39-1307, any federal-aid transportation funds available to
23 such entities.

24 Any money in the Highway Cash Fund and the Roads Operations Cash
25 Fund not needed for current operations of the department shall, as
26 directed by the Director-State Engineer to the State Treasurer, be
27 invested by the state investment officer pursuant to the Nebraska Capital
28 Expansion Act and the Nebraska State Funds Investment Act, subject to
29 approval by the board of each investment. All income received as a result
30 of such investment shall be placed in the Highway Cash Fund.

31 Transfers may be made from the Roads Operations Cash Fund to the

1 General Fund at the direction of the Legislature through June 30, 2019.
2 The State Treasurer shall transfer seven million five hundred thousand
3 dollars from the Roads Operations Cash Fund to the General Fund on or
4 before June 30, 2018, on such date as directed by the budget
5 administrator of the budget division of the Department of Administrative
6 Services. The State Treasurer shall transfer seven million five hundred
7 thousand dollars from the Roads Operations Cash Fund to the General Fund
8 on or after July 1, 2018, but on or before June 30, 2019, on such date as
9 directed by the budget administrator of the budget division of the
10 Department of Administrative Services.

11 Sec. 46. Section 77-1344, Revised Statutes Cumulative Supplement,
12 2022, is amended to read:

13 77-1344 (1) Agricultural or horticultural land which has an actual
14 value as defined in section 77-112 reflecting purposes or uses other than
15 agricultural or horticultural purposes or uses shall be assessed as
16 provided in subsection (3) of section 77-201 if the land meets the
17 qualifications of this subsection and an application for such special
18 valuation is filed and approved pursuant to section 77-1345. In order for
19 the land to qualify for special valuation, ~~all of the following criteria~~
20 ~~shall be met: (a) The land must be located outside the corporate~~
21 ~~boundaries of any sanitary and improvement district, city, or village~~
22 ~~except as provided in subsection (2) of this section; and (b) the land~~
23 ~~must be agricultural or horticultural land and must consist of five acres~~
24 ~~or more. If the land consists of five contiguous acres or less, the owner~~
25 ~~or lessee of the land must also provide an Internal Revenue Service~~
26 ~~Schedule F documenting a profit or loss from farming for two out of the~~
27 ~~last three years in order for such land to qualify for special valuation.~~

28 ~~(2) Special valuation may be applicable to agricultural or~~
29 ~~horticultural land included within the corporate boundaries of a city or~~
30 ~~village if:~~

31 ~~(a) The land is subject to a conservation or preservation easement~~

1 ~~as provided in the Conservation and Preservation Easements Act and the~~
2 ~~governing body of the city or village approves the agreement creating the~~
3 ~~easement;~~

4 ~~(b) The land is subject to air installation compatible use zone~~
5 ~~regulations; or~~

6 ~~(c) The land is within a flood plain.~~

7 ~~(2) (3)~~ The eligibility of land for the special valuation provisions
8 of this section shall be determined each year as of January 1. If the
9 land so qualified becomes disqualified on or before December 31 of that
10 year, it shall continue to receive the special valuation until January 1
11 of the year following.

12 ~~(3) (4)~~ The special valuation placed on such land by the county
13 assessor under this section shall be subject to equalization by the
14 county board of equalization and the Tax Equalization and Review
15 Commission.

16 Sec. 47. Section 77-1347, Revised Statutes Cumulative Supplement,
17 2022, is amended to read:

18 77-1347 Upon approval of an application, the county assessor shall
19 value the land as provided in section 77-1344 until the land becomes
20 disqualified for such valuation by:

21 (1) Written notification by the applicant or his or her successor in
22 interest to the county assessor to remove such special valuation;

23 (2) Inclusion ~~Except as provided in subsection (2) of section~~
24 ~~77-1344, inclusion~~ of the land within the corporate boundaries of any
25 sanitary and improvement district, city, or village, except that this
26 subdivision shall not apply on or after January 1, 2023; or

27 (3) The land no longer qualifying as agricultural or horticultural
28 land. ~~;~~ or

29 ~~(4) For land that consists of five contiguous acres or less, the~~
30 ~~owner or lessee of the land not being able to provide an Internal Revenue~~
31 ~~Service Schedule F documenting a profit or loss from farming for two out~~

1 ~~of the last three years.~~

2 Sec. 48. Section 77-1403, Revised Statutes Cumulative Supplement,
3 2022, is amended to read:

4 77-1403 (1) Unless otherwise permitted under section 529A, the owner
5 of an account shall be the designated beneficiary of the account, except
6 that if the designated beneficiary of the account is a minor or has a
7 custodian or other fiduciary appointed for the purposes of managing such
8 beneficiary's financial affairs, a custodian or fiduciary for such
9 designated beneficiary may serve as the account owner if such form of
10 ownership is permitted or not prohibited under section 529A.

11 (2) Unless otherwise permitted under section 529A, the designated
12 beneficiary of an account shall be a resident of the state or of a
13 contracting state. The State Treasurer shall determine residency of
14 Nebraska residents for such purpose in such manner as may be required or
15 permissible under section 529A or, in the absence of any guidance under
16 section 529A, by such other means as the State Treasurer shall consider
17 advisable for purposes of satisfying the requirements of section 529A.

18 (3) To the extent permitted by federal law, upon the death of a
19 designated beneficiary of an account, the owner of the account or the
20 personal representative of the designated beneficiary may have the
21 balance of the account transferred to another account under the program
22 specified by the owner of the account, the designated beneficiary, or the
23 estate of the designated beneficiary. If the balance of the account on
24 the date of death is less than or equal to five thousand dollars, the
25 owner of the account or the personal representative of the designated
26 beneficiary may also have the balance of the account distributed to an
27 individual or individuals specified by the designated beneficiary, the
28 owner of the account, or the personal representative of the designated
29 beneficiary.

30 (4) At the time an account is established under the program and
31 prior to any transfer or distribution pursuant to subsection (3) of this

1 section, the State Treasurer shall notify the owner of the account, the
2 designated beneficiary, and the estate of the designated beneficiary, if
3 applicable, of the potential tax consequences of transferring or
4 distributing funds pursuant to subsection (3) of this section.

5 (5) Upon the death of a designated beneficiary and after the
6 Department of Health and Human Services has received approval from the
7 Centers for Medicare and Medicaid Services of the United States
8 Department of Health and Human Services:

9 (a) The state shall not seek recovery of any amount remaining in the
10 account of the designated beneficiary for any amount of medical
11 assistance received by the designated beneficiary or his or her spouse or
12 dependent under the medical assistance program pursuant to the Medical
13 Assistance Act after the establishment of the account; and

14 (b) The state shall not file a claim for the payment under
15 subdivision (f) of section 529A of the Internal Revenue Code, as amended.

16 Sec. 49. Section 77-1631, Revised Statutes Cumulative Supplement,
17 2022, is amended to read:

18 77-1631 For purposes of the Property Tax Request Act:

19 (1) Allowable growth percentage means a percentage equal to the sum
20 of (a) two percent plus (b) the political subdivision's real growth
21 percentage;

22 (2) Excess value means an amount equal to the assessed value of the
23 real property included in a tax increment financing project minus the
24 redevelopment project valuation for such real property;

25 (3) Property tax request means the total amount of property taxes
26 requested to be raised for a political subdivision through the levy
27 imposed pursuant to section 77-1601, excluding the amount to be levied
28 for the payment of principal or interest on bonds issued or authorized to
29 be issued by a school district;

30 (4) Real growth percentage means the percentage obtained by dividing
31 (a) the political subdivision's real growth value by (b) the political

1 subdivision's total real property valuation from the prior year;

2 (5) Real growth value means and includes:

3 (a) The increase in a political subdivision's real property
4 valuation from the prior year to the current year due to (i) improvements
5 to real property as a result of new construction and additions to
6 existing buildings, (ii) any other improvements to real property which
7 increase the value of such property, (iii) annexation of real property by
8 the political subdivision, and (iv) a change in the use of real property;
9 and

10 (b) The annual increase in the excess value for any tax increment
11 financing project located in the political subdivision;

12 (6) Redevelopment project valuation has the same meaning as in
13 section 18-2103; and

14 (7) Tax increment financing project means a redevelopment project as
15 defined in section 18-2103 that is financed through the division of taxes
16 as provided in section 18-2147.

17 Sec. 50. Section 77-1633, Revised Statutes Cumulative Supplement,
18 2022, is amended to read:

19 77-1633 (1) For purposes of this section, political subdivision
20 means any county, city, school district, or community college.

21 (2) If any political subdivision seeks to increase its property tax
22 request by more than the allowable growth percentage, such political
23 subdivision may do so if:

24 (a) A public hearing is held and notice of such hearing is provided
25 in compliance with subsection (3) of this section; and

26 (b) The governing body of such political subdivision passes a
27 resolution or an ordinance that complies with subsection (4) of this
28 section.

29 (3)(a) Each political subdivision within a county that seeks to
30 increase its property tax request by more than the allowable growth
31 percentage shall participate in a joint public hearing. Each such

1 political subdivision shall designate one representative to attend the
2 joint public hearing on behalf of the political subdivision. If a
3 political subdivision includes area in more than one county, the
4 political subdivision shall be deemed to be within the county in which
5 the political subdivision's principal headquarters are located. At such
6 hearing, there shall be no items on the agenda other than discussion on
7 each political subdivision's intent to increase its property tax request
8 by more than the allowable growth percentage.

9 (b) At least one elected official from each participating political
10 subdivision shall attend the joint public hearing. An elected official
11 may be the designated representative from a participating political
12 subdivision. The presence of a quorum or the participation of elected
13 officials at the joint public hearing does not constitute a meeting as
14 defined by section 84-1409 of the Open Meetings Act.

15 (c) ~~(b)~~ The joint public hearing shall be held on or after September
16 14 ~~17~~ and prior to September 24 ~~29~~ and before any of the participating
17 political subdivisions file their adopted budget statement pursuant to
18 section 13-508.

19 (d) ~~(c)~~ The joint public hearing shall be held after 6 p.m. local
20 time on the relevant date.

21 (e) ~~(d)~~ The joint public hearing shall be organized by the county
22 clerk or his or her designee. At the joint public hearing, the designated
23 representative of each political subdivision shall give a brief
24 presentation on the political subdivision's intent to increase its
25 property tax request by more than the allowable growth percentage and the
26 effect of such request on the political subdivision's budget. The
27 presentation shall include:

- 28 (i) The name of the political subdivision;
29 (ii) The amount of the property tax request; and
30 (iii) The following statements:

31 (A) The total assessed value of property differs from last year's

1 total assessed value by percent;

2 (B) The tax rate which would levy the same amount of property taxes
3 as last year, when multiplied by the new total assessed value of
4 property, would be \$..... per \$100 of assessed value;

5 (C) The (name of political subdivision) proposes to adopt a property
6 tax request that will cause its tax rate to be \$..... per \$100 of
7 assessed value;

8 (D) Based on the proposed property tax request and changes in other
9 revenue, the total operating budget of (name of political subdivision)
10 will exceed last year's by percent; and

11 (E) To obtain more information regarding the increase in the
12 property tax request, citizens may contact the (name of political
13 subdivision) at (telephone number and email address of political
14 subdivision).

15 (f) ~~(e)~~ Any member of the public shall be allowed to speak at the
16 joint public hearing and shall be given a reasonable amount of time to do
17 so.

18 (g) ~~(f)~~ Notice of the joint public hearing shall be provided:

19 (i) By sending a postcard to all affected property taxpayers. The
20 postcard shall be sent to the name and address to which the property tax
21 statement is mailed;

22 (ii) By posting notice of the hearing on the home page of the
23 relevant county's website, except that this requirement shall only apply
24 if the county has a population of more than ten ~~twenty-five~~ thousand
25 inhabitants; and

26 (iii) By publishing notice of the hearing in a legal newspaper in or
27 of general circulation in the relevant county.

28 (h) ~~(g)~~ Each political subdivision that participates in the joint
29 public hearing shall electronically send the information prescribed in
30 subdivision (3)(i) ~~(3)(h)~~ of this section to the county assessor ~~clerk~~ by
31 September 4 ~~5~~. The county clerk shall notify ~~transmit the information to~~

1 the county assessor of the date, time, and location of the joint public
2 hearing no later than September 4 10. The county clerk shall notify each
3 participating political subdivision of the date, time, and location of
4 the joint public hearing. The county assessor shall send the information
5 required to be included on the postcards pursuant to subdivision (3)(i)
6 (3)(h) of this section to a printing service designated by the county
7 board. The initial cost for printing the postcards shall be paid from the
8 county general fund. Such postcards shall be mailed at least seven
9 calendar days before the joint public hearing. The cost of creating and
10 mailing the postcards, including staff time, materials, and postage,
11 shall be charged proportionately to the political subdivisions
12 participating in the joint public hearing based on the total number of
13 parcels in each participating political subdivision. Each participating
14 political subdivision shall also maintain a prominently displayed and
15 easily accessible link on the home page of the political subdivision's
16 website to the political subdivision's proposed budget, except that this
17 requirement shall not apply if the political subdivision is a county with
18 a population of less than ten thousand inhabitants, a city with a
19 population of less than one thousand inhabitants, or, for joint public
20 hearings prior to January 1, 2024, a school district.

21 (i) ~~(h)~~ The postcard sent under this subsection and the notice
22 posted on the county's website, if required under subdivision (3)(g)(ii)
23 (3)(f)(ii) of this section, and published in the newspaper shall include
24 the date, time, and location for the joint public hearing, a listing of
25 and telephone number for each political subdivision that will be
26 participating in the joint public hearing, and the amount of each
27 participating political subdivision's property tax request. The postcard
28 shall also contain the following information:

29 (i) The following words in capitalized type at the top of the
30 postcard: NOTICE OF PROPOSED TAX INCREASE;

31 (ii) The name of the county that will hold the joint public hearing,

1 which shall appear directly underneath the capitalized words described in
2 subdivision ~~(3)(i)(i)~~ ~~(3)(h)(i)~~ of this section;

3 (iii) The following statement: The following political subdivisions
4 are proposing a revenue increase which would result in an overall
5 increase in property taxes in (insert current tax year). THE ACTUAL TAX
6 ON YOUR PROPERTY MAY INCREASE OR DECREASE. This notice contains estimates
7 of the tax on your property as a result of this revenue increase. These
8 estimates are calculated on the basis of the proposed (insert current tax
9 year) data. The actual tax on your property may vary from these
10 estimates.

11 (iv) The parcel number for the property;

12 (v) The name of the property owner and the address of the property;

13 (vi) The property's assessed value in the previous tax year;

14 (vii) The amount of property taxes due in the previous tax year for
15 each participating political subdivision;

16 (viii) The property's assessed value for the current tax year;

17 (ix) The amount of property taxes due for the current tax year for
18 each participating political subdivision;

19 (x) The change in the amount of property taxes due for each
20 participating political subdivision from the previous tax year to the
21 current tax year; and

22 (xi) The following statement: To obtain more information regarding
23 the tax increase, citizens may contact the political subdivision at the
24 telephone number provided in this notice.

25 (4) After the joint public hearing required in subsection (3) of
26 this section, the governing body of each participating political
27 subdivision shall pass an ordinance or resolution to set such political
28 subdivision's property tax request. If the political subdivision is
29 increasing its property tax request over the amount from the prior year,
30 including any increase in excess of the allowable growth percentage, then
31 such ordinance or resolution shall include, but not be limited to, the

1 following information:

2 (a) The name of the political subdivision;

3 (b) The amount of the property tax request;

4 (c) The following statements:

5 (i) The total assessed value of property differs from last year's
6 total assessed value by percent;

7 (ii) The tax rate which would levy the same amount of property taxes
8 as last year, when multiplied by the new total assessed value of
9 property, would be \$..... per \$100 of assessed value;

10 (iii) The (name of political subdivision) proposes to adopt a
11 property tax request that will cause its tax rate to be \$..... per \$100
12 of assessed value; and

13 (iv) Based on the proposed property tax request and changes in other
14 revenue, the total operating budget of (name of political subdivision)
15 will exceed last year's by percent; and

16 (d) The record vote of the governing body in passing such resolution
17 or ordinance.

18 (5) Any resolution or ordinance setting a property tax request under
19 this section shall be certified and forwarded to the county clerk on or
20 before October 15 of the year for which the tax request is to apply.

21 (6) The county clerk, or his or her designee, shall prepare a report
22 which shall include:

23 (a) The ~~the~~ names of the designated representatives of the political
24 subdivisions participating in the joint public hearing; ~~and~~

25 (b) The ~~the~~ name and address of each individual who spoke at the
26 joint public hearing, unless the address requirement is waived to protect
27 the security of the individual, and the name of any organization
28 represented by each such individual; ~~-~~

29 (c) The name of each political subdivision that participated in the
30 joint public hearing;

31 (d) The real growth value and real growth percentage for each

1 participating political subdivision;

2 (e) The amount each participating political subdivision seeks to
3 increase its property tax request in excess of the allowable growth
4 percentage; and

5 (f) The number of individuals who signed in to attend the joint
6 public hearing.

7 Such report shall be delivered to the political subdivisions
8 participating in the joint public hearing within ten days after such
9 hearing.

10 Sec. 51. Section 77-1701, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 77-1701 (1) The county treasurer shall be ex officio county
13 collector of all taxes levied within the county. The county board shall
14 designate a county official to mail or otherwise deliver a statement of
15 the amount of taxes due and a notice that special assessments are due, to
16 the last-known address of the person, firm, association, or corporation
17 against whom such taxes or special assessments are assessed or to the
18 lending institution or other party responsible for paying such taxes or
19 special assessments. Such statement shall clearly indicate, for each
20 political subdivision, the levy rate and the amount of taxes due as the
21 result of principal or interest payments on bonds issued by the political
22 subdivision and shall show such rate and amount separate from any other
23 levy. When Beginning with tax year 2000, when taxes on real property are
24 delinquent for a prior year, the county treasurer shall indicate this
25 information on the current year tax statement in bold letters. The
26 information provided shall inform the taxpayer that delinquent taxes and
27 interest are due for the prior year or years and shall indicate the
28 specific year or years for which such taxes and interest remain unpaid.
29 The language shall read "Back Taxes and Interest Due For", followed by
30 numbers to indicate each year for which back taxes and interest are due
31 and a statement indicating that failure to pay the back taxes and

1 interest may result in the loss of the real property. Failure to receive
2 such statement or notice shall not relieve the taxpayer from any
3 liability to pay such taxes or special assessments and any interest or
4 penalties accrued thereon. In any county in which a city of the
5 metropolitan class is located, all statements of taxes shall also include
6 notice that special assessments for cutting weeds, removing litter, and
7 demolishing buildings are due.

8 (2) Notice that special assessments are due shall not be required
9 for special assessments levied by sanitary and improvement districts
10 organized under Chapter 31, article 7, except that such notice may be
11 provided by the county at the discretion of the county board or by the
12 sanitary and improvement district with the approval of the county board.

13 (3) A statement of the amount of taxes due and a notice that special
14 assessments are due shall not be required to be mailed or otherwise
15 delivered pursuant to subsection (1) of this section if the total amount
16 of the taxes and special assessments due is less than two dollars.
17 Failure to receive the statement or notice shall not relieve the taxpayer
18 from any liability to pay the taxes or special assessments but shall
19 relieve the taxpayer from any liability for interest or penalties. Taxes
20 and special assessments of less than two dollars shall be added to the
21 amount of taxes and special assessments due in subsequent years and shall
22 not be considered delinquent until the total amount is two dollars or
23 more.

24 Sec. 52. Section 77-1802, Revised Statutes Cumulative Supplement,
25 2022, is amended to read:

26 77-1802 The county treasurer shall, not less than four nor more than
27 six weeks prior to the first Monday of March in each year, make out a
28 list of all real property subject to sale and the amount of all
29 delinquent taxes against each item with an accompanying notice stating
30 that so much of such property described in the list as may be necessary
31 for that purpose will, on the first Monday of March next thereafter, be

1 sold by such county treasurer at public auction at his or her office for
2 the taxes, interest, and costs thereon. In making such list, the county
3 treasurer shall describe the property as it is described on the tax list
4 and shall include the name of the owner of record of the property, the
5 property's parcel number, if any, and the property's street address, if
6 any.

7 Sec. 53. Section 77-1818, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 77-1818 (1) The purchaser of any real property sold by the county
10 treasurer for taxes shall be entitled to a certificate in writing,
11 describing the real property so purchased, the sum paid, and the time
12 when the purchaser will be entitled to a deed, which certificate shall be
13 signed by the county treasurer in his or her official capacity and shall
14 be presumptive evidence of the regularity of all prior proceedings. Each
15 tax lien shall be shown on a single certificate. The purchaser acquires a
16 perpetual lien of the tax on the real property, and if after the taxes
17 become delinquent he or she subsequently pays any taxes levied on the
18 property, whether levied for any year or years previous or subsequent to
19 such sale, he or she shall have the same lien for them and may add them
20 to the amount paid by him or her in the purchase.

21 (2) Upon issuance of the certificate, the purchaser shall notify, by
22 personal service, the property owner of the real property that was sold
23 for taxes at the address listed for such owner in the records of the
24 county assessor. The notice shall (a) state that a certificate has been
25 issued, (b) include a brief description of the property owner's legal
26 rights to redeem the real property, (c) identify the real property by the
27 street address listed in the records of the county assessor, (d) include
28 the total amount of taxes, interest, and costs for which the property was
29 sold and a recitation that interest and fees may accrue, and (e) include
30 a prominent warning that failure to act may result in forfeiture of the
31 property after three years. The purchaser shall prove such service of

1 notice by affidavit, and such affidavit shall be filed with the
2 application for the tax deed pursuant to section 77-1837. An
3 administrative fee shall be allowed for any service of notice under this
4 subsection. The administrative fee shall be equal to the greater of one
5 hundred dollars or the actual cost incurred by the purchaser for such
6 service of notice. The amount of such fee shall be noted by the county
7 treasurer in the record opposite the real property described in the
8 notice and shall be collected by the county treasurer in case of
9 redemption for the benefit of the holder of the certificate. The
10 purchaser shall notify the county treasurer of the amount of such fee
11 within thirty days after completion of the service of notice.

12 Sec. 54. Section 77-1824, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 77-1824 The owner or occupant of any real property sold for taxes or
15 any person having a lien thereupon or interest therein may redeem the
16 same. The right of redemption expires when the purchaser files an
17 application for tax deed with the county treasurer. A redemption shall
18 not be accepted by the county treasurer, or considered valid, unless
19 received prior to the close of business on the day the application for
20 the tax deed is received by the county treasurer. Redemption shall be
21 accomplished by paying the county treasurer for the use of such purchaser
22 or his or her heirs or assigns the sum mentioned in his or her
23 certificate, with interest thereon at the rate specified in section
24 45-104.01, as such rate may from time to time be adjusted by the
25 Legislature, from the date of purchase to date of redemption, together
26 with all other taxes subsequently paid, whether for any year or years
27 previous or subsequent to the sale, and interest thereon at the same rate
28 from date of such payment to date of redemption. The amount due for
29 redemption shall include the issuance fee charged pursuant to section
30 77-1823 and the administrative fee charged pursuant to subsection (2) of
31 section 77-1818.

1 Sec. 55. Section 77-1837, Revised Statutes Cumulative Supplement,
2 2022, is amended to read:

3 77-1837 (1) At any time within nine months after the expiration of
4 three years after the date of sale of any real estate for taxes or
5 special assessments, if such real estate has not been redeemed and the
6 requirements of subsection (2) of this section have been met, the
7 purchaser or his or her assignee may apply to the county treasurer for a
8 tax deed for the real estate described in such purchaser's or assignee's
9 tax sale certificate. The county treasurer shall execute and deliver a
10 deed of conveyance for the real estate described in such tax sale
11 certificate if he or she has received the following:

12 (a) The tax sale certificate;

13 (b) The issuance fee for the tax deed and the fee of the notary
14 public or other officer acknowledging the tax deed, as required under
15 section 77-1823;

16 (c) The affidavit proving personal service of the notice required in
17 subsection (2) of section 77-1818;

18 (d) ~~(e)~~ For any notice provided pursuant to section 77-1832, the
19 affidavit proving service of notice, the copy of the notice, and the copy
20 of the title search required under section 77-1833; and

21 (e) ~~(d)~~ For any notice provided by publication pursuant to section
22 77-1834, the affidavit of the publisher, manager, or other employee of
23 the newspaper, the copy of the notice, the affidavit of the purchaser or
24 assignee, and the copy of the title search required under section
25 77-1835.

26 (2) The purchaser or his or her assignee may apply for a tax deed
27 under this section if one hundred ten percent of the assessed value of
28 the real estate described in the tax sale certificate, less the amount
29 that would be needed to redeem such real estate, is twenty-five thousand
30 dollars or less. If such requirement is not met, the purchaser or his or
31 her assignee shall foreclose the lien represented by the tax sale

1 certificate pursuant to section 77-1902.

2 ~~(3) (2)~~ The failure of the county treasurer to issue the deed of
3 conveyance if requested within the timeframe provided in subsection (1)
4 of this section shall not impair the validity of such deed if there has
5 otherwise been compliance with sections 77-1801 to 77-1863.

6 Sec. 56. Section 77-1838, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 77-1838 (1) The deed made by the county treasurer shall be under
9 the official seal of office and acknowledged by the county treasurer
10 before some officer authorized to take the acknowledgment of deeds. When
11 so executed and acknowledged, it shall be recorded in the same manner as
12 other conveyances of real estate. When recorded it shall vest in the
13 grantee and his or her heirs and assigns the title of the property
14 described in the deed, subject to any lien on real estate for special
15 assessments levied by a sanitary and improvement district which special
16 assessments have not been previously offered for sale by the county
17 treasurer.

18 (2) Within thirty days after recording of the deed, the grantee
19 shall pay the surplus to the previous owner of the property described in
20 the deed. For purposes of this subsection, the surplus shall be
21 calculated as follows:

22 (a) If the property has been sold since recording of the deed, the
23 surplus shall be equal to the amount received from such sale, minus (i)
24 the amount that would have been needed to redeem such property, (ii) the
25 amount needed to pay all encumbrances on such property, and (iii) an
26 administrative fee of five hundred dollars or reasonable attorney's fees
27 in the event of judicial foreclosure, which may be retained by the
28 grantee to offset the costs incurred in obtaining the deed; or

29 (b) If the property has not been sold since recording of the deed,
30 the surplus shall be equal to the assessed value of such property, minus
31 (i) the amount that would have been needed to redeem such property, (ii)

1 the amount needed to pay all encumbrances on such property, and (iii) an
2 administrative fee of five hundred dollars or reasonable attorney's fees
3 in the event of judicial foreclosure, which may be retained by the
4 grantee to offset the costs incurred in obtaining the deed.

5 Sec. 57. Section 77-2015, Revised Statutes Cumulative Supplement,
6 2022, is amended to read:

7 77-2015 (1) Each petitioner in a proceeding to determine
8 inheritance tax personal representative of an estate shall, upon the
9 entry of an order determining inheritance tax, if any distribution of any
10 proceeds from an estate, submit a report regarding inheritance taxes to
11 the county treasurer of the county in which the inheritance tax
12 determination was conducted. The report shall be submitted on a form
13 prescribed by the Department of Revenue and shall include the following
14 information: estate was administered.

15 (a) The amount of inheritance tax revenue generated under section
16 77-2004 and the number of persons receiving property that was subject to
17 tax under section 77-2004 and on which inheritance tax was assessed;

18 (b) The amount of inheritance tax revenue generated under section
19 77-2005 and the number of persons receiving property that was subject to
20 tax under section 77-2005 and on which inheritance tax was assessed;

21 (c) The amount of inheritance tax revenue generated under section
22 77-2006 and the number of persons receiving property that was subject to
23 tax under section 77-2006 and on which inheritance tax was assessed; and

24 (d) The number of persons who do not reside in this state and who
25 received any property that was subject to tax under section 77-2004,
26 77-2005, or 77-2006 and on which inheritance tax was assessed.

27 (2) The On or before July 1, 2023, and on or before July 1 of each
28 year thereafter, the county treasurer of each county shall compile and
29 submit a report regarding inheritance taxes generated from January 1,
30 2023, through June 30, 2023, to the Department of Revenue on or before
31 August 1, 2023. Beginning July 1, 2023, the county treasurer of each

1 county shall compile and submit a report regarding annual inheritance
2 taxes generated from July 1 of each year through June 30 of the next
3 year, to the Department of Revenue on or before August 1, 2024, and on or
4 before August 1 of each year thereafter. The reports shall be submitted
5 on a form prescribed by the Department of Revenue and shall include the
6 following information:

7 (a) ~~(1)~~ The amount of inheritance tax revenue generated under
8 section 77-2004 and the number of persons receiving property that was
9 subject to tax under section 77-2004 and on which inheritance tax was
10 assessed;

11 (b) ~~(2)~~ The amount of inheritance tax revenue generated under
12 section 77-2005 and the number of persons receiving property that was
13 subject to tax under section 77-2005 and on which inheritance tax was
14 assessed;

15 (c) ~~(3)~~ The amount of inheritance tax revenue generated under
16 section 77-2006 and the number of persons receiving property that was
17 subject to tax under section 77-2006 and on which inheritance tax was
18 assessed; and

19 (d) ~~(4)~~ The number of persons who do not reside in this state and
20 who received any property that was subject to tax under section 77-2004,
21 77-2005, or 77-2006 and on which inheritance tax was assessed.

22 (3) On or before September 1, 2023, and on or before September 1 of
23 each year thereafter, the Department of Revenue shall compile and
24 aggregate such treasurer reports received from each county and make each
25 county report and a statewide aggregate of such county reports available
26 to the public on the Department of Revenue's website.

27 Sec. 58. Section 77-2701, Revised Statutes Cumulative Supplement,
28 2022, is amended to read:

29 77-2701 Sections 77-2701 to 77-27,135.01, 77-27,222, 77-27,235,
30 77-27,236, and 77-27,238 to 77-27,240 and sections 62, 66, and 77 of this
31 act shall be known and may be cited as the Nebraska Revenue Act of 1967.

1 Sec. 59. Section 77-2701.02, Reissue Revised Statutes of Nebraska,
2 is amended to read:

3 77-2701.02 Pursuant to section 77-2715.01:

4 (1) Until July 1, 1998, the rate of the sales tax levied pursuant to
5 section 77-2703 shall be five percent;

6 (2) Commencing July 1, 1998, and until July 1, 1999, the rate of the
7 sales tax levied pursuant to section 77-2703 shall be four and one-half
8 percent;

9 (3) Commencing July 1, 1999, and until the start of the first
10 calendar quarter after July 20, 2002, the rate of the sales tax levied
11 pursuant to section 77-2703 shall be five percent;~~and~~

12 (4) Commencing on the start of the first calendar quarter after July
13 20, 2002, the rate of the sales tax levied pursuant to section 77-2703
14 shall be five and one-half percent; and -

15 (5) Commencing July 1, 2023, the rate of the sales tax levied
16 pursuant to section 77-2703 shall be five and one-half percent, except
17 that such rate shall be two and three-quarters percent on transactions
18 occurring within a good life district as defined in section 11 of this
19 act.

20 Sec. 60. Section 77-2701.04, Revised Statutes Cumulative Supplement,
21 2022, is amended to read:

22 77-2701.04 For purposes of sections 77-2701.04 to 77-2713 and
23 77-27,239 and sections 62 and 66 of this act, unless the context
24 otherwise requires, the definitions found in sections 77-2701.05 to
25 77-2701.55 and section 62 of this act shall be used.

26 Sec. 61. Section 77-2701.41, Revised Statutes Cumulative Supplement,
27 2022, is amended to read:

28 77-2701.41 Taxpayer means any person subject to a tax imposed by
29 sections 77-2701 to 77-2713 and sections 62 and 66 of this act.

30 Sec. 62. Buyer-based exemption means an exemption based on who
31 purchases the product. An exemption that is available to all individuals

1 shall not be considered a buyer-based exemption.

2 Sec. 63. Section 77-2704.12, Revised Statutes Cumulative Supplement,
3 2022, is amended to read:

4 77-2704.12 (1) Sales and use taxes shall not be imposed on the gross
5 receipts from the sale, lease, or rental of and the storage, use, or
6 other consumption in this state of purchases by (a) any nonprofit
7 organization created exclusively for religious purposes, (b) any
8 nonprofit organization providing services exclusively to the blind, (c)
9 any nonprofit private educational institution established under sections
10 79-1601 to 79-1607, (d) any accredited, nonprofit, privately controlled
11 college or university with its primary campus physically located in
12 Nebraska, (e) any nonprofit (i) hospital, (ii) health clinic when one or
13 more hospitals or the parent corporations of the hospitals own or control
14 the health clinic for the purpose of reducing the cost of health services
15 or when the health clinic receives federal funds through the United
16 States Public Health Service for the purpose of serving populations that
17 are medically underserved, (iii) skilled nursing facility, (iv)
18 intermediate care facility, (v) assisted-living facility, (vi)
19 intermediate care facility for persons with developmental disabilities,
20 (vii) nursing facility, (viii) home health agency, (ix) hospice or
21 hospice service, (x) respite care service, (xi) mental health substance
22 use treatment center licensed under the Health Care Facility Licensure
23 Act, or (xii) center for independent living as defined in 29 U.S.C. 796a,
24 (f) any nonprofit licensed residential child-caring agency, (g) any
25 nonprofit licensed child-placing agency, ~~or~~ (h) any nonprofit
26 organization certified by the Department of Health and Human Services to
27 provide community-based services for persons with developmental
28 disabilities, or (i) any nonprofit organization certified or contracted
29 by a regional behavioral health authority or the Division of Behavioral
30 Health of the Department of Health and Human Services to provide
31 community-based mental health or substance use services.

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

6 (3) The appointment of purchasing agents shall be recognized for the
7 purpose of altering the status of the construction contractor as the
8 ultimate consumer of building materials which are physically annexed to
9 the structure and which subsequently belong to the owner of the
10 organization or institution. The appointment of purchasing agents shall
11 be in writing and occur prior to having any building materials annexed to
12 real estate in the construction, improvement, or repair. The contractor
13 who has been appointed as a purchasing agent may apply for a refund of or
14 use as a credit against a future use tax liability the tax paid on
15 inventory items annexed to real estate in the construction, improvement,
16 or repair of a project for a licensed not-for-profit institution.

17 (4) Any organization listed in subsection (1) of this section which
18 enters into a contract of construction, improvement, or repair upon
19 property annexed to real estate without first issuing a purchasing agent
20 authorization to a contractor or repairperson prior to the building
21 materials being annexed to real estate in the project may apply to the
22 Tax Commissioner for a refund of any sales and use tax paid by the
23 contractor or repairperson on the building materials physically annexed
24 to real estate in the construction, improvement, or repair.

25 (5) Any person purchasing, storing, using, or otherwise consuming
26 building materials in the performance of any construction, improvement,
27 or repair by or for any institution enumerated in subsection (1) of this
28 section which is licensed upon completion although not licensed at the
29 time of construction or improvement, which building materials are annexed
30 to real estate and which subsequently belong to the owner of the
31 institution, shall pay any applicable sales or use tax thereon. Upon

1 becoming licensed and receiving a numbered certificate of exemption, the
2 institution organized not for profit shall be entitled to a refund of the
3 amount of taxes so paid in the performance of such construction,
4 improvement, or repair and shall submit whatever evidence is required by
5 the Tax Commissioner sufficient to establish the total sales and use tax
6 paid upon the building materials physically annexed to real estate in the
7 construction, improvement, or repair.

8 Sec. 64. Section 77-2704.15, Revised Statutes Cumulative Supplement,
9 2022, is amended to read:

10 77-2704.15 (1)(a) Sales and use taxes shall not be imposed on the
11 gross receipts from the sale, lease, or rental of and the storage, use,
12 or other consumption in this state of purchases by the state, including
13 public educational institutions recognized or established under the
14 provisions of Chapter 85, or by any county, township, city, village,
15 rural or suburban fire protection district, city airport authority,
16 county airport authority, joint airport authority, drainage district
17 organized under sections 31-401 to 31-450, sanitary drainage district
18 organized under sections 31-501 to 31-553, land bank created under the
19 Nebraska Municipal Land Bank Act, natural resources district, county
20 agricultural society, elected county fair board, housing agency as
21 defined in section 71-1575 except for purchases for any commercial
22 operation that does not exclusively benefit the residents of an
23 affordable housing project, cemetery created under section 12-101, or
24 joint entity or agency formed by any combination of two or more counties,
25 townships, cities, villages, or other exempt governmental units pursuant
26 to the Interlocal Cooperation Act, the Integrated Solid Waste Management
27 Act, or the Joint Public Agency Act, except for purchases for use in the
28 business of furnishing gas, water, electricity, or heat, or by any
29 irrigation or reclamation district, the irrigation division of any public
30 power and irrigation district, or public schools or learning communities
31 established under Chapter 79.

1 (b) For purposes of this subsection, purchases by the state or by a
2 governmental unit listed in subdivision (a) of this subsection include
3 purchases by any a nonprofit corporation under a lease-purchase
4 agreement, financing lease, or other instrument which provides for
5 transfer of title to the property to the state or governmental unit upon
6 payment of all amounts due thereunder. If any a nonprofit corporation
7 will be making purchases under a lease-purchase agreement, financing
8 lease, or other instrument as part of a project with a total estimated
9 cost that exceeds the threshold amount, then such purchases shall qualify
10 for an exemption under this section only if the question of proceeding
11 with such project has been submitted at a primary, general, or special
12 election held within the governmental unit that will be a party to the
13 lease-purchase agreement, financing lease, or other instrument and has
14 been approved by the voters of such governmental unit or the governmental
15 unit's expenditure towards the project is paid in whole or in part with
16 redevelopment bonds. For purposes of this subdivision, (i) project means
17 the acquisition of real property or the construction of a public building
18 and (ii) threshold amount means the greater of fifty thousand dollars or
19 six-tenths of one percent of the total actual value of real and personal
20 property of the governmental unit that will be a party to the lease-
21 purchase agreement, financing lease, or other instrument as of the end of
22 the governmental unit's prior fiscal year.

23 (2) The appointment of purchasing agents shall be recognized for the
24 purpose of altering the status of the construction contractor as the
25 ultimate consumer of building materials which are physically annexed to
26 the structure and which subsequently belong to the state or the
27 governmental unit. The appointment of purchasing agents shall be in
28 writing and occur prior to having any building materials annexed to real
29 estate in the construction, improvement, or repair. The contractor who
30 has been appointed as a purchasing agent may apply for a refund of or use
31 as a credit against a future use tax liability the tax paid on inventory

1 items annexed to real estate in the construction, improvement, or repair
2 of a project for the state or a governmental unit.

3 (3) Any governmental unit listed in subsection (1) of this section,
4 except the state, which enters into a contract of construction,
5 improvement, or repair upon property annexed to real estate without first
6 issuing a purchasing agent authorization to a contractor or repairperson
7 prior to the building materials being annexed to real estate in the
8 project may apply to the Tax Commissioner for a refund of any sales and
9 use tax paid by the contractor or repairperson on the building materials
10 physically annexed to real estate in the construction, improvement, or
11 repair.

12 Sec. 65. Section 77-2704.36, Revised Statutes Cumulative Supplement,
13 2022, is amended to read:

14 77-2704.36 (1) Sales and use tax shall not be imposed on the gross
15 receipts from the sale, lease, or rental of:

16 (a) Depreciable agricultural machinery and equipment purchased,
17 leased, or rented on or after January 1, 1993, for use in commercial
18 agriculture; or

19 (b) Net wrap, baling wire, and twine purchased for use in commercial
20 agriculture.

21 (2) For purposes of this section:

22 (a)(i) Agricultural machinery and equipment means tangible personal
23 property that is used directly in (A) cultivating or harvesting a crop,
24 (B) raising or caring for animal life, (C) protecting the health and
25 welfare of animal life, including fans, curtains, and climate control
26 equipment within livestock buildings, or (D) collecting or processing an
27 agricultural product on a farm or ranch, regardless of the degree of
28 attachment to any real property; and

29 (ii) Agricultural machinery and equipment includes, but is not
30 limited to, header trailers, head haulers, header transports, and seed
31 tender trailers and excludes any current tractor model as defined in

1 section 2-2701.01 not permitted for sale in Nebraska pursuant to sections
2 2-2701 to 2-2711; ~~and~~

3 (b) Baling wire means wire used in the baling of livestock feed or
4 bedding;

5 (c) ~~(b)~~ Net wrap means plastic wrap used in the baling of livestock
6 feed or bedding; and ~~hay.~~

7 (d) Twine means a strong string of two or more strands twisted
8 together used in the baling of livestock feed or bedding.

9 Sec. 66. (1) This section applies on and after July 1, 2026.

10 (2) The appointment of purchasing agents shall be recognized for the
11 purpose of permitting a construction contractor to purchase materials tax
12 free based on the buyer-based exemption of the contractor's client for
13 items that are physically annexed to the structure and which subsequently
14 belong to the client who is eligible for the buyer-based exemption. The
15 appointment of purchasing agents shall be in writing and occur prior to
16 having any buyer-based tax-exempt items annexed to real estate in the
17 construction, improvement, or repair. The contractor who has been
18 appointed as a purchasing agent may purchase the materials tax free or
19 may apply for a refund of or use as a credit against a future use tax
20 liability the tax paid on inventory items annexed to real estate in the
21 construction, improvement, or repair of a project that belongs to the
22 client who is eligible for the buyer-based exemption.

23 (3) A client described in subsection (2) of this section which
24 enters into a contract of construction, improvement, or repair with
25 respect to buyer-based tax-exempt items annexed to real estate without
26 first issuing a purchasing agent authorization to a construction
27 contractor prior to such items being annexed to real estate in the
28 project may apply to the Tax Commissioner for a refund of any sales and
29 use tax paid by the contractor on such items physically annexed to real
30 estate in the construction, improvement, or repair.

31 Sec. 67. Section 77-2711, Revised Statutes Cumulative Supplement,

1 2022, is amended to read:

2 77-2711 (1)(a) The Tax Commissioner shall enforce sections
3 77-2701.04 to 77-2713 and sections 62 and 66 of this act and may
4 prescribe, adopt, and enforce rules and regulations relating to the
5 administration and enforcement of such sections.

6 (b) The Tax Commissioner may prescribe the extent to which any
7 ruling or regulation shall be applied without retroactive effect.

8 (2) The Tax Commissioner may employ accountants, auditors,
9 investigators, assistants, and clerks necessary for the efficient
10 administration of the Nebraska Revenue Act of 1967 and may delegate
11 authority to his or her representatives to conduct hearings, prescribe
12 regulations, or perform any other duties imposed by such act.

13 (3)(a) Every seller, every retailer, and every person storing,
14 using, or otherwise consuming in this state property purchased from a
15 retailer shall keep such records, receipts, invoices, and other pertinent
16 papers in such form as the Tax Commissioner may reasonably require.

17 (b) Every such seller, retailer, or person shall keep such records
18 for not less than three years from the making of such records unless the
19 Tax Commissioner in writing sooner authorized their destruction.

20 (4) The Tax Commissioner or any person authorized in writing by him
21 or her may examine the books, papers, records, and equipment of any
22 person selling property and any person liable for the use tax and may
23 investigate the character of the business of the person in order to
24 verify the accuracy of any return made or, if no return is made by the
25 person, to ascertain and determine the amount required to be paid. In the
26 examination of any person selling property or of any person liable for
27 the use tax, an inquiry shall be made as to the accuracy of the reporting
28 of city and county sales and use taxes for which the person is liable
29 under the Local Option Revenue Act or sections 13-319, 13-324, 13-2813,
30 and 77-6403 and the accuracy of the allocation made between the various
31 counties, cities, villages, and municipal counties of the tax due. The

1 Tax Commissioner may make or cause to be made copies of resale or
2 exemption certificates and may pay a reasonable amount to the person
3 having custody of the records for providing such copies.

4 (5) The taxpayer shall have the right to keep or store his or her
5 records at a point outside this state and shall make his or her records
6 available to the Tax Commissioner at all times.

7 (6) In administration of the use tax, the Tax Commissioner may
8 require the filing of reports by any person or class of persons having in
9 his, her, or their possession or custody information relating to sales of
10 property, the storage, use, or other consumption of which is subject to
11 the tax. The report shall be filed when the Tax Commissioner requires and
12 shall set forth the names and addresses of purchasers of the property,
13 the sales price of the property, the date of sale, and such other
14 information as the Tax Commissioner may require.

15 (7) It shall be a Class I misdemeanor for the Tax Commissioner or
16 any official or employee of the Tax Commissioner, the State Treasurer, or
17 the Department of Administrative Services to make known in any manner
18 whatever the business affairs, operations, or information obtained by an
19 investigation of records and activities of any retailer or any other
20 person visited or examined in the discharge of official duty or the
21 amount or source of income, profits, losses, expenditures, or any
22 particular thereof, set forth or disclosed in any return, or to permit
23 any return or copy thereof, or any book containing any abstract or
24 particulars thereof to be seen or examined by any person not connected
25 with the Tax Commissioner. Nothing in this section shall be construed to
26 prohibit (a) the delivery to a taxpayer, his or her duly authorized
27 representative, or his or her successors, receivers, trustees, executors,
28 administrators, assignees, or guarantors, if directly interested, of a
29 certified copy of any return or report in connection with his or her tax,
30 (b) the publication of statistics so classified as to prevent the
31 identification of particular reports or returns and the items thereof,

1 (c) the inspection by the Attorney General, other legal representative of
2 the state, or county attorney of the reports or returns of any taxpayer
3 when either (i) information on the reports or returns is considered by
4 the Attorney General to be relevant to any action or proceeding
5 instituted by the taxpayer or against whom an action or proceeding is
6 being considered or has been commenced by any state agency or the county
7 or (ii) the taxpayer has instituted an action to review the tax based
8 thereon or an action or proceeding against the taxpayer for collection of
9 tax or failure to comply with the Nebraska Revenue Act of 1967 is being
10 considered or has been commenced, (d) the furnishing of any information
11 to the United States Government or to states allowing similar privileges
12 to the Tax Commissioner, (e) the disclosure of information and records to
13 a collection agency contracting with the Tax Commissioner pursuant to
14 sections 77-377.01 to 77-377.04, (f) the disclosure to another party to a
15 transaction of information and records concerning the transaction between
16 the taxpayer and the other party, (g) the disclosure of information
17 pursuant to section 77-27,195, 77-5731, 77-6837, 77-6839, or 77-6928, or
18 (h) the disclosure of information to the Department of Labor necessary
19 for the administration of the Employment Security Law, the Contractor
20 Registration Act, or the Employee Classification Act.

21 (8) Notwithstanding the provisions of subsection (7) of this
22 section, the Tax Commissioner may permit the Postal Inspector of the
23 United States Postal Service or his or her delegates to inspect the
24 reports or returns of any person filed pursuant to the Nebraska Revenue
25 Act of 1967 when information on the reports or returns is relevant to any
26 action or proceeding instituted or being considered by the United States
27 Postal Service against such person for the fraudulent use of the mails to
28 carry and deliver false and fraudulent tax returns to the Tax
29 Commissioner with the intent to defraud the State of Nebraska or to evade
30 the payment of Nebraska state taxes.

31 (9) Notwithstanding the provisions of subsection (7) of this

1 section, the Tax Commissioner may permit other tax officials of this
2 state to inspect the tax returns, reports, and applications filed under
3 sections 77-2701.04 to 77-2713 and sections 62 and 66 of this act, but
4 such inspection shall be permitted only for purposes of enforcing a tax
5 law and only to the extent and under the conditions prescribed by the
6 rules and regulations of the Tax Commissioner.

7 (10) Notwithstanding the provisions of subsection (7) of this
8 section, the Tax Commissioner may, upon request, provide the county board
9 of any county which has exercised the authority granted by section
10 81-3716 with a list of the names and addresses of the hotels located
11 within the county for which lodging sales tax returns have been filed or
12 for which lodging sales taxes have been remitted for the county's County
13 Visitors Promotion Fund under the Nebraska Visitors Development Act.

14 The information provided by the Tax Commissioner shall indicate only
15 the names and addresses of the hotels located within the requesting
16 county for which lodging sales tax returns have been filed for a
17 specified period and the fact that lodging sales taxes remitted by or on
18 behalf of the hotel have constituted a portion of the total sum remitted
19 by the state to the county for a specified period under the provisions of
20 the Nebraska Visitors Development Act. No additional information shall be
21 revealed.

22 (11)(a) Notwithstanding the provisions of subsection (7) of this
23 section, the Tax Commissioner shall, upon written request by the Auditor
24 of Public Accounts or the office of Legislative Audit, make tax returns
25 and tax return information open to inspection by or disclosure to the
26 Auditor of Public Accounts or employees of the office of Legislative
27 Audit for the purpose of and to the extent necessary in making an audit
28 of the Department of Revenue pursuant to section 50-1205 or 84-304.
29 Confidential tax returns and tax return information shall be audited only
30 upon the premises of the Department of Revenue. All audit workpapers
31 pertaining to the audit of the Department of Revenue shall be stored in a

1 secure place in the Department of Revenue.

2 (b) No employee of the Auditor of Public Accounts or the office of
3 Legislative Audit shall disclose to any person, other than another
4 Auditor of Public Accounts or office employee whose official duties
5 require such disclosure, any return or return information described in
6 the Nebraska Revenue Act of 1967 in a form which can be associated with
7 or otherwise identify, directly or indirectly, a particular taxpayer.

8 (c) Any person who violates the provisions of this subsection shall
9 be guilty of a Class I misdemeanor. For purposes of this subsection,
10 employee includes a former Auditor of Public Accounts or office of
11 Legislative Audit employee.

12 (12) For purposes of this subsection and subsections (11) and (14)
13 of this section:

14 (a) Disclosure means the making known to any person in any manner a
15 tax return or return information;

16 (b) Return information means:

17 (i) A taxpayer's identification number and (A) the nature, source,
18 or amount of his or her income, payments, receipts, deductions,
19 exemptions, credits, assets, liabilities, net worth, tax liability, tax
20 withheld, deficiencies, overassessments, or tax payments, whether the
21 taxpayer's return was, is being, or will be examined or subject to other
22 investigation or processing or (B) any other data received by, recorded
23 by, prepared by, furnished to, or collected by the Tax Commissioner with
24 respect to a return or the determination of the existence or possible
25 existence of liability or the amount of liability of any person for any
26 tax, penalty, interest, fine, forfeiture, or other imposition or offense;
27 and

28 (ii) Any part of any written determination or any background file
29 document relating to such written determination; and

30 (c) Tax return or return means any tax or information return or
31 claim for refund required by, provided for, or permitted under sections

1 77-2701 to 77-2713 and sections 62 and 66 of this act which is filed with
2 the Tax Commissioner by, on behalf of, or with respect to any person and
3 any amendment or supplement thereto, including supporting schedules,
4 attachments, or lists which are supplemental to or part of the filed
5 return.

6 (13) Notwithstanding the provisions of subsection (7) of this
7 section, the Tax Commissioner shall, upon request, provide any
8 municipality which has adopted the local option sales tax under the Local
9 Option Revenue Act with a list of the names and addresses of the
10 retailers which have collected the local option sales tax for the
11 municipality. The request may be made annually and shall be submitted to
12 the Tax Commissioner on or before June 30 of each year. The information
13 provided by the Tax Commissioner shall indicate only the names and
14 addresses of the retailers. The Tax Commissioner may provide additional
15 information to a municipality so long as the information does not include
16 any data detailing the specific revenue, expenses, or operations of any
17 particular business.

18 (14)(a) Notwithstanding the provisions of subsection (7) of this
19 section, the Tax Commissioner shall, upon written request, provide an
20 individual certified under subdivision (b) of this subsection
21 representing a municipality which has adopted the local option sales and
22 use tax under the Local Option Revenue Act with confidential sales and
23 use tax returns and sales and use tax return information regarding
24 taxpayers that possess a sales tax permit and the amounts remitted by
25 such permitholders at locations within the boundaries of the requesting
26 municipality or with confidential business use tax returns and business
27 use tax return information regarding taxpayers that file a Nebraska and
28 Local Business Use Tax Return and the amounts remitted by such taxpayers
29 at locations within the boundaries of the requesting municipality. Any
30 written request pursuant to this subsection shall provide the Department
31 of Revenue with no less than ten business days to prepare the sales and

1 use tax returns and sales and use tax return information requested. The
2 individual certified under subdivision (b) of this subsection shall
3 review such returns and return information only upon the premises of the
4 department, except that such limitation shall not apply if the certifying
5 municipality has an agreement in effect under the Nebraska Advantage
6 Transformational Tourism and Redevelopment Act. In such case, the
7 individual certified under subdivision (b) of this subsection may request
8 that copies of such returns and return information be sent to him or her
9 by electronic transmission, secured in a manner as determined by the Tax
10 Commissioner.

11 (b) Each municipality that seeks to request information under
12 subdivision (a) of this subsection shall certify to the Department of
13 Revenue one individual who is authorized by such municipality to make
14 such request and review the documents described in subdivision (a) of
15 this subsection. The individual may be a municipal employee or an
16 individual who contracts with the requesting municipality to provide
17 financial, accounting, or other administrative services.

18 (c) No individual certified by a municipality pursuant to
19 subdivision (b) of this subsection shall disclose to any person any
20 information obtained pursuant to a review under this subsection. An
21 individual certified by a municipality pursuant to subdivision (b) of
22 this subsection shall remain subject to this subsection after he or she
23 (i) is no longer certified or (ii) is no longer in the employment of or
24 under contract with the certifying municipality.

25 (d) Any person who violates the provisions of this subsection shall
26 be guilty of a Class I misdemeanor.

27 (e) The Department of Revenue shall not be held liable by any person
28 for an impermissible disclosure by a municipality or any agent or
29 employee thereof of any information obtained pursuant to a review under
30 this subsection.

31 (15) In all proceedings under the Nebraska Revenue Act of 1967, the

1 Tax Commissioner may act for and on behalf of the people of the State of
2 Nebraska. The Tax Commissioner in his or her discretion may waive all or
3 part of any penalties provided by the provisions of such act or interest
4 on delinquent taxes specified in section 45-104.02, as such rate may from
5 time to time be adjusted.

6 (16)(a) The purpose of this subsection is to set forth the state's
7 policy for the protection of the confidentiality rights of all
8 participants in the system operated pursuant to the streamlined sales and
9 use tax agreement and of the privacy interests of consumers who deal with
10 model 1 sellers.

11 (b) For purposes of this subsection:

12 (i) Anonymous data means information that does not identify a
13 person;

14 (ii) Confidential taxpayer information means all information that is
15 protected under a member state's laws, regulations, and privileges; and

16 (iii) Personally identifiable information means information that
17 identifies a person.

18 (c) The state agrees that a fundamental precept for model 1 sellers
19 is to preserve the privacy of consumers by protecting their anonymity.
20 With very limited exceptions, a certified service provider shall perform
21 its tax calculation, remittance, and reporting functions without
22 retaining the personally identifiable information of consumers.

23 (d) The governing board of the member states in the streamlined
24 sales and use tax agreement may certify a certified service provider only
25 if that certified service provider certifies that:

26 (i) Its system has been designed and tested to ensure that the
27 fundamental precept of anonymity is respected;

28 (ii) Personally identifiable information is only used and retained
29 to the extent necessary for the administration of model 1 with respect to
30 exempt purchasers;

31 (iii) It provides consumers clear and conspicuous notice of its

1 information practices, including what information it collects, how it
2 collects the information, how it uses the information, how long, if at
3 all, it retains the information, and whether it discloses the information
4 to member states. Such notice shall be satisfied by a written privacy
5 policy statement accessible by the public on the website of the certified
6 service provider;

7 (iv) Its collection, use, and retention of personally identifiable
8 information is limited to that required by the member states to ensure
9 the validity of exemptions from taxation that are claimed by reason of a
10 consumer's status or the intended use of the goods or services purchased;
11 and

12 (v) It provides adequate technical, physical, and administrative
13 safeguards so as to protect personally identifiable information from
14 unauthorized access and disclosure.

15 (e) The state shall provide public notification to consumers,
16 including exempt purchasers, of the state's practices relating to the
17 collection, use, and retention of personally identifiable information.

18 (f) When any personally identifiable information that has been
19 collected and retained is no longer required for the purposes set forth
20 in subdivision (16)(d)(iv) of this section, such information shall no
21 longer be retained by the member states.

22 (g) When personally identifiable information regarding an individual
23 is retained by or on behalf of the state, it shall provide reasonable
24 access by such individual to his or her own information in the state's
25 possession and a right to correct any inaccurately recorded information.

26 (h) If anyone other than a member state, or a person authorized by
27 that state's law or the agreement, seeks to discover personally
28 identifiable information, the state from whom the information is sought
29 should make a reasonable and timely effort to notify the individual of
30 such request.

31 (i) This privacy policy is subject to enforcement by the Attorney

1 General.

2 (j) All other laws and regulations regarding the collection, use,
3 and maintenance of confidential taxpayer information remain fully
4 applicable and binding. Without limitation, this subsection does not
5 enlarge or limit the state's authority to:

6 (i) Conduct audits or other reviews as provided under the agreement
7 and state law;

8 (ii) Provide records pursuant to the federal Freedom of Information
9 Act, disclosure laws with governmental agencies, or other regulations;

10 (iii) Prevent, consistent with state law, disclosure of confidential
11 taxpayer information;

12 (iv) Prevent, consistent with federal law, disclosure or misuse of
13 federal return information obtained under a disclosure agreement with the
14 Internal Revenue Service; and

15 (v) Collect, disclose, disseminate, or otherwise use anonymous data
16 for governmental purposes.

17 Sec. 68. Section 77-2713, Revised Statutes Cumulative Supplement,
18 2022, is amended to read:

19 77-2713 (1) Any person required under the provisions of sections
20 77-2701.04 to 77-2713 and sections 62 and 66 of this act to collect,
21 account for, or pay over any tax imposed by the Nebraska Revenue Act of
22 1967 who willfully fails to collect or truthfully account for or pay over
23 such tax and any person who willfully attempts in any manner to evade any
24 tax imposed by such provisions of such act or the payment thereof shall,
25 in addition to other penalties provided by law, be guilty of a Class IV
26 felony.

27 (2) Any person who willfully aids or assists in, procures, counsels,
28 or advises the preparation or presentation of a false or fraudulent
29 return, affidavit, claim, or document under or in connection with any
30 matter arising under sections 77-2701.04 to 77-2713 and sections 62 and
31 66 of this act shall, whether or not such falsity or fraud is with the

1 knowledge or consent of the person authorized or required to present such
2 return, affidavit, claim, or document, be guilty of a Class IV felony.

3 (3) A person who engages in business as a retailer in this state
4 without a permit or permits or after a permit has been suspended and each
5 officer of any corporation which so engages in business shall be guilty
6 of a Class IV misdemeanor. Each day of such operation shall constitute a
7 separate offense.

8 (4) Any person who gives a resale certificate to the seller for
9 property which he or she knows, at the time of purchase, is purchased for
10 the purpose of use rather than for the purpose of resale, lease, or
11 rental by him or her in the regular course of business shall be guilty of
12 a Class IV misdemeanor.

13 (5) Any violation of the provisions of sections 77-2701.04 to
14 77-2713 and sections 62 and 66 of this act, except as otherwise provided,
15 shall be a Class IV misdemeanor.

16 (6) Any prosecution under sections 77-2701.04 to 77-2713 and
17 sections 62 and 66 of this act shall be instituted within three years
18 after the commission of the offense. If such offense is the failure to do
19 an act required by any of such sections to be done before a certain date,
20 a prosecution for such offense may be commenced not later than three
21 years after such date. The failure to do any act required by sections
22 77-2701.04 to 77-2713 and sections 62 and 66 of this act shall be deemed
23 an act committed in part at the principal office of the Tax Commissioner.
24 Any prosecution under the provisions of the Nebraska Revenue Act of 1967
25 may be conducted in any county where the person or corporation to whose
26 liability the proceeding relates resides or has a place of business or in
27 any county in which such criminal act is committed. The Attorney General
28 shall have concurrent jurisdiction with the county attorney in the
29 prosecution of any offenses under the provisions of the Nebraska Revenue
30 Act of 1967.

31 Sec. 69. Section 77-2715.07, Revised Statutes Cumulative Supplement,

1 2022, is amended to read:

2 77-2715.07 (1) There shall be allowed to qualified resident
3 individuals as a nonrefundable credit against the income tax imposed by
4 the Nebraska Revenue Act of 1967:

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

7 (b) A credit for taxes paid to another state as provided in section
8 77-2730.

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

11 (a) For returns filed reporting federal adjusted gross incomes of
12 greater than twenty-nine thousand dollars, a nonrefundable credit equal
13 to twenty-five percent of the federal credit allowed under section 21 of
14 the Internal Revenue Code of 1986, as amended, except that for taxable
15 years beginning or deemed to begin on or after January 1, 2015, such
16 nonrefundable credit shall be allowed only if the individual would have
17 received the federal credit allowed under section 21 of the code after
18 adding back in any carryforward of a net operating loss that was deducted
19 pursuant to such section in determining eligibility for the federal
20 credit;

21 (b) For returns filed reporting federal adjusted gross income of
22 twenty-nine thousand dollars or less, a refundable credit equal to a
23 percentage of the federal credit allowable under section 21 of the
24 Internal Revenue Code of 1986, as amended, whether or not the federal
25 credit was limited by the federal tax liability. The percentage of the
26 federal credit shall be one hundred percent for incomes not greater than
27 twenty-two thousand dollars, and the percentage shall be reduced by ten
28 percent for each one thousand dollars, or fraction thereof, by which the
29 reported federal adjusted gross income exceeds twenty-two thousand
30 dollars, except that for taxable years beginning or deemed to begin on or
31 after January 1, 2015, such refundable credit shall be allowed only if

1 the individual would have received the federal credit allowed under
2 section 21 of the code after adding back in any carryforward of a net
3 operating loss that was deducted pursuant to such section in determining
4 eligibility for the federal credit;

5 (c) A refundable credit as provided in section 77-5209.01 for
6 individuals who qualify for an income tax credit as a qualified beginning
7 farmer or livestock producer under the Beginning Farmer Tax Credit Act
8 for all taxable years beginning or deemed to begin on or after January 1,
9 2006, under the Internal Revenue Code of 1986, as amended;

10 (d) A refundable credit for individuals who qualify for an income
11 tax credit under the Angel Investment Tax Credit Act, the Nebraska
12 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
13 and Development Act, or the Volunteer Emergency Responders Incentive Act;
14 and

15 (e) A refundable credit equal to ten percent of the federal credit
16 allowed under section 32 of the Internal Revenue Code of 1986, as
17 amended, except that for taxable years beginning or deemed to begin on or
18 after January 1, 2015, such refundable credit shall be allowed only if
19 the individual would have received the federal credit allowed under
20 section 32 of the code after adding back in any carryforward of a net
21 operating loss that was deducted pursuant to such section in determining
22 eligibility for the federal credit.

23 (3) There shall be allowed to all individuals as a nonrefundable
24 credit against the income tax imposed by the Nebraska Revenue Act of
25 1967:

26 (a) A credit for personal exemptions allowed under section
27 77-2716.01;

28 (b) A credit for contributions to certified community betterment
29 programs as provided in the Community Development Assistance Act. Each
30 partner, each shareholder of an electing subchapter S corporation, each
31 beneficiary of an estate or trust, or each member of a limited liability

1 company shall report his or her share of the credit in the same manner
2 and proportion as he or she reports the partnership, subchapter S
3 corporation, estate, trust, or limited liability company income;

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

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

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

10 (f) A credit to employers as provided in sections 77-27,238 and
11 77-27,240;~~and~~

12 (g) A credit as provided in the Affordable Housing Tax Credit Act;
13 and -

14 (h) A credit to grocery store retailers, restaurants, and
15 agricultural producers as provided in section 77 of this act.

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

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

20 (b) A credit to all estates and trusts for contributions to
21 certified community betterment programs as provided in the Community
22 Development Assistance Act; and

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

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

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

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

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

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

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

1 January 1, 2020, and before January 1, 2026, under the Internal Revenue
2 Code of 1986, as amended, a nonrefundable credit against the income tax
3 imposed by the Nebraska Revenue Act of 1967 in the amount of five
4 thousand dollars shall be allowed to any individual who purchases a
5 residence during the taxable year if such residence:

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

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

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

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

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

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

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

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

30 (9)(a) For taxable years beginning or deemed to begin on or after
31 January 1, 2022, under the Internal Revenue Code of 1986, as amended, a

1 refundable credit against the income tax imposed by the Nebraska Revenue
2 Act of 1967 shall be allowed to the parent of a stillborn child if:

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

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

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

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

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

12 Sec. 70. Section 77-2716, Revised Statutes Cumulative Supplement,
13 2022, is amended to read:

14 77-2716 (1) The following adjustments to federal adjusted gross
15 income or, for corporations and fiduciaries, federal taxable income shall
16 be made for interest or dividends received:

17 (a)(i) There shall be subtracted interest or dividends received by
18 the owner of obligations of the United States and its territories and
19 possessions or of any authority, commission, or instrumentality of the
20 United States to the extent includable in gross income for federal income
21 tax purposes but exempt from state income taxes under the laws of the
22 United States; and

23 (ii) There shall be subtracted interest received by the owner of
24 obligations of the State of Nebraska or its political subdivisions or
25 authorities which are Build America Bonds to the extent includable in
26 gross income for federal income tax purposes;

27 (b) There shall be subtracted that portion of the total dividends
28 and other income received from a regulated investment company which is
29 attributable to obligations described in subdivision (a) of this
30 subsection as reported to the recipient by the regulated investment
31 company;

1 (c) There shall be added interest or dividends received by the owner
2 of obligations of the District of Columbia, other states of the United
3 States, or their political subdivisions, authorities, commissions, or
4 instrumentalities to the extent excluded in the computation of gross
5 income for federal income tax purposes except that such interest or
6 dividends shall not be added if received by a corporation which is a
7 regulated investment company;

8 (d) There shall be added that portion of the total dividends and
9 other income received from a regulated investment company which is
10 attributable to obligations described in subdivision (c) of this
11 subsection and excluded for federal income tax purposes as reported to
12 the recipient by the regulated investment company; and

13 (e)(i) Any amount subtracted under this subsection shall be reduced
14 by any interest on indebtedness incurred to carry the obligations or
15 securities described in this subsection or the investment in the
16 regulated investment company and by any expenses incurred in the
17 production of interest or dividend income described in this subsection to
18 the extent that such expenses, including amortizable bond premiums, are
19 deductible in determining federal taxable income.

20 (ii) Any amount added under this subsection shall be reduced by any
21 expenses incurred in the production of such income to the extent
22 disallowed in the computation of federal taxable income.

23 (2) There shall be allowed a net operating loss derived from or
24 connected with Nebraska sources computed under rules and regulations
25 adopted and promulgated by the Tax Commissioner consistent, to the extent
26 possible under the Nebraska Revenue Act of 1967, with the laws of the
27 United States. For a resident individual, estate, or trust, the net
28 operating loss computed on the federal income tax return shall be
29 adjusted by the modifications contained in this section. For a
30 nonresident individual, estate, or trust or for a partial-year resident
31 individual, the net operating loss computed on the federal return shall

1 be adjusted by the modifications contained in this section and any
2 carryovers or carrybacks shall be limited to the portion of the loss
3 derived from or connected with Nebraska sources.

4 (3) There shall be subtracted from federal adjusted gross income for
5 all taxable years beginning on or after January 1, 1987, the amount of
6 any state income tax refund to the extent such refund was deducted under
7 the Internal Revenue Code, was not allowed in the computation of the tax
8 due under the Nebraska Revenue Act of 1967, and is included in federal
9 adjusted gross income.

10 (4) Federal adjusted gross income, or, for a fiduciary, federal
11 taxable income shall be modified to exclude the portion of the income or
12 loss received from a small business corporation with an election in
13 effect under subchapter S of the Internal Revenue Code or from a limited
14 liability company organized pursuant to the Nebraska Uniform Limited
15 Liability Company Act that is not derived from or connected with Nebraska
16 sources as determined in section 77-2734.01.

17 (5) There shall be subtracted from federal adjusted gross income or,
18 for corporations and fiduciaries, federal taxable income dividends
19 received or deemed to be received from corporations which are not subject
20 to the Internal Revenue Code.

21 (6) There shall be subtracted from federal taxable income a portion
22 of the income earned by a corporation subject to the Internal Revenue
23 Code of 1986 that is actually taxed by a foreign country or one of its
24 political subdivisions at a rate in excess of the maximum federal tax
25 rate for corporations. The taxpayer may make the computation for each
26 foreign country or for groups of foreign countries. The portion of the
27 taxes that may be deducted shall be computed in the following manner:

28 (a) The amount of federal taxable income from operations within a
29 foreign taxing jurisdiction shall be reduced by the amount of taxes
30 actually paid to the foreign jurisdiction that are not deductible solely
31 because the foreign tax credit was elected on the federal income tax

1 return;

2 (b) The amount of after-tax income shall be divided by one minus the
3 maximum tax rate for corporations in the Internal Revenue Code; and

4 (c) The result of the calculation in subdivision (b) of this
5 subsection shall be subtracted from the amount of federal taxable income
6 used in subdivision (a) of this subsection. The result of such
7 calculation, if greater than zero, shall be subtracted from federal
8 taxable income.

9 (7) Federal adjusted gross income shall be modified to exclude any
10 amount repaid by the taxpayer for which a reduction in federal tax is
11 allowed under section 1341(a)(5) of the Internal Revenue Code.

12 (8)(a) Federal adjusted gross income or, for corporations and
13 fiduciaries, federal taxable income shall be reduced, to the extent
14 included, by income from interest, earnings, and state contributions
15 received from the Nebraska educational savings plan trust created in
16 sections 85-1801 to 85-1817 and any account established under the
17 achieving a better life experience program as provided in sections
18 77-1401 to 77-1409.

19 (b) Federal adjusted gross income or, for corporations and
20 fiduciaries, federal taxable income shall be reduced by any contributions
21 as a participant in the Nebraska educational savings plan trust or
22 contributions to an account established under the achieving a better life
23 experience program made for the benefit of a beneficiary as provided in
24 sections 77-1401 to 77-1409, to the extent not deducted for federal
25 income tax purposes, but not to exceed five thousand dollars per married
26 filing separate return or ten thousand dollars for any other return. With
27 respect to a qualified rollover within the meaning of section 529 of the
28 Internal Revenue Code from another state's plan, any interest, earnings,
29 and state contributions received from the other state's educational
30 savings plan which is qualified under section 529 of the code shall
31 qualify for the reduction provided in this subdivision. For contributions

1 by a custodian of a custodial account including rollovers from another
2 custodial account, the reduction shall only apply to funds added to the
3 custodial account after January 1, 2014.

4 (c) For taxable years beginning or deemed to begin on or after
5 January 1, 2021, under the Internal Revenue Code of 1986, as amended,
6 federal adjusted gross income shall be reduced, to the extent included in
7 the adjusted gross income of an individual, by the amount of any
8 contribution made by the individual's employer into an account under the
9 Nebraska educational savings plan trust owned by the individual, not to
10 exceed five thousand dollars per married filing separate return or ten
11 thousand dollars for any other return.

12 (d) Federal adjusted gross income or, for corporations and
13 fiduciaries, federal taxable income shall be increased by:

14 (i) The amount resulting from the cancellation of a participation
15 agreement refunded to the taxpayer as a participant in the Nebraska
16 educational savings plan trust to the extent previously deducted under
17 subdivision (8)(b) of this section; and

18 (ii) The amount of any withdrawals by the owner of an account
19 established under the achieving a better life experience program as
20 provided in sections 77-1401 to 77-1409 for nonqualified expenses to the
21 extent previously deducted under subdivision (8)(b) of this section.

22 (9)(a) For income tax returns filed after September 10, 2001, for
23 taxable years beginning or deemed to begin before January 1, 2006, under
24 the Internal Revenue Code of 1986, as amended, federal adjusted gross
25 income or, for corporations and fiduciaries, federal taxable income shall
26 be increased by eighty-five percent of any amount of any federal bonus
27 depreciation received under the federal Job Creation and Worker
28 Assistance Act of 2002 or the federal Jobs and Growth Tax Act of 2003,
29 under section 168(k) or section 1400L of the Internal Revenue Code of
30 1986, as amended, for assets placed in service after September 10, 2001,
31 and before December 31, 2005.

1 (b) For a partnership, limited liability company, cooperative,
2 including any cooperative exempt from income taxes under section 521 of
3 the Internal Revenue Code of 1986, as amended, limited cooperative
4 association, subchapter S corporation, or joint venture, the increase
5 shall be distributed to the partners, members, shareholders, patrons, or
6 beneficiaries in the same manner as income is distributed for use against
7 their income tax liabilities.

8 (c) For a corporation with a unitary business having activity both
9 inside and outside the state, the increase shall be apportioned to
10 Nebraska in the same manner as income is apportioned to the state by
11 section 77-2734.05.

12 (d) The amount of bonus depreciation added to federal adjusted gross
13 income or, for corporations and fiduciaries, federal taxable income by
14 this subsection shall be subtracted in a later taxable year. Twenty
15 percent of the total amount of bonus depreciation added back by this
16 subsection for tax years beginning or deemed to begin before January 1,
17 2003, under the Internal Revenue Code of 1986, as amended, may be
18 subtracted in the first taxable year beginning or deemed to begin on or
19 after January 1, 2005, under the Internal Revenue Code of 1986, as
20 amended, and twenty percent in each of the next four following taxable
21 years. Twenty percent of the total amount of bonus depreciation added
22 back by this subsection for tax years beginning or deemed to begin on or
23 after January 1, 2003, may be subtracted in the first taxable year
24 beginning or deemed to begin on or after January 1, 2006, under the
25 Internal Revenue Code of 1986, as amended, and twenty percent in each of
26 the next four following taxable years.

27 (10) For taxable years beginning or deemed to begin on or after
28 January 1, 2003, and before January 1, 2006, under the Internal Revenue
29 Code of 1986, as amended, federal adjusted gross income or, for
30 corporations and fiduciaries, federal taxable income shall be increased
31 by the amount of any capital investment that is expensed under section

1 179 of the Internal Revenue Code of 1986, as amended, that is in excess
2 of twenty-five thousand dollars that is allowed under the federal Jobs
3 and Growth Tax Act of 2003. Twenty percent of the total amount of
4 expensing added back by this subsection for tax years beginning or deemed
5 to begin on or after January 1, 2003, may be subtracted in the first
6 taxable year beginning or deemed to begin on or after January 1, 2006,
7 under the Internal Revenue Code of 1986, as amended, and twenty percent
8 in each of the next four following tax years.

9 (11)(a) For taxable years beginning or deemed to begin before
10 January 1, 2018, under the Internal Revenue Code of 1986, as amended,
11 federal adjusted gross income shall be reduced by contributions, up to
12 two thousand dollars per married filing jointly return or one thousand
13 dollars for any other return, and any investment earnings made as a
14 participant in the Nebraska long-term care savings plan under the Long-
15 Term Care Savings Plan Act, to the extent not deducted for federal income
16 tax purposes.

17 (b) For taxable years beginning or deemed to begin before January 1,
18 2018, under the Internal Revenue Code of 1986, as amended, federal
19 adjusted gross income shall be increased by the withdrawals made as a
20 participant in the Nebraska long-term care savings plan under the act by
21 a person who is not a qualified individual or for any reason other than
22 transfer of funds to a spouse, long-term care expenses, long-term care
23 insurance premiums, or death of the participant, including withdrawals
24 made by reason of cancellation of the participation agreement, to the
25 extent previously deducted as a contribution or as investment earnings.

26 (12) There shall be added to federal adjusted gross income for
27 individuals, estates, and trusts any amount taken as a credit for
28 franchise tax paid by a financial institution under sections 77-3801 to
29 77-3807 as allowed by subsection (5) of section 77-2715.07.

30 (13)(a) For taxable years beginning or deemed to begin on or after
31 January 1, 2015, and before January 1, 2025, under the Internal Revenue

1 Code of 1986, as amended, federal adjusted gross income shall be reduced
2 by the amount received as benefits under the federal Social Security Act
3 which are included in the federal adjusted gross income if:

4 (i) For taxpayers filing a married filing joint return, federal
5 adjusted gross income is fifty-eight thousand dollars or less; or

6 (ii) For taxpayers filing any other return, federal adjusted gross
7 income is forty-three thousand dollars or less.

8 (b) For taxable years beginning or deemed to begin on or after
9 January 1, 2020, and before January 1, 2025, under the Internal Revenue
10 Code of 1986, as amended, the Tax Commissioner shall adjust the dollar
11 amounts provided in subdivisions (13)(a)(i) and (ii) of this section by
12 the same percentage used to adjust individual income tax brackets under
13 subsection (3) of section 77-2715.03.

14 (c) For taxable years beginning or deemed to begin on or after
15 January 1, 2021, and before January 1, 2025, under the Internal Revenue
16 Code of 1986, as amended, a taxpayer may claim the reduction to federal
17 adjusted gross income allowed under this subsection or the reduction to
18 federal adjusted gross income allowed under subsection (14) of this
19 section, whichever provides the greater reduction.

20 (14)(a) For taxable years beginning or deemed to begin on or after
21 January 1, 2021, under the Internal Revenue Code of 1986, as amended,
22 federal adjusted gross income shall be reduced by a percentage of the
23 social security benefits that are received and included in federal
24 adjusted gross income. The pertinent percentage shall be:

25 (i) Five percent for taxable years beginning or deemed to begin on
26 or after January 1, 2021, and before January 1, 2022, under the Internal
27 Revenue Code of 1986, as amended;

28 (ii) Forty percent for taxable years beginning or deemed to begin on
29 or after January 1, 2022, and before January 1, 2023, under the Internal
30 Revenue Code of 1986, as amended;

31 (iii) Sixty percent for taxable years beginning or deemed to begin

1 on or after January 1, 2023, and before January 1, 2024, under the
2 Internal Revenue Code of 1986, as amended;

3 (iv) Eighty percent for taxable years beginning or deemed to begin
4 on or after January 1, 2024, and before January 1, 2025, under the
5 Internal Revenue Code of 1986, as amended; and

6 (v) One hundred percent for taxable years beginning or deemed to
7 begin on or after January 1, 2025, under the Internal Revenue Code of
8 1986, as amended.

9 (b) For purposes of this subsection, social security benefits means
10 benefits received under the federal Social Security Act.

11 (c) For taxable years beginning or deemed to begin on or after
12 January 1, 2021, and before January 1, 2025, under the Internal Revenue
13 Code of 1986, as amended, a taxpayer may claim the reduction to federal
14 adjusted gross income allowed under this subsection or the reduction to
15 federal adjusted gross income allowed under subsection (13) of this
16 section, whichever provides the greater reduction.

17 (15)(a) For taxable years beginning or deemed to begin on or after
18 January 1, 2015, and before January 1, 2022, under the Internal Revenue
19 Code of 1986, as amended, an individual may make a one-time election
20 within two calendar years after the date of his or her retirement from
21 the military to exclude income received as a military retirement benefit
22 by the individual to the extent included in federal adjusted gross income
23 and as provided in this subdivision. The individual may elect to exclude
24 forty percent of his or her military retirement benefit income for seven
25 consecutive taxable years beginning with the year in which the election
26 is made or may elect to exclude fifteen percent of his or her military
27 retirement benefit income for all taxable years beginning with the year
28 in which he or she turns sixty-seven years of age.

29 (b) For taxable years beginning or deemed to begin on or after
30 January 1, 2022, under the Internal Revenue Code of 1986, as amended, an
31 individual may exclude one hundred percent of the military retirement

1 benefit income received by such individual to the extent included in
2 federal adjusted gross income.

3 (c) For purposes of this subsection, military retirement benefit
4 means retirement benefits that are periodic payments attributable to
5 service in the uniformed services of the United States for personal
6 services performed by an individual prior to his or her retirement. The
7 term includes retirement benefits described in this subdivision that are
8 reported to the individual on either:

9 (i) An Internal Revenue Service Form 1099-R received from the United
10 States Department of Defense; or

11 (ii) An Internal Revenue Service Form 1099-R received from the
12 United States Office of Personnel Management.

13 (16) For taxable years beginning or deemed to begin on or after
14 January 1, 2021, under the Internal Revenue Code of 1986, as amended,
15 federal adjusted gross income shall be reduced by the amount received as
16 a Segal AmeriCorps Education Award, to the extent such amount is included
17 in federal adjusted gross income.

18 (17) For taxable years beginning or deemed to begin on or after
19 January 1, 2022, under the Internal Revenue Code of 1986, as amended,
20 federal adjusted gross income shall be reduced by the amount received by
21 or on behalf of a firefighter for cancer benefits under the Firefighter
22 Cancer Benefits Act to the extent included in federal adjusted gross
23 income.

24 (18) There shall be subtracted from the federal adjusted gross
25 income of individuals any amount received by the individual as student
26 loan repayment assistance under the Teach in Nebraska Today Act, to the
27 extent such amount is included in federal adjusted gross income.

28 (19) For taxable years beginning or deemed to begin on or after
29 January 1, 2023, under the Internal Revenue Code of 1986, as amended, a
30 retired individual who was employed full time as a firefighter or
31 certified law enforcement officer for at least twenty years and who is at

1 least sixty years of age as of the end of the taxable year may reduce his
2 or her federal adjusted gross income by the amount of health insurance
3 premiums paid by such individual during the taxable year, to the extent
4 such premiums were not already deducted in determining the individual's
5 federal adjusted gross income.

6 Sec. 71. Section 77-2717, Revised Statutes Cumulative Supplement,
7 2022, is amended to read:

8 77-2717 (1)(a)(i) For taxable years beginning or deemed to begin
9 before January 1, 2014, the tax imposed on all resident estates and
10 trusts shall be a percentage of the federal taxable income of such
11 estates and trusts as modified in section 77-2716, plus a percentage of
12 the federal alternative minimum tax and the federal tax on premature or
13 lump-sum distributions from qualified retirement plans. The additional
14 taxes shall be recomputed by (A) substituting Nebraska taxable income for
15 federal taxable income, (B) calculating what the federal alternative
16 minimum tax would be on Nebraska taxable income and adjusting such
17 calculations for any items which are reflected differently in the
18 determination of federal taxable income, and (C) applying Nebraska rates
19 to the result. The federal credit for prior year minimum tax, after the
20 recomputations required by the Nebraska Revenue Act of 1967, and the
21 credits provided in the Nebraska Advantage Microenterprise Tax Credit Act
22 and the Nebraska Advantage Research and Development Act shall be allowed
23 as a reduction in the income tax due. A refundable income tax credit
24 shall be allowed for all resident estates and trusts under the Angel
25 Investment Tax Credit Act, the Nebraska Advantage Microenterprise Tax
26 Credit Act, and the Nebraska Advantage Research and Development Act. A
27 nonrefundable income tax credit shall be allowed for all resident estates
28 and trusts as provided in the New Markets Job Growth Investment Act.

29 (ii) For taxable years beginning or deemed to begin on or after
30 January 1, 2014, the tax imposed on all resident estates and trusts shall
31 be a percentage of the federal taxable income of such estates and trusts

1 as modified in section 77-2716, plus a percentage of the federal tax on
2 premature or lump-sum distributions from qualified retirement plans. The
3 additional taxes shall be recomputed by substituting Nebraska taxable
4 income for federal taxable income and applying Nebraska rates to the
5 result. The credits provided in the Nebraska Advantage Microenterprise
6 Tax Credit Act and the Nebraska Advantage Research and Development Act
7 shall be allowed as a reduction in the income tax due. A refundable
8 income tax credit shall be allowed for all resident estates and trusts
9 under the Angel Investment Tax Credit Act, the Nebraska Advantage
10 Microenterprise Tax Credit Act, the Nebraska Advantage Research and
11 Development Act, the Nebraska Biodiesel Tax Credit Act, the Nebraska
12 Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, and
13 the Renewable Chemical Production Tax Credit Act. A nonrefundable income
14 tax credit shall be allowed for all resident estates and trusts as
15 provided in the Nebraska Job Creation and Mainstreet Revitalization Act,
16 the New Markets Job Growth Investment Act, the School Readiness Tax
17 Credit Act, the Affordable Housing Tax Credit Act, and sections 77-27,238
18 and 77-27,240 and section 77 of this act.

19 (b) The tax imposed on all nonresident estates and trusts shall be
20 the portion of the tax imposed on resident estates and trusts which is
21 attributable to the income derived from sources within this state. The
22 tax which is attributable to income derived from sources within this
23 state shall be determined by multiplying the liability to this state for
24 a resident estate or trust with the same total income by a fraction, the
25 numerator of which is the nonresident estate's or trust's Nebraska income
26 as determined by sections 77-2724 and 77-2725 and the denominator of
27 which is its total federal income after first adjusting each by the
28 amounts provided in section 77-2716. The federal credit for prior year
29 minimum tax, after the recomputations required by the Nebraska Revenue
30 Act of 1967, reduced by the percentage of the total income which is
31 attributable to income from sources outside this state, and the credits

1 provided in the Nebraska Advantage Microenterprise Tax Credit Act and the
2 Nebraska Advantage Research and Development Act shall be allowed as a
3 reduction in the income tax due. A refundable income tax credit shall be
4 allowed for all nonresident estates and trusts under the Angel Investment
5 Tax Credit Act, the Nebraska Advantage Microenterprise Tax Credit Act,
6 the Nebraska Advantage Research and Development Act, the Nebraska
7 Biodiesel Tax Credit Act, the Nebraska Higher Blend Tax Credit Act, the
8 Nebraska Property Tax Incentive Act, and the Renewable Chemical
9 Production Tax Credit Act. A nonrefundable income tax credit shall be
10 allowed for all nonresident estates and trusts as provided in the
11 Nebraska Job Creation and Mainstreet Revitalization Act, the New Markets
12 Job Growth Investment Act, the School Readiness Tax Credit Act, the
13 Affordable Housing Tax Credit Act, and sections 77-27,238 and 77-27,240
14 and section 77 of this act.

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

27 (3) The beneficiaries of such estate or trust who are residents of
28 this state shall include in their income their proportionate share of
29 such estate's or trust's federal income and shall reduce their Nebraska
30 tax liability by their proportionate share of the credits as provided in
31 the Angel Investment Tax Credit Act, the Nebraska Advantage

1 Microenterprise Tax Credit Act, the Nebraska Advantage Research and
2 Development Act, the Nebraska Job Creation and Mainstreet Revitalization
3 Act, the New Markets Job Growth Investment Act, the School Readiness Tax
4 Credit Act, the Affordable Housing Tax Credit Act, the Nebraska Biodiesel
5 Tax Credit Act, the Nebraska Higher Blend Tax Credit Act, the Nebraska
6 Property Tax Incentive Act, the Renewable Chemical Production Tax Credit
7 Act, and sections 77-27,238 and 77-27,240 and section 77 of this act.
8 There shall be allowed to a beneficiary a refundable income tax credit
9 under the Beginning Farmer Tax Credit Act for all taxable years beginning
10 or deemed to begin on or after January 1, 2001, under the Internal
11 Revenue Code of 1986, as amended.

12 (4) If any beneficiary of such estate or trust is a nonresident
13 during any part of the estate's or trust's taxable year, he or she shall
14 file a Nebraska income tax return which shall include (a) in Nebraska
15 adjusted gross income that portion of the estate's or trust's Nebraska
16 income, as determined under sections 77-2724 and 77-2725, allocable to
17 his or her interest in the estate or trust and (b) a reduction of the
18 Nebraska tax liability by his or her proportionate share of the credits
19 as provided in the Angel Investment Tax Credit Act, the Nebraska
20 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
21 and Development Act, the Nebraska Job Creation and Mainstreet
22 Revitalization Act, the New Markets Job Growth Investment Act, the School
23 Readiness Tax Credit Act, the Affordable Housing Tax Credit Act, the
24 Nebraska Biodiesel Tax Credit Act, the Nebraska Higher Blend Tax Credit
25 Act, the Nebraska Property Tax Incentive Act, the Renewable Chemical
26 Production Tax Credit Act, and sections 77-27,238 and 77-27,240 and
27 section 77 of this act and shall execute and forward to the fiduciary, on
28 or before the original due date of the Nebraska fiduciary return, an
29 agreement which states that he or she will file a Nebraska income tax
30 return and pay income tax on all income derived from or connected with
31 sources in this state, and such agreement shall be attached to the

1 Nebraska fiduciary return for such taxable year.

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

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

27 (7) For purposes of this section, unless the context otherwise
28 requires, simple trust shall mean any trust instrument which (a) requires
29 that all income shall be distributed currently to the beneficiaries, (b)
30 does not allow amounts to be paid, permanently set aside, or used in the
31 tax year for charitable purposes, and (c) does not distribute amounts

1 allocated in the corpus of the trust. Any trust which does not qualify as
2 a simple trust shall be deemed a complex trust.

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

7 Sec. 72. Section 77-2734.03, Revised Statutes Cumulative Supplement,
8 2022, is amended to read:

9 77-2734.03 (1)(a) For taxable years commencing prior to January 1,
10 1997, any (i) insurer paying a tax on premiums and assessments pursuant
11 to section 77-908 or 81-523, (ii) electric cooperative organized under
12 the Joint Public Power Authority Act, or (iii) credit union shall be
13 credited, in the computation of the tax due under the Nebraska Revenue
14 Act of 1967, with the amount paid during the taxable year as taxes on
15 such premiums and assessments and taxes in lieu of intangible tax.

16 (b) For taxable years commencing on or after January 1, 1997, any
17 insurer paying a tax on premiums and assessments pursuant to section
18 77-908 or 81-523, any electric cooperative organized under the Joint
19 Public Power Authority Act, or any credit union shall be credited, in the
20 computation of the tax due under the Nebraska Revenue Act of 1967, with
21 the amount paid during the taxable year as (i) taxes on such premiums and
22 assessments included as Nebraska premiums and assessments under section
23 77-2734.05 and (ii) taxes in lieu of intangible tax.

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

31 (2) There shall be allowed to corporate taxpayers a tax credit for

1 contributions to community betterment programs as provided in the
2 Community Development Assistance Act.

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

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

11 (5) There shall be allowed to corporate taxpayers refundable income
12 tax credits under the Nebraska Advantage Microenterprise Tax Credit Act,
13 the Nebraska Advantage Research and Development Act, the Nebraska
14 Biodiesel Tax Credit Act, the Nebraska Higher Blend Tax Credit Act, the
15 Nebraska Property Tax Incentive Act, and the Renewable Chemical
16 Production Tax Credit Act.

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

20 (7) There shall be allowed to corporate taxpayers a nonrefundable
21 income tax credit as provided in the Nebraska Job Creation and Mainstreet
22 Revitalization Act, the New Markets Job Growth Investment Act, the School
23 Readiness Tax Credit Act, the Affordable Housing Tax Credit Act, and
24 sections 77-27,238 and 77-27,240 and section 77 of this act.

25 Sec. 73. Section 77-27,132, Revised Statutes Cumulative Supplement,
26 2022, is amended to read:

27 77-27,132 (1) There is hereby created a fund to be designated the
28 Revenue Distribution Fund which shall be set apart and maintained by the
29 Tax Commissioner. Revenue not required to be credited to the General Fund
30 or any other specified fund may be credited to the Revenue Distribution
31 Fund. Credits and refunds of such revenue shall be paid from the Revenue

1 Distribution Fund. The balance of the amount credited, after credits and
2 refunds, shall be allocated as provided by the statutes creating such
3 revenue.

4 (2) The Tax Commissioner shall pay to a depository bank designated
5 by the State Treasurer all amounts collected under the Nebraska Revenue
6 Act of 1967. The Tax Commissioner shall present to the State Treasurer
7 bank receipts showing amounts so deposited in the bank, and of the
8 amounts so deposited the State Treasurer shall:

9 (a) For transactions occurring on or after October 1, 2014, and
10 before October 1, 2027, credit to the Game and Parks Commission Capital
11 Maintenance Fund all of the proceeds of the sales and use taxes imposed
12 pursuant to section 77-2703 on the sale or lease of motorboats as defined
13 in section 37-1204, personal watercraft as defined in section 37-1204.01,
14 all-terrain vehicles as defined in section 60-103, and utility-type
15 vehicles as defined in section 60-135.01;

16 (b) Credit to the Highway Trust Fund all of the proceeds of the
17 sales and use taxes derived from the sale or lease for periods of more
18 than thirty-one days of motor vehicles, trailers, and semitrailers,
19 except that the proceeds equal to any sales tax rate provided for in
20 section 77-2701.02 that is in excess of five percent derived from the
21 sale or lease for periods of more than thirty-one days of motor vehicles,
22 trailers, and semitrailers shall be credited to the Highway Allocation
23 Fund;

24 (c) For transactions occurring on or after July 1, 2013, and before
25 July 1, 2042 ~~2033~~, of the proceeds of the sales and use taxes derived
26 from transactions other than those listed in subdivisions (2)(a), ~~and~~
27 (b), and (e) of this section from a sales tax rate of one-quarter of one
28 percent, credit monthly eighty-five percent to the Highway Trust State
29 ~~Highway Capital Improvement~~ Fund and fifteen percent to the Highway
30 Allocation Fund; and

31 (d) Of the proceeds of the sales and use taxes derived from

1 transactions other than those listed in subdivisions (2)(a), ~~and (b)~~, and
2 (e) of this section, credit to the Property Tax Credit Cash Fund the
3 amount certified under section 77-27,237, if any such certification is
4 made.

5 (e) For transactions occurring on or after July 1, 2023, credit to
6 the Department of Transportation Aeronautics Capital Improvement Fund all
7 of the proceeds of the sales and use taxes imposed pursuant to section
8 77-2703 on the sale or lease of aircraft as defined in section 3-101.

9 The balance of all amounts collected under the Nebraska Revenue Act
10 of 1967 shall be credited to the General Fund.

11 Sec. 74. Section 77-27,187.02, Revised Statutes Cumulative
12 Supplement, 2022, is amended to read:

13 77-27,187.02 (1) To earn the incentives set forth in the Nebraska
14 Advantage Rural Development Act, the taxpayer shall file an application
15 for an agreement with the Tax Commissioner. There shall be no new
16 applications for incentives filed under this section after December 31,
17 2027.

18 (2) The application shall contain:

19 (a) A written statement describing the full expected employment or
20 type of livestock production and the investment amount for a qualified
21 business, as described in section 77-27,189, in this state;

22 (b) Sufficient documents, plans, and specifications as required by
23 the Tax Commissioner to support the plan and to define a project; and

24 (c) An application fee of (i) one hundred dollars for an investment
25 amount of less than twenty-five thousand dollars, (ii) two hundred fifty
26 dollars for an investment amount of at least twenty-five thousand dollars
27 but less than fifty thousand dollars, and (iii) five hundred dollars for
28 an investment amount of fifty thousand dollars or more. The fee shall be
29 remitted to the State Treasurer for credit to the Nebraska Incentives
30 Fund. The application and all supporting information shall be
31 confidential except for the name of the taxpayer, the location of the

1 project, and the amounts of increased employment or investment.

2 (3)(a) The Tax Commissioner shall approve the application and
3 authorize the total amount of credits expected to be earned as a result
4 of the project if he or she is satisfied that the plan in the application
5 defines a project that (i) meets the requirements established in section
6 77-27,188 and such requirements will be reached within the required time
7 period and (ii) for projects other than livestock modernization or
8 expansion projects, is located in an eligible county, city, or village.

9 ~~(b) For applications filed in calendar year 2015, the Tax~~
10 ~~Commissioner shall not approve further applications once the expected~~
11 ~~credits from the approved projects total one million dollars. For~~
12 applications filed in calendar year 2016 and each year thereafter, the
13 Tax Commissioner shall not approve further applications from applicants
14 described in subsection (1) of section 77-27,188 once the expected
15 credits from approved projects in this category total: For calendar years
16 2016 through 2022, one million dollars; and for calendar year 2023 and
17 each calendar year thereafter, two million dollars ~~from approved projects~~
18 ~~from this category total one million dollars.~~ For applications filed in
19 calendar year 2016 and each year thereafter, the Tax Commissioner shall
20 not approve further applications from applicants described in subsection
21 (2) of section 77-27,188 once the expected credits from approved projects
22 in this category total: For calendar year 2016, five hundred thousand
23 dollars; for calendar years 2017 and 2018, seven hundred fifty thousand
24 dollars; for calendar years 2019, 2020, and 2021, one million dollars;
25 and for calendar year 2022 and each calendar year thereafter, ten million
26 dollars. Four hundred dollars of the application fee shall be refunded to
27 the applicant if the application is not approved because the expected
28 credits from approved projects exceed such amounts.

29 (c) Applications for benefits shall be considered separately and in
30 the order in which they are received for the categories represented by
31 subsections (1) and (2) of section 77-27,188.

1 (d) Applications shall be filed by November 1 and shall be complete
2 by December 1 of each calendar year. Any application that is filed after
3 November 1 or that is not complete on December 1 shall be considered to
4 be filed during the following calendar year.

5 (4) After approval, the taxpayer and the Tax Commissioner shall
6 enter into a written agreement. The taxpayer shall agree to complete the
7 project, and the Tax Commissioner, on behalf of the State of Nebraska,
8 shall designate the approved plans of the taxpayer as a project and, in
9 consideration of the taxpayer's agreement, agree to allow the taxpayer to
10 use the incentives contained in the Nebraska Advantage Rural Development
11 Act up to the total amount that were authorized by the Tax Commissioner
12 at the time of approval. The application, and all supporting
13 documentation, to the extent approved, shall be considered a part of the
14 agreement. The agreement shall state:

15 (a) The levels of employment and investment required by the act for
16 the project;

17 (b) The time period under the act in which the required level must
18 be met;

19 (c) The documentation the taxpayer will need to supply when claiming
20 an incentive under the act;

21 (d) The date the application was filed; and

22 (e) The maximum amount of credits authorized.

23 Sec. 75. Section 77-27,188, Revised Statutes Cumulative Supplement,
24 2022, is amended to read:

25 77-27,188 (1) A refundable credit against the taxes imposed by the
26 Nebraska Revenue Act of 1967 shall be allowed to any taxpayer who has an
27 approved application pursuant to the Nebraska Advantage Rural Development
28 Act, who is engaged in a qualified business as described in section
29 77-27,189, and who after January 1, 2006:

30 (a)(i) Increases employment by two new equivalent employees and
31 makes an increased investment of at least one hundred twenty-five

1 thousand dollars prior to the end of the first taxable year after the
2 year in which the application was submitted in (A) any county in this
3 state with a population of fewer than fifteen thousand inhabitants,
4 according to the most recent federal decennial census, (B) any village in
5 this state, or (C) any area within the corporate limits of a city of the
6 metropolitan class consisting of one or more contiguous census tracts, as
7 determined by the most recent federal decennial census, which contain a
8 percentage of persons below the poverty line of greater than thirty
9 percent, and all census tracts contiguous to such tract or tracts; or

10 (ii) Increases employment by five new equivalent employees and makes
11 an increased investment of at least two hundred fifty thousand dollars
12 prior to the end of the first taxable year after the year in which the
13 application was submitted in any county in this state with a population
14 of less than twenty-five thousand inhabitants, according to the most
15 recent federal decennial census, or any city of the second class; and

16 (b) Pays a minimum qualifying wage of eight dollars and twenty-five
17 cents per hour to the new equivalent employees for which tax credits are
18 sought under the Nebraska Advantage Rural Development Act. The Department
19 of Revenue shall adjust the minimum qualifying wages required for
20 applications filed after January 1, 2004, and each January 1 thereafter,
21 as follows: The current rural Nebraska average weekly wage shall be
22 divided by the rural Nebraska average weekly wage for 2003; and the
23 result shall be multiplied by the eight dollars and twenty-five cents
24 minimum qualifying wage for 2003 and rounded to the nearest one cent. The
25 amount of increase or decrease in the minimum qualifying wages for any
26 year shall be the cumulative change in the rural Nebraska average weekly
27 wage since 2003. For purposes of this subsection, rural Nebraska average
28 weekly wage means the most recent average weekly wage paid by all
29 employers in all counties with a population of less than twenty-five
30 thousand inhabitants as reported by October 1 by the Department of Labor.

31 For purposes of this section, a teleworker working in Nebraska from

1 his or her residence for a taxpayer shall be considered an employee of
2 the taxpayer, and property of the taxpayer provided to the teleworker
3 working in Nebraska from his or her residence shall be considered an
4 investment. Teleworker includes an individual working on a per-item basis
5 and an independent contractor working for the taxpayer so long as the
6 taxpayer withholds Nebraska income tax from wages or other payments made
7 to such teleworker. For purposes of calculating the number of new
8 equivalent employees when the teleworkers are paid on a per-item basis or
9 are independent contractors, the total wages or payments made to all such
10 new employees during the year shall be divided by the qualifying wage as
11 determined in subdivision (b) of this subsection, with the result divided
12 by two thousand eighty hours.

13 (2) A refundable credit against the taxes imposed by the Nebraska
14 Revenue Act of 1967 shall be allowed to any taxpayer who (a) has an
15 approved application pursuant to the Nebraska Advantage Rural Development
16 Act, (b) is engaged in livestock production, and (c) ~~after January 1,~~
17 ~~2007,~~ invests at least fifty thousand dollars for livestock modernization
18 or expansion for applications filed before January 1, 2024, or at least
19 ten thousand dollars for livestock modernization or expansion for
20 applications filed on or after January 1, 2024.

21 (3) The amount of the credit allowed under subsection (1) of this
22 section shall be three thousand dollars for each new equivalent employee
23 and two thousand seven hundred fifty dollars for each fifty thousand
24 dollars of increased investment. For applications filed before January 1,
25 2016, the amount of the credit allowed under subsection (2) of this
26 section shall be ten percent of the investment, not to exceed a credit of
27 thirty thousand dollars. For applications filed on or after January 1,
28 2016, and before April 20, 2022, the amount of the credit allowed under
29 subsection (2) of this section shall be ten percent of the investment,
30 not to exceed a credit of one hundred fifty thousand dollars per
31 application. For applications filed on or after April 20, 2022, the

1 amount of the credit allowed under subsection (2) of this section shall
2 be ten percent of the investment, not to exceed a credit of five hundred
3 thousand dollars per application. For each application, a taxpayer
4 engaged in livestock production may qualify for a credit under either
5 subsection (1) or (2) of this section, but cannot qualify for more than
6 one credit per application.

7 (4) An employee of a qualified employee leasing company shall be
8 considered to be an employee of the client-lessee for purposes of this
9 section if the employee performs services for the client-lessee. A
10 qualified employee leasing company shall provide the Department of
11 Revenue access to the records of employees leased to the client-lessee.

12 (5) The credit shall not exceed the amounts set out in the
13 application and approved by the Tax Commissioner.

14 (6)(a) If a taxpayer who receives tax credits creates fewer jobs or
15 less investment than required in the project agreement, the taxpayer
16 shall repay the tax credits as provided in this subsection.

17 (b) If less than seventy-five percent of the required jobs in the
18 project agreement are created, one hundred percent of the job creation
19 tax credits shall be repaid. If seventy-five percent or more of the
20 required jobs in the project agreement are created, no repayment of the
21 job creation tax credits is necessary.

22 (c) If less than seventy-five percent of the required investment in
23 the project agreement is created, one hundred percent of the investment
24 tax credits shall be repaid. If seventy-five percent or more of the
25 required investment in the project agreement is created, no repayment of
26 the investment tax credits is necessary.

27 (7) For taxpayers who submitted applications for benefits under the
28 Nebraska Advantage Rural Development Act before January 1, 2006,
29 subsection (1) of this section, as such subsection existed immediately
30 prior to such date, shall continue to apply to such taxpayers. The
31 changes made by Laws 2005, LB 312, shall not preclude a taxpayer from

1 receiving the tax incentives earned prior to January 1, 2006.

2 Sec. 76. Section 77-27,223, Revised Statutes Cumulative Supplement,
3 2022, is amended to read:

4 77-27,223 A county may raise revenue by levying and collecting a
5 license or occupation tax on any person, partnership, limited liability
6 company, corporation, or business engaged in the sale of admissions to
7 recreational, cultural, entertainment, or concert events that are subject
8 to sales tax under sections 77-2701.04 to 77-2713 and sections 62 and 66
9 of this act that occur outside any incorporated municipality, but within
10 the boundary limits of the county. The tax shall be uniform in respect to
11 the class upon which it is imposed. The tax shall be based upon a certain
12 percentage of gross receipts from sales in the county of the person,
13 partnership, limited liability company, corporation, or business, and may
14 include sales of other goods and services at such locations and events,
15 not to exceed one and one-half percent. A county may not impose the tax
16 on sales that are within an incorporated city or village. No county shall
17 levy and collect a license or occupation tax under this section unless
18 approved by a majority of those voting on the question at a special,
19 primary, or general election.

20 Sec. 77. (1) For purposes of this section:

21 (a) Agricultural producer means an individual or entity whose income
22 is primarily attributable to crop or livestock production in the State of
23 Nebraska;

24 (b) Department means the Department of Revenue;

25 (c) Food bank means an organization in this state that:

26 (i) Is exempt from federal income taxation under section 501(c)(3)
27 of the Internal Revenue Code of 1986, as amended; and

28 (ii) Distributes food in ten or more counties in Nebraska and
29 qualifies for the Emergency Food Assistance Program administered by the
30 United States Department of Agriculture;

31 (d) Food pantry means an organization in this state that:

1 (i) Is exempt from federal income taxation under section 501(c)(3)
2 of the Internal Revenue Code of 1986, as amended; and

3 (ii) Distributes emergency food supplies to low-income individuals
4 in this state who would otherwise not have access to such food supplies;

5 (e) Food rescue means an organization in this state that:

6 (i) Is exempt from federal income taxation under section 501(c)(3)
7 of the Internal Revenue Code of 1986, as amended; and

8 (ii) Accepts donations of food and delivers such food to food banks
9 or food pantries so that such food may be distributed to low-income
10 individuals in this state;

11 (f) Grocery store retailer means a retailer located in this state
12 that is primarily engaged in business activities classified as code
13 445110 under the North American Industry Classification System;

14 (g) Qualifying agricultural food donation means a donation made by
15 an agricultural producer to a food bank, food pantry, or food rescue of
16 fresh or frozen fruits, vegetables, eggs, dairy products, or meat
17 products grown or produced in the State of Nebraska which meets all
18 applicable quality and labeling standards, along with any other
19 applicable requirements of the food bank, food pantry, or food rescue to
20 which the qualifying agricultural food donation is made; and

21 (h) Restaurant means a business located in this state that is
22 primarily engaged in business activities classified as code 722511,
23 722513, 722514, or 722515 under the North American Industry
24 Classification System.

25 (2) For taxable years beginning or deemed to begin on or after
26 January 1, 2024, under the Internal Revenue Code of 1986, as amended, a
27 credit against the income tax imposed by the Nebraska Revenue Act of 1967
28 shall be allowed to:

29 (a) Any grocery store retailer or restaurant that donates food to a
30 food bank, food pantry, or food rescue during the taxable year; and

31 (b) Any agricultural producer that makes a qualifying agricultural

1 food donation to a food bank, food pantry, or food rescue during the
2 taxable year.

3 (3) Subject to subsection (7) of this section, the credit provided
4 in this section shall be a nonrefundable credit in an amount equal to
5 fifty percent of the value of the food donations or qualifying
6 agricultural food donations made during the taxable year, not to exceed
7 two thousand five hundred dollars. Any amount of the credit that the
8 taxpayer is prohibited from claiming in a taxable year may be carried
9 forward to any of the three subsequent taxable years.

10 (4) For purposes of this section, food donated by a grocery store
11 retailer or restaurant shall be valued at its wholesale value. A
12 qualifying agricultural food donation shall be valued at the prevailing
13 market value of the product at the time of donation, plus the direct cost
14 incurred by the agricultural producer for processing the product.

15 (5) To receive a credit under this section, a taxpayer shall submit
16 an application to the department in a form and manner prescribed by the
17 department. The application shall include the amount of food donated
18 during the taxable year and any other information required by the
19 department.

20 (6) If the department determines that an application is complete and
21 that the taxpayer qualifies for credits, the department shall approve the
22 application within the limits set forth in this section and shall certify
23 the amount of credits approved to the taxpayer.

24 (7) The department may approve zero dollars of credits each year. If
25 the amount of credits requested by qualified taxpayers in any year
26 exceeds such limit, the department shall allocate credits proportionally
27 based on the amounts requested so that the limit is not exceeded.

28 (8) A taxpayer shall claim the credit by attaching the tax credit
29 certification received from the department under subsection (6) of this
30 section to the taxpayer's tax return.

31 (9) Any amount relating to such food donations or qualifying

1 agricultural food donations that was subtracted from the taxpayer's
2 federal adjusted gross income or federal taxable income must be added
3 back in the determination of Nebraska adjusted gross income or taxable
4 income before the credit provided in this section may be claimed.

5 (10) No credit granted under this section shall be transferred,
6 sold, or assigned. No taxpayer shall be eligible to receive a credit
7 under this section if such taxpayer employs persons who are not
8 authorized to work in the United States under federal law. No taxpayer
9 shall be able to claim more than one credit under this section for a
10 single donation.

11 (11) A food bank, food pantry, or food rescue may accept or reject
12 any food donated under this section for any reason. Any food that is
13 rejected shall not qualify for a credit under this section.

14 (12) The department may adopt and promulgate rules and regulations
15 to carry out this section.

16 Sec. 78. Section 77-2902, Reissue Revised Statutes of Nebraska, is
17 amended to read:

18 77-2902 For purposes of the Nebraska Job Creation and Mainstreet
19 Revitalization Act:

20 (1) Department means the Department of Revenue;

21 (2) Eligible expenditure means any cost incurred for the improvement
22 of historically significant real property located in the State of
23 Nebraska, including, but not limited to, qualified rehabilitation
24 expenditures as defined in section 47(c)(2) of the Internal Revenue Code
25 of 1986, as amended, and the related regulations thereunder, if such
26 improvement is in conformance with the standards;

27 (3) Historically significant real property means a building or an
28 at-grade or above ground structure used for any purpose, except for a
29 single-family detached residence, which, at the time of final approval of
30 the work by the officer pursuant to section 77-2906, is:

31 (a) Individually listed in the National Register of Historic Places;

1 (b)(i) Located within a district listed in the National Register of
2 Historic Places; and

3 (ii) Determined by the officer as being historically significant to
4 such district;

5 (c)(i) Individually designated pursuant to a landmark ordinance or
6 resolution enacted by a political subdivision of the state, which
7 ordinance or resolution has been approved by the officer; and

8 (ii) Determined by the officer as being historically significant; or

9 (d)(i) Located within a district designated pursuant to a
10 preservation ordinance or resolution enacted by a county, city, or
11 village of the state or political body comprised thereof providing for
12 the rehabilitation, preservation, or restoration of historically
13 significant real property, which ordinance or resolution has been
14 approved by the officer; and

15 (ii) Determined by the officer as contributing to the historical
16 significance or economic viability of such district ~~or to its economic~~
17 ~~viability;~~

18 (4) Improvement means a rehabilitation, preservation, or restoration
19 project that contributes to the basis, functionality, or value of the
20 historically significant real property and has a total cost which equals
21 or exceeds five thousand dollars; ~~the following:~~

22 ~~(a) For historically significant real property that is not located~~
23 ~~in a city of the metropolitan or primary class, twenty-five thousand~~
24 ~~dollars; or~~

25 ~~(b) For historically significant real property that is located in a~~
26 ~~city of the metropolitan or primary class, the greater of (i) twenty-five~~
27 ~~thousand dollars or (ii) twenty-five percent of the historically~~
28 ~~significant real property's assessed value;~~

29 (5) Officer means the State Historic Preservation Officer;

30 (6) Person means any natural person, political subdivision, limited
31 liability company, partnership, private domestic or private foreign

1 corporation, or domestic or foreign nonprofit corporation certified
2 pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as
3 amended;

4 (7) Placed in service means that either (a) a temporary or final
5 certificate of occupancy has been issued for the improvement or (b) the
6 improvement is sufficiently complete to allow for the intended use of the
7 improvement; and

8 (8) Standards means (a) the Secretary of the Interior's Standards
9 for the Treatment of Historic Properties as promulgated by the United
10 States Department of the Interior or (b) specific standards for the
11 rehabilitation, preservation, and restoration of historically significant
12 real property contained in a duly adopted local preservation ordinance or
13 resolution that has been approved by the officer pursuant to section
14 77-2903.

15 Sec. 79. Section 77-2903, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 77-2903 For purposes of establishing standards under subdivision (8)
18 (b) of section 77-2902, the officer shall approve a duly adopted local
19 preservation ordinance or resolution if such ordinance or resolution
20 meets the following requirements:

21 (1) The ordinance or resolution provides for specific standards and
22 requirements regarding building exteriors that reflect the heritage,
23 values, and character of the political subdivision adopting such
24 ordinance or resolution; and

25 (2) The ordinance or resolution requires that any building to be
26 rehabilitated, preserved, or restored shall have been originally
27 constructed at least fifty years prior to the proposed rehabilitation,
28 preservation, or restoration and the facade of such building shall not
29 have undergone material structural alteration since its original
30 construction, unless the rehabilitation, preservation, or restoration to
31 be performed proposes to restore the facade to substantially its original

1 condition.

2 Sec. 80. Section 77-2904, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 77-2904 (1) Any person incurring eligible expenditures may receive a
5 nonrefundable credit against any income tax imposed by the Nebraska
6 Revenue Act of 1967 or any tax imposed pursuant to sections 44-101 to
7 44-165, 77-907 to 77-918, or 77-3801 to 77-3807 for the year the
8 historically significant real property is placed in service. ~~The amount
9 of the credit shall be equal to twenty percent of eligible expenditures
10 up to a maximum credit of one million dollars.~~

11 (2) For historically significant real property located in a county
12 that includes a city of the metropolitan class or a city of the primary
13 class, the credit shall be equal to twenty-five percent of eligible
14 expenditures. For historically significant real property located in any
15 other county, the credit shall be equal to thirty percent of eligible
16 expenditures. In all cases, the maximum credit allocated to any one
17 project shall be two million dollars.

18 (3) Any taxpayer that claims a tax credit shall not be required to
19 pay any additional retaliatory tax under section 44-150 as a result of
20 claiming such tax credit. Any tax credit claimed under this section shall
21 be considered a payment of tax for purposes of subsection (1) of section
22 77-2734.03.

23 (4) (2) To claim the credit authorized under this section, a person
24 must first apply and receive an allocation of credits and application
25 approval under section 77-2905 and then request and receive final
26 approval under section 77-2906.

27 (5) (3) Interest shall not be allowed on any refund paid under the
28 Nebraska Job Creation and Mainstreet Revitalization Act.

29 Sec. 81. Section 77-2905, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 77-2905 (1) Prior to commencing work on the historically significant

1 real property, a person shall file an application for credits under the
2 Nebraska Job Creation and Mainstreet Revitalization Act containing all
3 required information with the officer on a form prescribed by the officer
4 and shall include an application fee established by the officer pursuant
5 to section 77-2907. ~~The officer shall not accept any application for~~
6 ~~credits prior to January 1, 2015.~~ The application shall include plans and
7 specifications, an estimate of the cost of the project prepared by a
8 licensed architect, licensed engineer, or licensed contractor, and a
9 request for a specific amount of credits based on such estimate. The
10 officer shall review the application and, within twenty-one days after
11 receiving the application, shall determine whether the information
12 contained therein is complete. The officer shall notify the applicant in
13 writing of the determination within five business days after making the
14 determination. If the officer fails to provide such notification as
15 required, the application shall be deemed complete as of the twenty-first
16 day after the application is received by the officer. If the officer
17 determines the application is complete or if the application is deemed
18 complete pursuant to this section, the officer shall reserve for the
19 benefit of the applicant an allocation of credits in the amount specified
20 in the application and determined by the officer to be reasonable and
21 shall notify the applicant in writing of the amount of the allocation.
22 The allocation does not entitle the applicant to an issuance of credits
23 until the applicant complies with all other requirements of the Nebraska
24 Job Creation and Mainstreet Revitalization Act for the issuance of
25 credits. The date the officer determines the application is complete or
26 the date the application is deemed complete pursuant to this section
27 shall constitute the applicant's priority date for purposes of allocating
28 credits under this section. For complete applications receiving an
29 allocation under this section, the officer shall determine whether the
30 application conforms to the standards, and, if so, the officer shall
31 approve such application or approve such application with conditions. If

1 the application does not conform to the standards, the officer shall deny
2 such application. The officer shall promptly provide the person filing
3 the application and the department with written notice of the officer's
4 determination. If the officer does not provide a written notice of his or
5 her determination within thirty days after the date the application is
6 determined or deemed to be complete pursuant to this section, the
7 application shall be deemed approved. The officer shall notify the
8 department of any applications that are deemed approved pursuant to this
9 section. If the officer denies the application, the credits allocated to
10 the applicant under this subsection shall be added to the annual amount
11 available for allocation under subsection (2) of this section. Any denial
12 of an application by the officer pursuant to this section may be
13 appealed, and the appeal shall be in accordance with the Administrative
14 Procedure Act.

15 (2) ~~For calendar years beginning before January 1, 2017, the total~~
16 ~~amount of credits that may be allocated by the officer under this section~~
17 ~~in any calendar year shall be limited to fifteen million dollars. For~~
18 ~~calendar years beginning before January 1, 2024 on or after January 1,~~
19 ~~2017, the total amount of credits that may be allocated by the officer~~
20 ~~under this section in any calendar year shall be limited to fifteen~~
21 ~~million dollars, of which four million dollars shall be reserved for~~
22 ~~applications seeking an allocation of credits of less than one hundred~~
23 ~~thousand dollars. For calendar years beginning on or after January 1,~~
24 ~~2024, the total amount of credits that may be allocated by the officer~~
25 ~~under this section in any calendar year shall be limited to two million~~
26 ~~dollars. If the amount of credits allocated in any calendar year is less~~
27 ~~than the maximum amount of credits available under this section for that~~
28 ~~year fifteen million dollars, the unused amount shall be carried forward~~
29 ~~to subsequent years and shall be available for allocation in subsequent~~
30 ~~years until fully utilized, except as otherwise provided in section~~
31 ~~77-2912. If the amount of credits reserved for applications seeking an~~

1 allocation of credits of less than one hundred thousand dollars is not
2 allocated by April 1 of any calendar year, such unallocated credits for
3 the calendar year shall be available for any application seeking an
4 allocation of credits based upon the applicant's priority date as
5 determined by the officer. The officer shall allocate credits based on
6 priority date, from earliest to latest. If the officer determines that
7 the complete applications for credits in any calendar year exceed the
8 maximum amount of credits available under this section for that year,
9 only those applications with a priority date on or before the date on
10 which the officer makes that determination may receive an allocation in
11 that year, and the officer shall not make additional allocations until
12 sufficient credits are available. If the officer suspends allocations of
13 credits pursuant to this section, applications with priority dates on or
14 before the date of such suspension shall retain their priority dates.
15 Once additional credits are available for allocation, the officer shall
16 once again allocate credits based on priority date, from earliest to
17 latest, even if the priority dates are from a prior calendar year.

18 ~~(3) Prior to December 1 of any year, the holder of an allocation of~~
19 ~~credits under this section who has not commenced the improvements in his~~
20 ~~or her approved application shall notify the officer of his or her intent~~
21 ~~to retain or release the allocation. Any released allocation shall be~~
22 ~~added to the aggregate amount of credits available for allocation in the~~
23 ~~following year. Any holder of an allocation who fails to timely notify~~
24 ~~the officer of such intent shall be deemed to have released the~~
25 ~~allocation.~~

26 (3) ~~(4)~~ The holder of an allocation of credits whose application was
27 approved under this section shall start substantial work pursuant to the
28 approved application within twenty-four months after receiving notice of
29 approval of the application or, if no notice of approval is sent by the
30 officer, within twenty-four months after the application is deemed
31 approved pursuant to this section. Failure to comply with this subsection

1 shall result in forfeiture of the allocation of credits received under
2 this section. Any such forfeited allocation shall be added to the
3 aggregate amount of credits available for allocation for the year in
4 which the forfeiture occurred.

5 ~~(4)~~ (5) Notwithstanding subsection (1) of this section, the person
6 applying for the credit under this section may, at its own risk, incur
7 eligible expenditures up to six months prior to the submission of the
8 application required under subsection (1) of this section if such
9 eligible expenditures are limited to architectural, engineering fees,
10 accounting, and legal fees, and any costs generally related to the
11 protection of the historically significant real property from
12 deterioration.

13 Sec. 82. Section 77-2910, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 77-2910 (1) The Nebraska State Historical Society and the department
16 may each adopt and promulgate rules and regulations to carry out the
17 Nebraska Job Creation and Mainstreet Revitalization Act.

18 (2) The Nebraska State Historical Society and the department shall
19 annually issue a joint report electronically to the Revenue Committee of
20 the Legislature no later than December 31 of each year ~~, 2017~~. The report
21 shall include, but not be limited to, (a) the total number of
22 applications submitted under the Nebraska Job Creation and Mainstreet
23 Revitalization Act, (b) the number of applications approved or
24 conditionally approved, (c) the number of applications outstanding, if
25 any, (d) the number of applications denied and the basis for denial, (e)
26 the total amount of eligible expenditures approved, (f) the total amount
27 of credits issued, claimed, and still available for use, (g) the total
28 amount of fees collected, (h) the name and address location of each
29 historically significant real property identified in each application,
30 whether approved or denied, (i) the total amount of credits transferred,
31 sold, and assigned and a certification of the ownership of the credits,

1 (j) the total amount of credits claimed against each tax type by
2 category, and (k) the total amount of credits recaptured, if any. No
3 information shall be provided in the report that is protected by state or
4 federal confidentiality laws.

5 Sec. 83. Section 77-2912, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 77-2912 There shall be no new applications filed under the Nebraska
8 Job Creation and Mainstreet Revitalization Act after December 31, 2030
9 ~~2022~~. All applications and all credits pending or approved before such
10 date shall continue in full force and effect, except that no credits
11 shall be allocated under section 77-2905, issued under section 77-2906,
12 or used on any tax return or similar filing after December 31, 2035 ~~2027~~.

13 Sec. 84. Section 77-3506, Revised Statutes Cumulative Supplement,
14 2022, is amended to read:

15 77-3506 (1) All homesteads in this state shall be assessed for
16 taxation the same as other property, except that there shall be exempt
17 from taxation, on any homestead described in subsection (2) of this
18 section, one hundred percent of the exempt amount.

19 (2) The exemption described in subsection (1) of this section shall
20 apply to homesteads of:

21 (a) A veteran who was discharged or otherwise separated with a
22 characterization of honorable or general (under honorable conditions),
23 who is drawing compensation from the United States Department of Veterans
24 Affairs because of one hundred percent service-connected permanent
25 disability, and who is not eligible for total exemption under sections
26 77-3526 to 77-3528;

27 (b) An ~~an~~ unmarried surviving spouse of such a veteran,
28 described in subdivision (2)(a) of this section or a surviving spouse of
29 such a veteran who remarries after attaining the age of fifty-seven
30 years;

31 (c) A veteran who was discharged or otherwise separated with a

1 characterization of honorable or general (under honorable conditions),
2 who is drawing compensation from the United States Department of Veterans
3 Affairs because of one hundred percent service-connected temporary
4 disability, and who is not eligible for total exemption under sections
5 77-3526 to 77-3528, an unremarried spouse of such a veteran, or a
6 surviving spouse of such a veteran who remarries after attaining the age
7 of fifty-seven years;

8 (d) ~~(b)~~ An unremarried surviving spouse of any veteran, including a
9 veteran other than a veteran described in section 80-401.01, who was
10 discharged or otherwise separated with a characterization of honorable or
11 general (under honorable conditions) and who died because of a service-
12 connected disability or a surviving spouse of such a veteran who
13 remarries after attaining the age of fifty-seven years;

14 (e) ~~(c)~~ An unremarried surviving spouse of a serviceman or
15 servicewoman, including a veteran other than a veteran described in
16 section 80-401.01, whose death while on active duty was service-connected
17 or a surviving spouse of such a serviceman or servicewoman who remarries
18 after attaining the age of fifty-seven years; and

19 (f) ~~(d)~~ An unremarried surviving spouse of a serviceman or
20 servicewoman who died while on active duty during the periods described
21 in section 80-401.01 or a surviving spouse of such a serviceman or
22 servicewoman who remarries after attaining the age of fifty-seven years.

23 (3) Application for exemption under subdivision (2)(a) of this
24 section shall be required in every subsequent year evenly divisible by
25 five and shall include certification of the status described in
26 subdivision (2)(a) set forth in subsection (2) of this section from the
27 United States Department of Veterans Affairs. Application for exemption
28 under subdivision (2)(b), (c), (d), (e), or (f) of this section shall be
29 required annually and shall include certification of the status described
30 in subdivision (2)(b), (c), (d), (e), or (f) of this section from the
31 United States Department of Veterans Affairs, except that such

1 ~~certification of status shall only be required in every subsequent year~~
2 ~~evenly divisible by five. Such certification shall not be required in~~
3 ~~succeeding years if no change in status has occurred, except that the~~
4 ~~county assessor or the Tax Commissioner may request such certification to~~
5 ~~verify that no change in status has occurred.~~

6 Sec. 85. Section 77-3512, Revised Statutes Cumulative Supplement,
7 2022, is amended to read:

8 77-3512 (1) It shall be the duty of each owner who wants a
9 homestead exemption under section 77-3506, 77-3507, or 77-3508 to file an
10 application therefor with the county assessor of the county in which the
11 homestead is located after February 1 and on or before June 30 of each
12 year. ~~Failure to do so shall constitute a waiver of the exemption for~~
13 ~~that year, except that:~~

14 (a) ~~(1)~~ The county board of the county in which the homestead is
15 located may, by majority vote, extend the deadline for an applicant to on
16 or before July 20. An extension shall not be granted to an applicant who
17 received an extension in the immediately preceding year;

18 (b) ~~(2)~~ An owner may file a late application pursuant to section
19 77-3514.01 if he or she includes documentation of a medical condition
20 which impaired the owner's ability to file the application in a timely
21 manner; ~~and~~

22 (c) ~~(3)~~ An owner may file a late application pursuant to section
23 77-3514.01 if he or she includes a copy of the death certificate of a
24 spouse who died during the year for which the exemption is requested; ~~-~~

25 (d) A veteran qualifying for a homestead exemption under subdivision
26 (2)(a) of section 77-3506 shall only be required to file an application
27 in every subsequent year evenly divisible by five; and

28 (e) If a veteran who has been granted a homestead exemption under
29 subdivision (2)(a) of section 77-3506 dies during the five-year exemption
30 period, the surviving spouse of such veteran shall continue to receive
31 such exemption for the remainder of the five-year exemption period. After

1 the expiration of the five-year exemption period, the surviving spouse
2 shall be required to file for an exemption under subdivision (2)(b) of
3 section 77-3506 on an annual basis.

4 (2) Failure to file an application as required in subsection (1) of
5 this section shall constitute a waiver of the exemption for the year in
6 which the failure occurred.

7 Sec. 86. Section 77-3513, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 77-3513 The county assessor shall mail a notice on or before April 1
10 to claimants who are the owners of a homestead which was granted an
11 exemption under section 77-3506, 77-3507, or 77-3508 and who are required
12 to refile for such exemption in the current preceding year unless the
13 claimant has already filed the application for the current year or the
14 county assessor has reason to believe there has been a change of
15 circumstances so that the claimant no longer qualifies. The notice shall
16 include the claimant's name, the application deadlines for the current
17 year, a list of documents that must be filed with the application, and
18 the county assessor's office address and telephone number.

19 Sec. 87. Section 77-3522, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 77-3522 (1) Any person who makes any false or fraudulent claim for
22 exemption or any false statement or false representation of a material
23 fact in support of such claim or any person who knowingly assists another
24 in the preparation of any such false or fraudulent claim or enters into
25 any collusion with another by the execution of a fictitious deed or other
26 instrument for the purpose of obtaining unlawful exemption under sections
27 77-3501 to 77-3529 shall be guilty of a Class II misdemeanor and shall be
28 subject to a forfeiture of any such exemption for a period of two years
29 from the date of conviction. Any person who shall make an oath or
30 affirmation to any false or fraudulent application for homestead
31 exemption knowing the same to be false or fraudulent shall be guilty of a

1 Class I misdemeanor.

2 (2) In addition to the penalty provided in subsection (1) of this
3 section, if any person (a) files a claim for exemption as provided in
4 section 77-3506, 77-3507, or 77-3508 which is excessive due to
5 misstatements by the owner filing such claim or (b) fails to notify the
6 county assessor of a change in status of a veteran qualifying for a
7 homestead exemption under subdivision (2)(a) of section 77-3506 which
8 affected all or a portion of the exemption period, including a change in
9 rating, the death of the veteran, or a transfer of property not covered
10 by section 77-3514, the claim may be disallowed in full and, if the claim
11 has been allowed, an amount equal to the amount of taxes lawfully due
12 during the applicable exemption period but not paid by reason of such
13 unlawful and improper allowance of homestead exemption shall be due and
14 shall upon entry of the amount thereof on the books of the county
15 treasurer be a lien on such property until paid and a penalty and
16 interest on such total sum as provided by statute on delinquent ad
17 valorem taxes equal to the amount of taxes lawfully due but claimed for
18 exemption shall be assessed. Any amount paid to satisfy a lien imposed
19 pursuant to this subsection shall be paid to the county treasurer in the
20 same manner that other property taxes are paid, and the county treasurer
21 shall remit such amount to the State Treasurer for credit to the General
22 Fund. Any penalty collected pursuant to this subsection shall be retained
23 by the county in which such penalty is assessed.

24 (3) For any veteran claiming a homestead exemption under subdivision
25 (2)(a) of section 77-3506, the county assessor may revoke such exemption
26 back to the date on which the county assessor has reason to believe that
27 the exemption was improper upon notice to the veteran of the revocation.
28 The veteran may then provide evidence in favor of receiving the exemption
29 to the county assessor, and the county assessor may revise any revocation
30 based on such evidence. Any decision of the county assessor to revoke a
31 homestead exemption under this subsection may be appealed to the county

1 board of equalization within thirty days after the decision. The county
2 board of equalization may reverse or modify the revocation if there is
3 clear and convincing evidence that the veteran qualified for the
4 exemption for a particular period of time.

5 (4) Any additional taxes or penalties imposed pursuant to this
6 section may be appealed in the same manner as appeals are made under
7 section 77-3519.

8 Sec. 88. Section 77-4001, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 77-4001 Sections 77-4001 to 77-4025 and sections 90 and 91 of this
11 act shall be known and may be cited as the Tobacco Products Tax Act.

12 Sec. 89. Section 77-4002, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 77-4002 For purposes of the Tobacco Products Tax Act, unless the
15 context otherwise requires, the definitions found in sections 77-4003 to
16 77-4007 and sections 90 and 91 of this act shall be used.

17 Sec. 90. Consumable material means any liquid solution or other
18 material containing nicotine that is depleted as an electronic nicotine
19 delivery system is used.

20 Sec. 91. Electronic nicotine delivery system has the same meaning
21 as in section 28-1418.01.

22 Sec. 92. Section 77-4007, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 77-4007 Tobacco products shall mean (1) cigars, (2) cheroots, (3)
25 stogies, (4) periques, (5) granulated, plug cut, crimp cut, ready rubbed,
26 and other smoking tobacco, (6) snuff, (7) snuff flour, (8) cavendish, (9)
27 plug and twist tobacco, (10) fine cut and other chewing tobacco, (11)
28 shorts, refuse scraps, clippings, cuttings, and sweepings of tobacco, ~~and~~
29 (12) other kinds and forms of tobacco, prepared in such manner as to be
30 suitable for chewing or smoking in a pipe or otherwise or both for
31 chewing and smoking, and (13) electronic nicotine delivery systems,

1 except that tobacco products shall not mean cigarettes as defined in
2 section 77-2601.

3 Sec. 93. Section 77-4008, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 77-4008 (1)(a) A tax is hereby imposed upon the first owner of
6 tobacco products to be sold in this state.

7 (b) The tax on snuff shall be forty-four cents per ounce and a
8 proportionate tax at the like rate on all fractional parts of an ounce.
9 Such tax shall be computed based on the net weight as listed by the
10 manufacturer.

11 (c) The tax on an electronic nicotine delivery system containing
12 three milliliters or less of consumable material shall be five cents per
13 milliliter of consumable material and a proportionate tax at the like
14 rate on all fractional parts of a milliliter.

15 (d) The tax on an electronic nicotine delivery system containing
16 more than three milliliters of consumable material shall be ten percent
17 of (i) the purchase price of such electronic nicotine delivery system
18 paid by the first owner or (ii) the price at which the first owner who
19 made, manufactured, or fabricated the electronic nicotine delivery system
20 sells the item to others.

21 (e) For electronic nicotine delivery systems in the possession of
22 retail dealers for which tax has not been paid, the tax under this
23 subsection shall be imposed at the earliest time the retail dealer: (i)
24 Brings or causes to be brought into the state any electronic nicotine
25 delivery system for sale; (ii) makes, manufactures, or fabricates any
26 electronic nicotine delivery system in this state for sale in this state;
27 or (iii) sells any electronic nicotine delivery system to consumers
28 within this state.

29 (f) {e} The tax on tobacco products other than snuff and electronic
30 nicotine delivery systems shall be twenty percent of (i) the purchase
31 price of such tobacco products paid by the first owner or (ii) the price

1 at which a first owner who made, manufactured, or fabricated the tobacco
2 product sells the items to others.

3 (g) ~~(d)~~ The tax on tobacco products shall be in addition to all
4 other taxes.

5 (2) Whenever any person who is licensed under section 77-4009
6 purchases tobacco products from another person licensed under section
7 77-4009, the seller shall be liable for the payment of the tax.

8 (3) Amounts collected pursuant to this section shall be used and
9 distributed pursuant to section 77-4025.

10 Sec. 94. Section 77-4025, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 77-4025 (1) There is hereby created a cash fund in the Department
13 of Revenue to be known as the Tobacco Products Administration Cash Fund.
14 All revenue collected or received by the Tax Commissioner from the
15 license fees and taxes imposed by the Tobacco Products Tax Act shall be
16 remitted to the State Treasurer for credit to the Tobacco Products
17 Administration Cash Fund, except that all such revenue relating to
18 electronic nicotine delivery systems shall be remitted to the State
19 Treasurer for credit to the General Fund.

20 (2) All costs required for administration of the Tobacco Products
21 Tax Act shall be paid from the Tobacco Products Administration Cash Fund
22 ~~such fund~~. Credits and refunds allowed under the act shall be paid from
23 the Tobacco Products Administration Cash Fund. Any receipts, after
24 credits and refunds, in excess of the amounts sufficient to cover the
25 costs of administration may be transferred to the General Fund at the
26 direction of the Legislature.

27 (3) Any money in the Tobacco Products Administration Cash Fund
28 available for investment shall be invested by the state investment
29 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
30 State Funds Investment Act.

31 Sec. 95. Section 77-5803, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 77-5803 (1)(a) Except as provided in subdivision (1)(b) of this
3 section, any business firm which makes expenditures in research and
4 experimental activities as defined in section 174 of the Internal Revenue
5 Code of 1986, as amended, in this state shall be allowed a research tax
6 credit as provided in the Nebraska Advantage Research and Development
7 Act. The credit amount under this subdivision shall equal fifteen percent
8 of the federal credit allowed under section 41 of the Internal Revenue
9 Code of 1986, as amended, or as apportioned to this state under
10 subsection (2) of this section. The credit shall be allowed for the first
11 tax year it is claimed and for each tax year ~~the twenty tax years~~
12 ~~immediately~~ following.

13 (b) Any business firm which makes expenditures in research and
14 experimental activities as defined in section 174 of the Internal Revenue
15 Code of 1986, as amended, on the campus of a college or university in
16 this state or at a facility owned by a college or university in this
17 state shall be allowed a research tax credit as provided in the Nebraska
18 Advantage Research and Development Act. The credit amount under this
19 subdivision shall equal thirty-five percent of the federal credit allowed
20 under section 41 of the Internal Revenue Code of 1986, as amended, or as
21 apportioned to this state under subsection (2) of this section. The
22 credit shall be allowed for the first tax year it is claimed and for each
23 tax year ~~the twenty tax years~~ ~~immediately~~ following.

24 (2) For any business firm doing business both within and without
25 this state, the amount of the ~~federal~~ credit may be determined either by
26 dividing the amount expended in research and experimental activities in
27 this state in any tax year by the total amount expended in research and
28 experimental activities or by apportioning the amount of the credit on
29 the federal income tax return to the state based on the average of the
30 property factor as determined in section 77-2734.12 and the payroll
31 factor as determined in section 77-2734.13.

1 Sec. 96. Section 77-5806, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 77-5806 The Nebraska Advantage Research and Development Act shall be
4 operative for all tax years beginning or deemed to begin on or after
5 January 1, 2006, under the Internal Revenue Code of 1986, as amended. No
6 business firm shall be allowed to first claim the credit for any tax year
7 beginning or deemed to begin after December 31, 2033 ~~2022~~, under the
8 Internal Revenue Code of 1986, as amended.

9 Sec. 97. Section 77-5808, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 77-5808 (1) This subsection shall apply for tax years beginning or
12 deemed to begin on or after January 1, 2009, and before January 1, 2023.

13 The Tax Commissioner shall not approve or grant to any person any tax
14 incentive under the Nebraska Advantage Research and Development Act
15 unless the taxpayer provides evidence satisfactory to the Tax
16 Commissioner that the taxpayer electronically verified the work
17 eligibility status of ~~all~~ newly hired employees employed in Nebraska.
18 ~~This section does not apply to any credit claimed in a tax year beginning~~
19 ~~or deemed to begin before January 1, 2009, under the Internal Revenue~~
20 ~~Code of 1986, as amended.~~

21 (2) This subsection shall apply for tax years beginning or deemed to
22 begin on or after January 1, 2023. When calculating the research tax
23 credit as provided in the Nebraska Advantage Research and Development
24 Act, the qualified research expenses claimed in computing the federal
25 credit allowed under section 41 of the Internal Revenue Code of 1986, as
26 amended, shall be adjusted to the extent the taxpayer includes, in such
27 qualified research expenses, compensation paid to an employee of such
28 taxpayer hired during or after the first tax year for which the Nebraska
29 Advantage Research and Development Act credit is claimed by such firm and
30 to the extent such compensation is subject to Nebraska income tax. Such
31 compensation, for the tax year in which the credit is being claimed,

1 shall be deducted from the taxpayer's qualified research expenses unless
2 such employee was verified as eligible to work in the United States using
3 the federal E-Verify system within ninety days after the date of hire of
4 such employee or such longer period as may be permitted under the rules
5 of the federal E-Verify system. Such verification may be performed by the
6 taxpayer or by someone on the taxpayer's behalf.

7 Sec. 98. Section 77-6702, Revised Statutes Cumulative Supplement,
8 2022, is amended to read:

9 77-6702 For purposes of the Nebraska Property Tax Incentive Act:

10 (1) Allowable growth percentage means the percentage increase, if
11 any, in the total assessed value of all real property in the state from
12 the prior year to the current year, as determined by the department,
13 except that in no case shall the allowable growth percentage exceed five
14 percent in any one year;

15 (2) Community college taxes means property taxes levied on real
16 property in this state by a community college area, excluding the
17 following:

18 (a) Any ~~any~~ property taxes levied for bonded indebtedness;

19 (b) Any ~~and any~~ property taxes levied as a result of an override of
20 limits on property tax levies approved by voters pursuant to section
21 77-3444; ~~and~~

22 (c) Any property taxes that, as of the time of payment, were
23 delinquent for five years or more;

24 (3) Department means the Department of Revenue;

25 (4) Eligible taxpayer means any individual, corporation,
26 partnership, limited liability company, trust, estate, or other entity
27 that pays school district taxes or community college taxes during a
28 taxable year; and

29 (5) School district taxes means property taxes levied on real
30 property in this state by a school district or multiple-district school
31 system, excluding the following:

1 (a) ~~Any any~~ property taxes levied for bonded indebtedness;

2 (b) ~~Any and any~~ property taxes levied as a result of an override of
3 limits on property tax levies approved by voters pursuant to section
4 77-3444; and -

5 (c) Any property taxes that, as of the time of payment, were
6 delinquent for five years or more.

7 Sec. 99. Section 77-6818, Revised Statutes Cumulative Supplement,
8 2022, is amended to read:

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

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

14 (b) Testing Laboratories - 541380;

15 (c) Rail Transportation - 482;

16 (d) Truck Transportation - 484;

17 (e) Insurance Carriers - 5241;

18 (f) Wired Telecommunications Carriers - 517311;

19 (g) Wireless Telecommunications Carriers (except Satellite) -
20 517312;

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

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

23 (j) Computer Facilities Management Services - 541513;

24 (k) Warehousing and Storage - 4931;

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

31 (m) Logistics Facilities - Portions of NAICS 488210, 488310, and

1 488490 dealing with independently operated trucking terminals,
2 independently operated railroad and railway terminals, and waterfront
3 terminal and port facility operations;

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

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

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

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

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

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

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

30 (u) Waste Treatment and Disposal - 5622.

31 (2)(a) Qualified location also includes any other business location

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

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

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

16 (iii) Information - 51;

17 (iv) Utilities - 22;

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

19 (vi) Public Administration - 92; or

20 (vii) Construction - 23.

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

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

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

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

12 Sec. 100. The Department of Transportation Aeronautics Capital
13 Improvement Fund is created. The fund shall consist of money credited to
14 the fund pursuant to section 77-27,132, transfers authorized by the
15 Legislature, and any gifts, grants, bequests, or donations to the fund.
16 The fund shall be administered by the Department of Transportation and
17 shall be used to build, repair, renovate, rehabilitate, restore, modify,
18 or improve any infrastructure at any public-use airport licensed by the
19 Division of Aeronautics of the Department of Transportation. Any money in
20 the fund available for investment shall be invested by the state
21 investment officer pursuant to the Nebraska Capital Expansion Act and the
22 Nebraska State Funds Investment Act.

23 Sec. 101. Section 81-1229, Revised Statutes Cumulative Supplement,
24 2022, is amended to read:

25 81-1229 (1) The director shall establish a workforce housing grant
26 program to foster and support the development of workforce housing in
27 rural communities.

28 (2) A nonprofit development organization may apply to the director
29 for approval of a workforce housing grant for a workforce housing
30 investment fund. The application shall be in a form and manner prescribed
31 by the director. Through fiscal year 2026-27, grants shall be awarded by

1 the director on a competitive basis until grant funds are no longer
2 available. Grant maximums shall not exceed one million dollars to any one
3 nonprofit development organization over a two-year period, with the
4 cumulative amount for any single grantee to be determined by the
5 department at the discretion of the director. An applicant shall provide
6 matching funds of at least one-quarter ~~one-half~~ of the amount of
7 workforce housing grant funds awarded. Unallocated workforce housing
8 grant funds held by the department shall be rolled to the next program
9 year.

10 (3) Grants shall be awarded based upon:

11 (a) A demonstrated and ongoing housing need as identified by a
12 recent housing study;

13 (b) A community or region that has a low unemployment rate and is
14 having difficulty attracting workers and filling employment positions;

15 (c) A community or region that exhibits a demonstrated commitment to
16 growing its housing stock;

17 (d) Projects that can reasonably be ready for occupancy in a period
18 of twenty-four months; and

19 (e) A demonstrated ability to grow and manage a workforce housing
20 investment fund.

21 (4) A nonprofit development organization shall:

22 (a) Invest or intend to invest in workforce housing eligible
23 activities;

24 (b) Use any fees, interest, loan repayments, or other funds it
25 received as a result of the administration of the grant to support
26 qualified activities; and

27 (c) Have an active board of directors with expertise in development,
28 construction, and finance that meets at least quarterly to approve all
29 qualified investments made by the nonprofit development organization. A
30 nonprofit development organization shall have a formal plan and proven
31 expertise to invest unused workforce housing investment fund balances and

1 shall have an annual review of all financial records conducted by an
2 independent certified public accountant.

3 Sec. 102. Section 81-12,182, Revised Statutes Cumulative Supplement,
4 2022, is amended to read:

5 81-12,182 (1) In order to be eligible to receive the matching funds
6 allowed in the Nebraska Transformational Projects Act, the applicant
7 shall file an application with the director, on a form developed by the
8 director, requesting an agreement.

9 (2) The application shall:

10 (a) Identify the project, including the qualified location of such
11 project, and state that the applicant is pursuing a partnership with the
12 federal government pursuant to Title VII, Subtitle C, section 740 of
13 Public Law 116-92 for the project;

14 (b) State the estimated, projected amount of total new investment at
15 the project, which shall not be less than one billion six hundred million
16 dollars, including the estimated, projected amount of private dollars and
17 matching funds;

18 (c) Include an independent assessment of the economic impact to
19 Nebraska from the project and its construction, which shall be performed
20 by a professional economist or economics firm which is not in the regular
21 employ of the applicant. The assessment must show, to the reasonable
22 satisfaction of the director, an economic impact to Nebraska of at least
23 two billion seven hundred million dollars during the planning and
24 construction period and at least four billion six hundred million dollars
25 during the ten-year period beginning either when construction is
26 commenced or when the application is approved;

27 (d) Include approval of the project and of submission of the
28 application by the governing body of the applicant. Approval of the
29 project may be subject to other federal, state, and local government
30 approvals needed to complete the project and subject to obtaining the
31 funding, financing, and donations needed for the project;

1 (e) State the E-Verify number or numbers that will be used by the
2 applicant for employees at the qualified location as provided by the
3 United States Citizenship and Immigration Services; and

4 (f) Contain a nonrefundable application fee of twenty-five thousand
5 dollars. The fee shall be remitted to the State Treasurer for credit to
6 the Nebraska Transformational Project Fund.

7 (3) An application must be complete to establish the date of the
8 application. An application shall be considered complete once it contains
9 the items listed in subsection (2) of this section.

10 (4) Once satisfied that the application is complete and that the
11 applicant is eligible to receive the matching funds allowed in the
12 Nebraska Transformational Projects Act, the director shall approve the
13 application.

14 (5) There shall be no new applications filed under this section
15 after December 31, 2025 ~~2023~~. Any complete application filed on or before
16 December 31, 2025 ~~2023~~, shall be considered by the director and approved
17 if the location and applicant qualify for approval. Agreements may be
18 executed with regard to any complete application filed on or before
19 December 31, 2025 ~~2023~~.

20 Sec. 103. Section 82-334, Revised Statutes Cumulative Supplement,
21 2022, is amended to read:

22 82-334 (1) The Support the Arts Cash Fund is created. The fund shall
23 consist of all money credited to the fund pursuant to section 60-3,252
24 and all money transferred to the fund pursuant to section 13-3108.

25 (2) The Nebraska Arts Council shall administer and distribute the
26 Support the Arts Cash Fund. The fund shall be expended by the Nebraska
27 Arts Council (a) to provide aid to communities that designate a focus
28 area of the city or village for arts and cultural development, (b) to
29 provide money for a competitive grant program that awards a grant to any
30 creative district that meets the criteria for the competitive grant, if
31 such program exists, (c) to provide money for the competitive grant

1 program for cities of the first class, cities of the second class, and
2 villages described in section 82-335, and (d) to defray costs directly
3 related to the administration of the fund.

4 (3) All money transferred to the fund pursuant to section 13-3108
5 shall be used for the competitive grant program for cities of the first
6 class, cities of the second class, and villages described in section
7 82-335.

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

11 Sec. 104. Section 82-335, Revised Statutes Cumulative Supplement,
12 2022, is amended to read:

13 82-335 (1) The Nebraska Arts Council shall establish a competitive
14 grant program to award grants to cities of the first class, cities of the
15 second class, and villages as provided in this section. The grants shall
16 be awarded from funds transferred to the Support the Arts Cash Fund
17 pursuant to subdivision (9)(a) of section 13-3108.

18 (2) A city of the first class, city of the second class, or village
19 is eligible for a grant under this section if:

20 (a) The city or village has a creative district within its
21 boundaries that has a ten-year plan for integration of the arts intended
22 to catalyze economic and workforce development initiatives in such city
23 or village; and

24 (b) The city or village is not receiving state assistance under the
25 Sports Arena Facility Financing Assistance Act.

26 (3) Priority in grant funding shall go to any city of the first
27 class, city of the second class, or village described in subsection (2)
28 of this section whose project includes the partnership of a city or
29 village convention and visitors bureau or county convention and visitors
30 bureau.

31 (4) Grants under this section may fund capital assets, video

1 projection mapping, and intangible video or audio artistic expression
2 presentations. Grants shall not fund ongoing operational and personnel
3 expenses of a political subdivision or nonprofit corporation, live
4 performances, promotional or marketing efforts of the creative district,
5 legal expenses, lobbying expenses, planning expenses, architectural
6 expenses, or engineering expenses.

7 (5) Any assets acquired using grant funds shall be owned by the city
8 of the first class, city of the second class, or village receiving such
9 grant.

10 (6) Any grant awarded under this section shall be in an amount
11 determined by the Nebraska Arts Council, which shall not be less than one
12 ~~must be at least equal to one million five hundred thousand dollars.~~

13 (7) For purposes of this section, creative district means a creative
14 district established pursuant to subdivision (5) of section 82-312.

15 Sec. 105. Section 85-1802, Revised Statutes Cumulative Supplement,
16 2022, is amended to read:

17 85-1802 For purposes of sections 85-1801 to 85-1817:

18 (1) Administrative fund means the College Savings Plan
19 Administrative Fund created in section 85-1807;

20 (2) Beneficiary means the individual designated by a participation
21 agreement to benefit from advance payments of qualified higher education
22 expenses on behalf of the beneficiary;

23 (3) Benefits means the payment of qualified higher education
24 expenses on behalf of a beneficiary or, in the case of a qualified
25 education loan payment, on behalf of a beneficiary or the sibling of a
26 beneficiary by the Nebraska educational savings plan trust;

27 (4) Eligible educational institution means an institution described
28 in 20 U.S.C. 1088 which is eligible to participate in a program under
29 Title IV of the federal Higher Education Act of 1965;

30 (5) Expense fund means the College Savings Plan Expense Fund created
31 in section 85-1807;

1 (6) Nebraska educational savings plan trust means the trust created
2 in section 85-1804;

3 (7) Nonqualified withdrawal refers to (a) a distribution from an
4 account to the extent it is not used to pay the qualified higher
5 education expenses of the beneficiary or, in the case of a qualified
6 education loan payment, to the extent it is not used to pay the qualified
7 higher education expenses of the beneficiary or a sibling of the
8 beneficiary or to the extent it does not constitute a rollover to a Roth
9 individual retirement account as permitted by section 529 of the Internal
10 Revenue Code, (b) a qualified rollover permitted by section 529 of the
11 Internal Revenue Code where the funds are transferred to a qualified
12 tuition program sponsored by another state or entity, or (c) a
13 distribution from an account to pay the costs of attending kindergarten
14 through grade twelve;

15 (8) Participant or account owner means an individual, an
16 individual's legal representative, or any other legal entity authorized
17 to establish a savings account under section 529 of the Internal Revenue
18 Code who has entered into a participation agreement for the advance
19 payment of qualified higher education expenses on behalf of a
20 beneficiary. For purposes of section 77-2716, as to contributions by a
21 custodian to a custodial account established pursuant to the Nebraska
22 Uniform Transfers to Minors Act or similar law in another state, which
23 account has been established under a participation agreement, participant
24 includes the parent or guardian of a minor, which parent or guardian is
25 also the custodian of the account;

26 (9) Participation agreement means an agreement between a participant
27 and the Nebraska educational savings plan trust entered into under
28 sections 85-1801 to 85-1817;

29 (10) Program fund means the College Savings Plan Program Fund
30 created in section 85-1807;

31 (11) Qualified education loan payment means the payment of principal

1 or interest on a qualified education loan as defined in 26 U.S.C. 221(d),
2 as such section existed on January 1, 2022, of the beneficiary or a
3 sibling of the beneficiary as described in 26 U.S.C. 152(d)(2)(B), as
4 such section existed on January 1, 2022. For purposes of this
5 subdivision, the aggregate total of qualified education loan payments for
6 the qualified education loans of a single beneficiary or sibling shall
7 not exceed ten thousand dollars for all taxable years combined. The
8 aggregate total for qualified education loan payments for the qualified
9 education loans of a sibling of a beneficiary shall be calculated with
10 respect to such sibling and not with respect to the beneficiary and shall
11 include all qualified education loan payments for loans of such sibling,
12 including any qualified education loan payments for which such sibling is
13 the beneficiary or the sibling of a beneficiary;

14 (12) Qualified higher education expenses means the certified costs
15 of tuition and fees, books, supplies, and equipment required (a) for
16 enrollment or attendance at an eligible educational institution or (b)
17 for costs incurred on or after January 1, 2021, for participation in an
18 apprenticeship program registered and certified with the United States
19 Secretary of Labor under 29 U.S.C. 50, as such section existed on January
20 1, 2021. Reasonable room and board expenses, based on the minimum amount
21 applicable for the eligible educational institution during the period of
22 enrollment, shall be included as qualified higher education expenses for
23 those students enrolled on at least a half-time basis. In the case of a
24 special needs beneficiary, expenses for special needs services incurred
25 in connection with enrollment or attendance at an eligible educational
26 institution shall be included as qualified higher education expenses.
27 Expenses paid or incurred on or after January 1, 2022, for the purchase
28 of computer technology or equipment or Internet access and related
29 services, subject to the limitations set forth in section 529 of the
30 Internal Revenue Code, shall be included as qualified higher education
31 expenses. Qualified higher education expenses includes qualified

1 education loan payments. Qualified higher education expenses does not
2 include any amounts in excess of those allowed by section 529 of the
3 Internal Revenue Code;

4 (13) Section 529 of the Internal Revenue Code means such section of
5 the code and the regulations interpreting such section; and

6 (14) Tuition and fees means the quarter or semester charges imposed
7 to attend an eligible educational institution.

8 Sec. 106. Section 85-2601, Revised Statutes Cumulative Supplement,
9 2022, is amended to read:

10 85-2601 Sections 85-2601 to 85-2604 and sections 109, 111, and 112
11 of this act shall be known and may be cited as the First Responder
12 Recruitment and Retention Law Enforcement Education Act.

13 Sec. 107. Section 85-2602, Revised Statutes Cumulative Supplement,
14 2022, is amended to read:

15 85-2602 For purposes of the First Responder Recruitment and
16 Retention Law Enforcement Education Act:

17 (1) Associate degree program means a degree program at a community
18 college, state college, or state university which typically requires
19 completion of an organized program of study of at least sixty semester
20 credit hours or an equivalent that can be shown to accomplish the same
21 goal. Associate degree program does not include a baccalaureate degree
22 program;

23 (2) Baccalaureate degree program means a degree program at a
24 community college, state college, or state university which typically
25 requires completion of an organized program of study of at least one
26 hundred twenty semester credit hours or an equivalent that can be shown
27 to accomplish the same goal;

28 (3) Community college means a public postsecondary educational
29 institution which is part of the community college system and includes
30 all branches and campuses of such institution located within the State of
31 Nebraska;

1 (4) Law enforcement officer means any person who is responsible for
2 the prevention or detection of crime or the enforcement of the penal,
3 traffic, or highway laws of the State of Nebraska or any political
4 subdivision of the state for more than one hundred hours per year and who
5 is authorized by law to make arrests;

6 (5) Law enforcement agency means a police department in a
7 municipality, a sheriff's office, and the Nebraska State Patrol;

8 (6) Professional firefighter means a firefighter or firefighter-
9 paramedic who is a member of a paid fire department of a municipality or
10 a rural or suburban fire protection district in this state, including a
11 municipality having a home rule charter or a municipal authority created
12 pursuant to a home rule charter that has its own paid fire department,
13 and for whom firefighting is a full-time career;

14 (7) (6) State college means a public postsecondary educational
15 institution which is part of the Nebraska state college system and
16 includes all branches and campuses of such institution located within the
17 State of Nebraska;

18 (8) (7) State university means a public postsecondary educational
19 institution which is part of the University of Nebraska and includes all
20 branches and campuses of such institution located within the State of
21 Nebraska; and

22 (9) (8) Tuition means the charges and cost of tuition as set by the
23 governing body of a state university, state college, or community
24 college.

25 Sec. 108. Section 85-2603, Revised Statutes Cumulative Supplement,
26 2022, is amended to read:

27 85-2603 (1) A law enforcement officer shall be entitled to a waiver
28 of one hundred percent of the resident tuition charges of any state
29 university, state college, or community college if the officer:

30 (a) Maintains satisfactory performance with his or her law
31 enforcement agency;

1 (b) Meets all admission requirements of the state university, state
2 college, or community college;~~and~~

3 (c) Pursues studies leading to a degree that relates to a career in
4 law enforcement from an associate degree program or a baccalaureate
5 degree program; and -

6 (d) For an officer applying for a waiver after the operative date of
7 this section, files with the Department of Revenue documentation showing
8 proof of employment as a law enforcement officer and proof of residence
9 in Nebraska each year such officer or such officer's legal dependent
10 applies for and receives the tuition waiver.

11 The officer may receive the tuition waiver for up to five years if
12 he or she otherwise continues to be eligible for participation.

13 (2) Any legal dependent of a law enforcement officer who maintains
14 satisfactory performance with such law enforcement officer's law
15 enforcement agency shall be entitled to a tuition waiver of one hundred
16 percent of the resident tuition charges of any state university, state
17 college, or community college for an associate or baccalaureate degree
18 program if the legal dependent executes an agreement with the state in
19 accordance with section 111 of this act. The legal dependent may receive
20 the tuition waiver for up to five years if the law enforcement officer
21 and the legal dependent continue to be eligible for participation. The
22 five years of tuition waiver eligibility starts once the legal dependent
23 applies for and receives the tuition waiver for the first time and is
24 available to such legal dependent for the next consecutive five years.

25 (3) ~~(2)~~ The state university, state college, or community college
26 shall waive one hundred percent of the officer's or the legal dependent's
27 tuition remaining due after subtracting awarded federal financial aid
28 grants and state scholarships and grants for an eligible law enforcement
29 officer or legal dependent during the time the officer or legal dependent
30 is enrolled. To remain eligible, the officer or legal dependent must
31 comply with all requirements of the institution for continued attendance

1 and award of an associate degree or a baccalaureate degree.

2 ~~(4)~~ (3) An application for the tuition waiver shall include a
3 verification of the law enforcement officer's satisfactory performance as
4 a law enforcement officer. It shall be the responsibility of the officer
5 to obtain a certificate of verification from his or her superior officer
6 in such officer's law enforcement agency attesting to such officer's
7 satisfactory performance. The officer shall include the certificate of
8 verification when the officer or the officer's legal dependent is
9 applying to the state university, state college, or community college in
10 order to obtain tuition waiver upon initial enrollment.

11 ~~(5)~~ (4) Within forty-five days after receipt of a completed
12 application, the state university, state college, or community college
13 shall send written notice of the law enforcement officer's or legal
14 dependent's eligibility or ineligibility for the tuition waiver. If the
15 officer or legal dependent is determined not to be eligible for the
16 tuition waiver, the notice shall include the reason or reasons for such
17 determination and an indication that an appeal of the determination may
18 be made pursuant to the Administrative Procedure Act.

19 Sec. 109. (1)(a) A professional firefighter shall be entitled to a
20 waiver of one hundred percent of the resident tuition charges of any
21 state university, state college, or community college if the professional
22 firefighter:

23 (i) Maintains satisfactory performance with such firefighter's fire
24 department;

25 (ii) Meets all admission requirements of the state university, state
26 college, or community college;

27 (iii) Pursues studies leading to a degree in science or medicine
28 that relates to a career in professional firefighting from an associate
29 degree program or a baccalaureate degree program; and

30 (iv) Files with the Department of Revenue documentation showing
31 proof of employment as a professional firefighter and proof of residence

1 in Nebraska each year such professional firefighter or such professional
2 firefighter's legal dependent applies for and receives the tuition
3 waiver.

4 (b) The professional firefighter may receive the tuition waiver for
5 up to five years if such professional firefighter otherwise continues to
6 be eligible for participation.

7 (2) Any legal dependent of a professional firefighter who maintains
8 satisfactory performance with such professional firefighter's fire
9 department shall be entitled to a tuition waiver of one hundred percent
10 of the resident tuition charges of any state university, state college,
11 or community college for an associate or baccalaureate degree program if
12 the legal dependent executes an agreement with the state in accordance
13 with section 111 of this act. The legal dependent may receive the tuition
14 waiver for up to five years if the professional firefighter and the legal
15 dependent continue to be eligible for participation. The five years of
16 tuition waiver eligibility starts once the legal dependent applies for
17 and receives the tuition waiver for the first time and is available to
18 such legal dependent for the next consecutive five years.

19 (3) The state university, state college, or community college shall
20 wave one hundred percent of the professional firefighter's or the legal
21 dependent's tuition remaining due after subtracting awarded federal
22 financial aid grants and state scholarships and grants for an eligible
23 professional firefighter or legal dependent during the time the
24 professional firefighter or legal dependent is enrolled. To remain
25 eligible, the professional firefighter or legal dependent must comply
26 with all requirements of the institution for continued attendance and
27 award of an associate degree or baccalaureate degree.

28 (4) An application for the tuition waiver shall include a
29 verification of the professional firefighter's satisfactory performance
30 as a professional firefighter. It shall be the responsibility of the
31 professional firefighter to obtain a certificate of verification from the

1 fire chief of such professional firefighter's fire department attesting
2 to such professional firefighter's satisfactory performance. The
3 professional firefighter shall include the certificate or verification
4 when the professional firefighter or the professional firefighter's legal
5 dependent is applying to the state university, state college, or
6 community college in order to obtain tuition waiver upon initial
7 enrollment.

8 (5) Within forty-five days after receipt of a completed application,
9 the state university, state college, or community college shall send
10 written notice of the professional firefighter's or legal dependent's
11 eligibility or ineligibility for the tuition waiver. If the professional
12 firefighter or legal dependent is determined not to be eligible for the
13 tuition waiver, the notice shall include the reason or reasons for such
14 determination and an indication that an appeal of the determination may
15 be made pursuant to the Administrative Procedure Act.

16 Sec. 110. Section 85-2604, Revised Statutes Cumulative Supplement,
17 2022, is amended to read:

18 85-2604 Each state university, state college, or community college
19 shall adopt and promulgate the procedures, rules, and regulations
20 necessary to carry out the First Responder Recruitment and Retention Law
21 Enforcement Education Act.

22 Sec. 111. (1) Each legal dependent who is a tuition waiver
23 recipient under the First Responder Recruitment and Retention Act shall
24 execute an agreement with the state. Such agreement shall be exempt from
25 the requirements of sections 73-501 to 73-510 and shall include the
26 following terms, as appropriate:

27 (a) The tuition waiver recipient agrees to reside within the State
28 of Nebraska for a period of five years following the use of the tuition
29 waiver;

30 (b) Each year during the five-year period following use of the
31 tuition waiver the tuition waiver recipient agrees to file a tax return

1 with the Department of Revenue to document that such recipient still
2 resides in the State of Nebraska;

3 (c) If the tuition waiver recipient fails to annually file a tax
4 return to prove residency in the State of Nebraska for the five-year
5 period following the use of the tuition waiver or fails to remain a
6 resident of Nebraska for the five-year period following the use of the
7 tuition waiver, the tuition waiver recipient agrees to repay the
8 community college, state college, or state university that such tuition
9 waiver recipient attended the amount of tuition that was waived for such
10 individual if the community college, state college, or state university
11 requests such payment on the dates and in the amounts requested; and

12 (d) Any residency, filing, or payment obligation incurred by the
13 tuition waiver recipient under the First Responder Recruitment and
14 Retention Act is canceled in the event of the tuition recipient's total
15 and permanent disability or death.

16 (2) The five-year residency requirement begins to run after use of
17 the first tuition waiver and:

18 (a) Completion of the five-year tuition waiver eligibility;

19 (b) Completion of an undergraduate degree at a state college or
20 state university;

21 (c) Completion of a two-year degree at a community college and
22 notification by the tuition waiver recipient to the Department of Revenue
23 that such recipient does not intend to pursue an undergraduate degree or
24 additional two-year degree using tuition waivers pursuant to the First
25 Responder Recruitment and Retention Act; or

26 (d) Notification by the tuition waiver recipient to the Department
27 of Revenue that such recipient does not plan to use additional tuition
28 waivers pursuant to the First Responder Recruitment and Retention Act.

29 Sec. 112. The Department of Revenue shall administer and enforce
30 the First Responder Recruitment and Retention Act and may adopt and
31 promulgate rules and regulations to carry out the First Responder

1 Recruitment and Retention Act.

2 Sec. 113. Section 24, Legislative Bill 243, One Hundred Eighth
3 Legislature, First Session, 2023, is amended to read:

4 Sec. 24. Sections 14, 15, 16, and 26 of this act become operative on
5 July 1, 2023. ~~Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 28 of this act~~
6 ~~become operative on January 1, 2024.~~ Sections 11, 12, 13, 17, 18, 19, 20,
7 21, 22, 23, and 27 of this act become operative three calendar months
8 after the adjournment of this legislative session. The other sections of
9 this act become operative on their effective date.

10 Sec. 114. Sections 64 and 117 of this act become operative on July
11 1, 2023. Sections 63, 65, and 119 of this act become operative on October
12 1, 2023. Sections 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, and 120 of
13 this act become operative on January 1, 2024. Sections 1, 2, 3, 4, 5, 6,
14 7, 8, 48, 51, 52, 53, 54, 55, 56, 69, 70, 71, 72, 74, 75, 77, 78, 79, 80,
15 81, 82, 83, 95, 96, 97, 98, 102, 105, 106, 107, 108, 109, 110, 111, 112,
16 and 118 of this act become operative three calendar months after the
17 adjournment of this legislative session. The other sections of this act
18 become operative on their effective date.

19 Sec. 115. If any section in this act or any part of any section is
20 declared invalid or unconstitutional, the declaration shall not affect
21 the validity or constitutionality of the remaining portions.

22 Sec. 116. Original sections 13-2602, 13-2603, 13-2604, 13-2605,
23 13-2609, 13-2610, 13-2611, 13-2612, 13-2706, 13-3102, 13-3103, 13-3104,
24 13-3108, 39-2205, 39-2209, 39-2211, 39-2212, 39-2213, 39-2216, 39-2222,
25 39-2223, 39-2703, 39-2704, 66-4,100, and 77-2701.02, Reissue Revised
26 Statutes of Nebraska, sections 39-2215, 39-2224, 77-1344, 77-1347,
27 77-1631, 77-1633, 77-2015, 77-2701, 77-2701.04, 77-2701.41, 77-2711,
28 77-2713, 77-27,132, 77-27,223, 77-6818, 81-1229, 82-334, and 82-335,
29 Revised Statutes Cumulative Supplement, 2022, and section 24, Legislative
30 Bill 243, One Hundred Eighth Legislature, First Session, 2023, are
31 repealed.

1 Sec. 117. Original section 77-2704.15, Revised Statutes Cumulative
2 Supplement, 2022, is repealed.

3 Sec. 118. Original sections 77-1701, 77-1818, 77-1824, 77-1838,
4 77-2902, 77-2903, 77-2904, 77-2905, 77-2910, 77-2912, 77-5803, 77-5806,
5 and 77-5808, Reissue Revised Statutes of Nebraska, and sections 77-1403,
6 77-1802, 77-1837, 77-2715.07, 77-2716, 77-2717, 77-2734.03, 77-27,187.02,
7 77-27,188, 77-6702, 81-12,182, 85-1802, 85-2601, 85-2602, 85-2603, and
8 85-2604, Revised Statutes Cumulative Supplement, 2022, are repealed.

9 Sec. 119. Original sections 77-2704.12 and 77-2704.36, Revised
10 Statutes Cumulative Supplement, 2022, are repealed.

11 Sec. 120. Original sections 77-3513, 77-3522, 77-4001, 77-4002,
12 77-4007, 77-4008, and 77-4025, Reissue Revised Statutes of Nebraska, and
13 sections 77-3506 and 77-3512, Revised Statutes Cumulative Supplement,
14 2022, are repealed.

15 Sec. 121. Since an emergency exists, this act takes effect when
16 passed and approved according to law.