

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 512

FINAL READING

Introduced by Linehan, 39.

Read first time January 22, 2019

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
2 3-150, 66-482, 66-4,143, 66-6,101, 66-712, 66-718, 66-739, 66-1521,
3 77-202.03, 77-377.02, 77-702, 77-1239, 77-1301, 77-1725.01,
4 77-1734.01, 77-2716.01, 77-2734.01, 77-2761, 77-2773, 77-2776,
5 77-3506, 77-3508, 77-3519, 77-4111, and 77-6203, Reissue Revised
6 Statutes of Nebraska, and section 39-2215, Revised Statutes
7 Cumulative Supplement, 2018; to eliminate the Motor Fuel Tax
8 Enforcement and Collection Division of the Department of Revenue; to
9 provide procedures for adjusting the assessment of destroyed real
10 property as prescribed; to change and eliminate provisions relating
11 to a list of exempt real property, collection agency fees, rules and
12 regulations, reimbursement to political subdivisions, personal
13 exemptions, standard deductions, requirements for filing income tax
14 returns, notices of deficiency, and homestead exemptions; to
15 harmonize provisions; to provide operative dates; to repeal the
16 original sections; to outright repeal section 66-738, Reissue
17 Revised Statutes of Nebraska; and to declare an emergency.
18 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 3-150, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 3-150 Any person, firm, partnership, limited liability company,
4 company, agency, corporation, body politic, municipality, or National
5 Guard or reserve officer of the United States Army who buys and uses
6 aircraft fuel meeting the specifications set by the ~~Motor Fuel Tax~~
7 ~~Enforcement and Collection Division of the~~ Department of Revenue, bought
8 for and used only in aircraft in connection with any air school approved
9 by the federal government, on which the tax has been paid or which is
10 chargeable under section 3-148 and who consumes the same for purposes of
11 operating or propelling aircraft used strictly for air school purposes
12 shall be reimbursed the amount of tax so paid in the manner and subject
13 to the conditions provided in this section and section 3-151.

14 Sec. 2. Section 39-2215, Revised Statutes Cumulative Supplement,
15 2018, is amended to read:

16 39-2215 (1) There is hereby created in the state treasury a special
17 fund to be known as the Highway Trust Fund.

18 (2) All funds credited to the Highway Trust Fund pursuant to
19 sections 66-489.02, 66-499, 66-4,140, 66-4,147, 66-6,108, and
20 66-6,109.02, and related penalties and interest, shall be allocated as
21 provided in such sections.

22 (3) All other motor vehicle fuel taxes, diesel fuel taxes,
23 compressed fuel taxes, and alternative fuel fees related to highway use
24 retained by the state, all motor vehicle registration fees retained by
25 the state other than those fees credited to the State Recreation Road
26 Fund pursuant to subdivision (3) of section 60-3,156, and other highway-
27 user taxes imposed by state law and allocated to the Highway Trust Fund,
28 except for the proceeds of the sales and use taxes derived from motor
29 vehicles, trailers, and semitrailers credited to the fund pursuant to
30 section 77-27,132, are hereby irrevocably pledged for the terms of the
31 bonds issued prior to January 1, 1988, to the payment of the principal,

1 interest, and redemption premium, if any, of such bonds as they mature
2 and become due at maturity or prior redemption and for any reserves
3 therefor and shall, as received by the State Treasurer, be deposited in
4 the fund for such purpose.

5 (4) Of the money in the fund specified in subsection (3) of this
6 section which is not required for the use specified in such subsection,
7 (a) an amount to be determined annually by the Legislature through the
8 appropriations process may be transferred to the Motor Fuel Tax
9 Enforcement and Collection Cash Fund for use as provided in section
10 66-739 ~~66-738~~ on a monthly or other less frequent basis as determined by
11 the appropriation language, (b) an amount to be determined annually by
12 the Legislature through the appropriations process shall be transferred
13 to the License Plate Cash Fund as certified by the Director of Motor
14 Vehicles, and (c) the remaining money may be used for the purchase for
15 retirement of the bonds issued prior to January 1, 1988, in the open
16 market.

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

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

1 subsection, the portion allocated to the department shall be credited
2 monthly to the Highway Cash Fund. The portions allocated to the counties
3 and municipalities shall be credited monthly to the Highway Allocation
4 Fund and distributed monthly as provided by law. Vehicles accorded
5 prorated registration pursuant to section 60-3,198 shall not be included
6 in any formula involving motor vehicle registrations used to determine
7 the allocation and distribution of state funds for highway purposes to
8 political subdivisions.

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

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

29 Sec. 3. Section 66-482, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 66-482 For purposes of sections 66-482 to 66-4,149:

1 (1) Motor vehicle shall have the same definition as in section
2 60-339;

3 (2) Motor vehicle fuel shall include all products and fuel commonly
4 or commercially known as gasoline, including casing head or natural
5 gasoline, and shall include any other liquid and such other volatile and
6 inflammable liquids as may be produced, compounded, or used for the
7 purpose of operating or propelling motor vehicles, motorboats, or
8 aircraft or as an ingredient in the manufacture of such fuel.
9 Agricultural ethyl alcohol produced for use as a motor vehicle fuel shall
10 be considered a motor vehicle fuel. Motor vehicle fuel shall not include
11 the products commonly known as methanol, kerosene oil, kerosene
12 distillate, crude petroleum, naphtha, and benzine with a boiling point
13 over two hundred degrees Fahrenheit, residuum gas oil, smudge oil, leaded
14 automotive racing fuel with an American Society of Testing Materials
15 research method octane number in excess of one hundred five, and any
16 petroleum product with an initial boiling point under two hundred degrees
17 Fahrenheit, a ninety-five percent distillation (recovery) temperature in
18 excess of four hundred sixty-four degrees Fahrenheit, an American Society
19 of Testing Materials research method octane number less than seventy, and
20 an end or dry point of distillation of five hundred seventy degrees
21 Fahrenheit maximum;

22 (3) Agricultural ethyl alcohol shall mean ethyl alcohol produced
23 from cereal grains or agricultural commodities grown within the
24 continental United States and which is a finished product that is a
25 nominally anhydrous ethyl alcohol meeting American Society for Testing
26 and Materials D4806 standards. For the purpose of sections 66-482 to
27 66-4,149, the purity of the ethyl alcohol shall be determined excluding
28 denaturant and the volume of alcohol blended with gasoline for motor
29 vehicle fuel shall include the volume of any denaturant required pursuant
30 to law;

31 (4) Alcohol blend shall mean a blend of agricultural ethyl alcohol

1 in gasoline or other motor vehicle fuel, such blend to contain not less
2 than five percent by volume of alcohol;

3 (5) Supplier shall mean any person who owns motor fuels imported by
4 barge, barge line, or pipeline and stored at a barge, barge line, or
5 pipeline terminal in this state;

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

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

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

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

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

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

26 (12) Diesel fuel shall mean all combustible liquids and biodiesel
27 which are suitable for the generation of power for diesel-powered
28 vehicles, except that diesel fuel shall not include kerosene;

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

31 (14) Person shall mean any individual, firm, partnership, limited

1 liability company, company, agency, association, corporation, state,
2 county, municipality, or other political subdivision. Whenever a fine or
3 imprisonment is prescribed or imposed in sections 66-482 to 66-4,149, the
4 word person as applied to a partnership, a limited liability company, or
5 an association shall mean the partners or members thereof;

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

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

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

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

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

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

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

28 (22) Ethanol facility shall mean a plant which produces agricultural
29 ethyl alcohol; and

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

31 Sec. 4. Section 66-4,143, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 66-4,143 (1) The materiel administrator of the Department of
3 Administrative Services shall on or before the tenth day of the fifth
4 calendar month following the end of a semiannual period submit to the
5 ~~Motor Fuel Tax Enforcement and Collection Division of the~~ Department of
6 Revenue a report providing the total cost and number of gallons of motor
7 fuels purchased by the State of Nebraska during the preceding month. In
8 providing such information, the materiel administrator shall total only
9 those purchases which were fifty or more gallons and shall separately
10 identify the amount of any state or federal tax which was included in the
11 price paid.

12 (2) The Department of Revenue ~~department~~ shall provide any
13 assistance the materiel administrator may need in performing his or her
14 duties under this section.

15 Sec. 5. Section 66-6,101, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 66-6,101 Department means the ~~Motor Fuel Tax Enforcement and~~
18 ~~Collection Division of the~~ Department of Revenue.

19 Sec. 6. Section 66-712, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 66-712 For purposes of the Compressed Fuel Tax Act and sections
22 66-482 to 66-4,149, 66-501 to 66-531, and 66-712 to 66-736:

23 (1) Department means the ~~Motor Fuel Tax Enforcement and Collection~~
24 ~~Division of the~~ Department of Revenue;

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

28 (3) Motor fuel laws means the Compressed Fuel Tax Act and sections
29 66-482 to 66-4,149, 66-501 to 66-531, and 66-712 to 66-736; and

30 (4) Person means any individual, firm, partnership, limited
31 liability company, company, agency, association, corporation, state,

1 county, municipality, or other political subdivision. Whenever a fine,
2 imprisonment, or both are prescribed or imposed in sections 66-712 to
3 66-736, the word person as applied to a partnership, a limited liability
4 company, or an association means the partners or members thereof.

5 Sec. 7. Section 66-718, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 66-718 (1) The department may require such other information as it
8 deems necessary on any report, return, or other statement under the motor
9 fuel laws.

10 (2) The Tax Commissioner may require any of the reports, returns, or
11 other filings due from any motor fuels licensees to be filed
12 electronically.

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

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

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

26 Sec. 8. Section 66-739, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 66-739 There is hereby created the Motor Fuel Tax Enforcement and
29 Collection Cash Fund. Such fund shall consist of appropriations to the
30 fund and money transferred to it pursuant to section 39-2215. The fund
31 shall be used exclusively for the costs of the Department of Revenue in

1 carrying out its duties under the Compressed Fuel Tax Act, the Petroleum
2 Release Remedial Action Act, the State Aeronautics Act, and sections
3 66-482 to 66-4,149, 66-501 to 66-531, and 66-712 to 66-736 Motor Fuel Tax
4 Enforcement and Collection Division created by section 66-738 and other
5 related costs for the Department of Agriculture, and the Nebraska State
6 Patrol, and functional areas of the Department of Revenue as provided by
7 such section, except that transfers may be made from the fund to the
8 General Fund at the direction of the Legislature. Any money in the Motor
9 Fuel Tax Enforcement and Collection Cash Fund available for investment
10 shall be invested by the state investment officer pursuant to the
11 Nebraska Capital Expansion Act and the Nebraska State Funds Investment
12 Act.

13 Sec. 9. Section 66-1521, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 66-1521 (1) A petroleum release remedial action fee is hereby
16 imposed upon the producer, refiner, importer, distributor, wholesaler, or
17 supplier who engages in the sale, distribution, delivery, and use of
18 petroleum within this state, except that the fee shall not be imposed on
19 petroleum that is exported. The fee shall also be imposed on diesel fuel
20 which is indelibly dyed. The amount of the fee shall be nine-tenths of
21 one cent per gallon on motor vehicle fuel as defined in section 66-482
22 and three-tenths of one cent per gallon on diesel fuel as defined in
23 section 66-482. The amount of the fee shall be used first for payment of
24 claims approved by the State Claims Board pursuant to section 66-1531;
25 second, up to three million dollars of the fee per year shall be used for
26 reimbursement of owners and operators under the Petroleum Release
27 Remedial Action Act for investigations of releases ordered pursuant to
28 section 81-15,124; and third, the remainder of the fee shall be used for
29 any other purpose authorized by section 66-1519. The fee shall be paid by
30 all producers, refiners, importers, distributors, wholesalers, and
31 suppliers subject to the fee by filing a monthly return on or before the

1 twentieth day of the calendar month following the monthly period to which
2 it relates. The pertinent provisions, specifically including penalty
3 provisions, of the motor fuel laws as defined in section 66-712 shall
4 apply to the administration and collection of the fee except for the
5 treatment given refunds. There shall be a refund allowed on any fee paid
6 on petroleum which was taxed and then exported, destroyed, or purchased
7 for use by the United States Government or its agencies. The department
8 may also adjust for all errors in the payment of the fee. In each
9 calendar year, no claim for refund related to the fee can be for an
10 amount less than ten dollars.

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

25 (3) The Department of Revenue ~~division~~ may adopt and promulgate
26 rules and regulations necessary to carry out this section.

27 (4) The Department of Revenue ~~division~~ shall deduct and withhold
28 from the petroleum release remedial action fee collected pursuant to this
29 section an amount sufficient to reimburse the direct costs of collecting
30 and administering the petroleum release remedial action fee. Such costs
31 shall not exceed one hundred fifty thousand dollars for each fiscal year.

1 The one hundred fifty thousand dollars shall be prorated, based on the
2 number of months the fee is collected, whenever the fee is collected for
3 only a portion of a year. The amount deducted and withheld for costs
4 shall be deposited in the Petroleum Release Remedial Action Collection
5 Fund which is hereby created. The Petroleum Release Remedial Action
6 Collection Fund shall be appropriated to the Department of Revenue,
7 except that transfers may be made from the fund to the General Fund at
8 the direction of the Legislature. Any money in the Petroleum Release
9 Remedial Action Collection Fund available for investment shall be
10 invested by the state investment officer pursuant to the Nebraska Capital
11 Expansion Act and the Nebraska State Funds Investment Act.

12 (5) The Department of Revenue ~~division~~ shall collect the fee imposed
13 by subsection (1) of this section.

14 Sec. 10. Section 77-202.03, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 77-202.03 (1) A properly granted exemption of real or tangible
17 personal property, except real property used for cemetery purposes,
18 provided for in subdivisions (1)(c) and (d) of section 77-202 shall
19 continue for a period of four years if the statement of reaffirmation of
20 exemption required by subsection (2) of this section is filed when due.
21 The four-year period shall begin with years evenly divisible by four.

22 (2) In each intervening year occurring between application years,
23 the organization or society which filed the granted exemption application
24 for the real or tangible personal property, except real property used for
25 cemetery purposes, shall file a statement of reaffirmation of exemption
26 with the county assessor on or before December 31 of the year preceding
27 the year for which the exemption is sought, on forms prescribed by the
28 Tax Commissioner, certifying that the ownership and use of the exempted
29 property has not changed during the year. Any organization or society
30 which misses the December 31 deadline for filing the statement of
31 reaffirmation of exemption may file the statement of reaffirmation of

1 exemption by June 30. Such filing shall maintain the tax-exempt status of
2 the property without further action by the county and regardless of any
3 previous action by the county board of equalization to deny the exemption
4 due to late filing of the statement of reaffirmation of exemption. Upon
5 any such late filing, the county assessor shall assess a penalty against
6 the property of ten percent of the tax that would have been assessed had
7 the statement of reaffirmation of exemption not been filed or one hundred
8 dollars, whichever is less, for each calendar month or fraction thereof
9 for which the filing of the statement of reaffirmation of exemption is
10 late. The penalty shall be collected and distributed in the same manner
11 as a tax on the property and interest shall be assessed at the rate
12 specified in section 45-104.01, as such rate may from time to time be
13 adjusted by the Legislature, from the date the tax would have been
14 delinquent until paid. The penalty shall also become a lien in the same
15 manner as a tax pursuant to section 77-203.

16 (3)(a) If any organization or society seeks a tax exemption for any
17 real or tangible personal property acquired on or after January 1 of any
18 year or converted to exempt use on or after January 1 of any year, the
19 organization or society shall make application for exemption on or before
20 July 1 of that year as provided in subsection (1) of section 77-202.01.
21 The procedure for reviewing the application shall be as in sections
22 77-202.01 to 77-202.05, except that the exempt use shall be determined as
23 of the date of application and the review by the county board of
24 equalization shall be completed by August 15.

25 (b) If an organization as described in subdivision (1)(c) or (d) of
26 section 77-202 purchases, between July 1 and the levy date, property that
27 has been granted tax exemption and the property continues to be qualified
28 for a property tax exemption, the purchaser shall on or before November
29 15 make application for exemption as provided in section 77-202.01. The
30 procedure for reviewing the application shall be as in sections 77-202.01
31 to 77-202.05, and the review by the county board of equalization shall be

1 completed by December 15.

2 (4) In any year, the county assessor or the county board of
3 equalization may cause a review of any exemption to determine whether the
4 exemption is proper. Such a review may be taken even if the ownership or
5 use of the property has not changed from the date of the allowance of the
6 exemption. If it is determined that a change in an exemption is
7 warranted, the procedure for hearing set out in section 77-202.02 shall
8 be followed, except that the published notice shall state that the list
9 provided in the county assessor's office only includes those properties
10 being reviewed. If an exemption is denied, the county board of
11 equalization shall place the property on the tax rolls retroactive to
12 January 1 of that year if on the date of the decision of the county board
13 of equalization the property no longer qualifies for an exemption.

14 The county board of equalization shall give notice of the assessed
15 value of the real property in the same manner as outlined in section
16 77-1507, and the procedures for filing a protest shall be the same as
17 those in section 77-1502.

18 When personal property which was exempt becomes taxable because of
19 lost exemption status, the owner or his or her agent has thirty days
20 after the date of denial to file a personal property return with the
21 county assessor. Upon the expiration of the thirty days for filing a
22 personal property return pursuant to this subsection, the county assessor
23 shall proceed to list and value the personal property and apply the
24 penalty pursuant to section 77-1233.04.

25 (5) During the month of September of each year, the county board of
26 equalization shall cause to be published in a paper of general
27 circulation in the county a list of all real estate in the county exempt
28 from taxation for that year pursuant to subdivisions (1)(c) and (d) of
29 section 77-202. Such list shall be grouped into categories as provided by
30 the Property Tax Administrator. An electronic A copy of the list of real
31 property exemptions and a copy of the proof of publication shall be

1 forwarded to the Property Tax Administrator on or before November 1 of
2 each year.

3 Sec. 11. Section 77-377.02, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 77-377.02 (1) Fees for services, reimbursements, or other
6 remuneration to such collection agency shall be based on the amount of
7 tax, penalty, and interest actually collected and shall not be subject to
8 the requirements of section 73-203 or 73-204. Each contract entered into
9 between the Tax Commissioner and the collection agency shall provide for
10 the payment of fees for such services, reimbursements, or other
11 remuneration not in excess of fifty percent of the total amount of
12 delinquent taxes, penalties, and interest actually collected.

13 (2) All funds collected, less the fees for collection services as
14 provided in the contract, shall be remitted to the Tax Commissioner
15 within forty-five days from the date of collection from a taxpayer. Forms
16 to be used for such remittances shall be prescribed by the Tax
17 Commissioner.

18 Sec. 12. Section 77-702, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 77-702 (1) The Governor shall appoint a Property Tax Administrator
21 with the approval of a majority of the members of the Legislature. The
22 Property Tax Administrator shall have experience and training in the
23 fields of taxation and property appraisal and shall meet all the
24 qualifications required for members of the Tax Equalization and Review
25 Commission under subsections (1) and (2) of section 77-5004. ~~The Property~~
26 ~~Tax Administrator shall adopt and promulgate rules and regulations to~~
27 ~~carry out his or her duties through June 30, 2007. Rules, regulations,~~
28 ~~and forms of the Property Tax Administrator in effect on July 1, 2007,~~
29 ~~shall be valid rules, regulations, and forms of the Department of Revenue~~
30 ~~beginning on July 1, 2007.~~

31 (2) In addition to any duties, powers, or responsibilities otherwise

1 conferred upon the Property Tax Administrator, he or she shall administer
2 and enforce all laws related to the state supervision of local property
3 tax administration and the central assessment of property subject to
4 property taxation. The Property Tax Administrator shall also advise
5 county assessors regarding the administration and assessment of taxable
6 property within the state and measure assessment performance in order to
7 determine the accuracy and uniformity of assessments.

8 Sec. 13. Section 77-1239, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 77-1239 (1) Reimbursement to taxing subdivisions for tax revenue
11 that will be lost because of the personal property tax exemptions allowed
12 in subsection (1) of section 77-1238 shall be as provided in this
13 subsection. The county assessor and county treasurer shall, on or before
14 November 30 of each year, certify to the Tax Commissioner, on forms
15 prescribed by the Tax Commissioner, the total tax revenue that will be
16 lost to all taxing subdivisions within his or her county from taxes
17 levied and assessed in that year because of the personal property tax
18 exemptions allowed in subsection (1) of section 77-1238. The county
19 assessor and county treasurer may amend the certification to show any
20 change or correction in the total tax revenue that will be lost until May
21 30 of the next succeeding year. The Tax Commissioner shall, on or before
22 January 1 next following the certification, notify the Director of
23 Administrative Services of the amount so certified to be reimbursed by
24 the state. Reimbursement of the tax revenue lost shall be made to each
25 county according to the certification and shall be distributed in two
26 approximately equal installments on the last business day of February and
27 the last business day of June. The State Treasurer shall, on the business
28 day preceding the last business day of February and the last business day
29 of June, notify the Director of Administrative Services of the amount of
30 funds available in the General Fund to pay the reimbursement. The
31 Director of Administrative Services shall, on the last business day of

1 February and the last business day of June, draw warrants against funds
2 appropriated. Out of the amount received, the county treasurer shall
3 distribute to each of the taxing subdivisions within his or her county
4 the full tax revenue lost by each subdivision, except that one percent of
5 such amount shall be deposited in the county general fund.

6 (2) Reimbursement to taxing subdivisions for tax revenue that will
7 be lost because of the compensating exemption factor in subsection (2) of
8 section 77-1238 shall be as provided in this subsection. The Property Tax
9 Administrator shall establish the average tax rate that will be used for
10 purposes of reimbursing taxing subdivisions pursuant to this subsection.
11 The average tax rate shall be equal to the total property taxes levied in
12 the state divided by the total taxable value of all taxable property in
13 the state as certified pursuant to section 77-1613.01. The ~~Tax~~
14 ~~Commissioner shall certify, on or before January 30 of each year, to the~~
15 ~~Director of Administrative Services~~ the total valuation that will be lost
16 to all taxing subdivisions within each county because of the compensating
17 exemption factor in subsection (2) of section 77-1238. ~~Such amount,~~
18 multiplied by the average tax rate calculated pursuant to this
19 subsection, shall be the tax revenue to be reimbursed to the taxing
20 subdivisions by the state. Reimbursement of the tax revenue lost for
21 public service entities shall be made to each county according to the
22 certification and shall be distributed among the taxing subdivisions
23 within each county in the same proportion as all public service entity
24 taxes levied by the taxing subdivisions. Reimbursement of the tax revenue
25 lost for railroads shall be made to each county according to the
26 certification and shall be distributed among the taxing subdivisions
27 within each county in the same proportion as all railroad taxes levied by
28 taxing subdivisions. Reimbursement of the tax revenue lost for car line
29 companies shall be distributed in the same manner as the taxes collected
30 pursuant to section 77-684. Reimbursement of the tax revenue lost for air
31 carriers shall be distributed in the same manner as the taxes collected

1 pursuant to section 77-1250.

2 (3) Each taxing subdivision shall, in preparing its annual or
3 biennial budget, take into account the amounts to be received under this
4 section.

5 Sec. 14. Section 77-1301, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 77-1301 (1) All real property in this state subject to taxation
8 shall be assessed as of January 1 at 12:01 a.m., and such which
9 assessment shall be used as a basis of taxation until the next assessment
10 unless the property is destroyed real property as defined in section 15
11 of this act, in which case the assessed value for the destroyed real
12 property shall be adjusted as provided in sections 15 to 17 of this act.

13 (2) Beginning January 1, 2014, in any county with a population of at
14 least one hundred fifty thousand inhabitants according to the most recent
15 federal decennial census, the county assessor shall provide notice of
16 preliminary valuations to real property owners on or before January 15 of
17 each year. Such notice shall be (a) mailed to the taxpayer or (b)
18 published on a web site maintained by the county assessor or by the
19 county.

20 (3) The county assessor shall complete the assessment of real
21 property on or before March 19 of each year, except beginning January 1,
22 2014, in any county with a population of at least one hundred fifty
23 thousand inhabitants according to the most recent federal decennial
24 census, the county assessor shall complete the assessment of real
25 property on or before March 25 of each year.

26 Sec. 15. (1) The Legislature finds and declares that fires,
27 earthquakes, floods, and tornadoes occur with enough frequency in this
28 state that provision should be made to grant property tax relief to
29 owners of real property adversely affected by such events.

30 (2) For purposes of sections 15 to 17 of this act:

31 (a) Calamity means a disastrous event, including, but not limited

1 to, a fire, an earthquake, a flood, a tornado, or other natural event
2 which significantly affects the assessed value of real property;

3 (b) Destroyed real property means real property that suffers
4 significant property damage as a result of a calamity occurring on or
5 after January 1, 2019, and before July 1 of the current assessment year.
6 Destroyed real property does not include property suffering significant
7 property damage that is caused by the owner of the property; and

8 (c) Significant property damage means:

9 (i) Damage to an improvement exceeding twenty percent of the
10 improvement's assessed value in the current tax year as determined by the
11 county assessor;

12 (ii) Damage to land exceeding twenty percent of a parcel's assessed
13 land value in the current tax year as determined by the county assessor;
14 or

15 (iii) Damage exceeding twenty percent of the property's assessed
16 value in the current tax year as determined by the county assessor if (A)
17 such property is located in an area that has been declared a disaster
18 area by the Governor and (B) a housing inspector or health inspector has
19 determined that the property is uninhabitable or unlivable.

20 Sec. 16. (1) If real property becomes destroyed real property
21 during the current assessment year, the property owner shall file a
22 report of the destroyed real property with the county assessor and county
23 clerk of the county in which the property is located on or before July 15
24 of the current assessment year. The report of destroyed real property
25 shall be made on a form prescribed by the Tax Commissioner.

26 (2) If the destroyed real property was a mobile home that was moved
27 pursuant to section 77-3708 and required to pay an accelerated tax
28 pursuant to section 77-1725.01, the property owner shall report the
29 destroyed real property on or before July 15 in the same manner as other
30 real property. The property owner may make a request for refund of the
31 accelerated tax paid pursuant to section 77-1734.01 for any portion of

1 value reduced by the county board of equalization pursuant to section 17
2 of this act.

3 (3) The county board of equalization shall consider any report of
4 destroyed real property received pursuant to this section, and the
5 assessment of such property shall be made by the county board of
6 equalization in accordance with section 17 of this act. After county
7 board of equalization action pursuant to section 17 of this act, the
8 county assessor shall correct the current year's assessment roll as
9 provided in section 77-1613.02.

10 Sec. 17. (1) If the county board of equalization receives a report
11 of destroyed real property pursuant to section 16 of this act, the county
12 board of equalization shall adjust the assessed value of the destroyed
13 real property to its assessed value on the date it suffers significant
14 property damage.

15 (2) The county board of equalization may meet on or after June 1 and
16 on or before July 25, or on or before August 10 if the board has adopted
17 a resolution to extend the deadline for hearing protests under section
18 77-1502, for the purpose of considering the assessed value of destroyed
19 real property pursuant to this section. Any action of the county board of
20 equalization which changes the assessed value of destroyed real property
21 pursuant to this section shall be for the current assessment year only.

22 (3) The county board of equalization shall give notice of the
23 assessed value of the destroyed real property to the record owner or
24 agent at his or her last-known address. Protests of the assessed value
25 proposed for destroyed real property pursuant to this section shall be
26 filed with the county board of equalization within thirty days after the
27 mailing of the notice. All provisions of section 77-1502 except dates for
28 filing a protest, the period for hearing protests, and the date for
29 mailing notice of the county board of equalization's decision are
30 applicable to any protest filed pursuant to this section. The county
31 board of equalization shall issue its decision on the protest within

1 thirty days after the filing of the protest. Within seven days after the
2 county board of equalization's final decision, the county clerk shall
3 mail to the protester written notice of the decision. The notice shall
4 contain a statement advising the protester that a report of the decision
5 is available at the county clerk's or county assessor's office, whichever
6 is appropriate.

7 (4) The action of the county board of equalization upon a protest
8 filed pursuant to this section may be appealed to the Tax Equalization
9 and Review Commission within thirty days after the board's final
10 decision.

11 Sec. 18. Section 77-1725.01, Reissue Revised Statutes of Nebraska,
12 is amended to read:

13 77-1725.01 Except in any city or village that has adopted a building
14 code with provisions for demolition of unsafe buildings or structures, it
15 shall be the duty of any assessor, sheriff, constable, city council
16 member, and village trustee to at once inform the county treasurer of the
17 removal or demolition of or a levy of attachment upon any item of real
18 property known to him or her. Except for property considered to be
19 destroyed real property as defined in section 15 of this act, it ~~It~~ shall
20 be the duty of the county treasurer to immediately proceed with the
21 collection of any delinquent or current taxes when such acts become known
22 to him or her in any manner. Except for property considered to be
23 destroyed real property as defined in section 15 of this act, the The
24 taxes shall be due and collectible, which taxes shall include taxes on
25 all real property then assessed upon which the tax shall be computed on
26 the basis of the last preceding levy, and a distress warrant shall be
27 issued when (1) any person attempts to remove or demolish all or a
28 substantial portion of his or her real property or (2) a levy of
29 attachment is made upon the real property. From the date the taxes are
30 due and collectible, the taxes shall be a first lien upon the personal
31 property of the person to whom assessed until paid.

1 Sec. 19. Section 77-1734.01, Reissue Revised Statutes of Nebraska,
2 is amended to read:

3 77-1734.01 (1) In the case of an amended federal income tax return
4 or whenever a person's return is changed or corrected by the Internal
5 Revenue Service or other competent authority that decreases the Nebraska
6 adjusted basis of the person's taxable tangible personal property, the
7 county treasurer shall refund that portion of the tax paid that is in
8 excess of the amount due after the amendment or correction.

9 (2) In case of payment made of any property taxes or any payments in
10 lieu of taxes with respect to property as a result of a clerical error or
11 honest mistake or misunderstanding, on the part of a county or other
12 political subdivision of the state or any taxpayer, or accelerated tax
13 paid for real property that was later adjusted by the county board of
14 equalization under sections 15 to 17 of this act, the county treasurer to
15 whom the tax was paid shall refund that portion of the tax paid as a
16 result of the clerical error or honest mistake or misunderstanding or
17 that portion of the tax paid that is in excess of the amount due after
18 the adjustment under sections 15 to 17 of this act. A claim for a refund
19 pursuant to this section shall be made in writing to the county treasurer
20 to whom the tax was paid within three years after the date the tax was
21 due or within ninety days after filing the amended return or the
22 correction becomes final.

23 (3) Before the refund is made, the county treasurer shall receive
24 verification from the county assessor or other taxing official that such
25 error or mistake was made, such adjustment was made, or the amended
26 return was filed or the correction made, and the claim for refund shall
27 be submitted to the county board. Upon verification, the county board
28 shall approve the claim. The refund shall be made in the manner
29 prescribed in section 77-1736.06. Such refund shall not have a
30 dispositional effect on any similar refund for another taxpayer. This
31 section may not be used to challenge the valuation of property, the

1 equalization of property, or the constitutionality of a tax.

2 Sec. 20. Section 77-2716.01, Reissue Revised Statutes of Nebraska,
3 is amended to read:

4 77-2716.01 (1)(a) Through tax year 2017, every individual shall be
5 allowed to subtract from his or her income tax liability an amount for
6 personal exemptions. The amount allowed to be subtracted shall be the
7 credit amount for the year as provided in this subdivision multiplied by
8 the number of exemptions allowed on the federal return. For tax year
9 1993, the credit amount shall be sixty-five dollars; for tax year 1994,
10 the credit amount shall be sixty-nine dollars; for tax year 1995, the
11 credit amount shall be sixty-nine dollars; for tax year 1996, the credit
12 amount shall be seventy-two dollars; for tax year 1997, the credit amount
13 shall be eighty-six dollars; for tax year 1998, the credit amount shall
14 be eighty-eight dollars; for tax year 1999, and each year thereafter
15 through tax year 2017, the credit amount shall be adjusted for inflation
16 by the method provided in section 151 of the Internal Revenue Code of
17 1986, as it existed prior to December 22, 2017. The eighty-eight-dollar
18 credit amount shall be adjusted for cumulative inflation since 1998. If
19 any credit amount is not an even dollar amount, the amount shall be
20 rounded to the nearest dollar. For nonresident individuals and partial-
21 year resident individuals, the personal exemption credit shall be
22 subtracted as specified in subsection (3) of section 77-2715.

23 (b) Beginning with tax year 2018, every individual, except an
24 individual that can be claimed for a child credit or dependent credit on
25 the federal return of another taxpayer, shall be allowed to subtract from
26 his or her income tax liability an amount for personal exemptions. The
27 amount allowed to be subtracted shall be the credit amount for the year
28 as provided in this subdivision multiplied by the sum of the number of
29 child credits and dependent credits taken on the federal return, plus two
30 for a married filing jointly return or plus one for any other ~~a single or~~
31 ~~head of household~~ return. For tax year 2018, the credit amount shall be

1 one hundred thirty-four dollars. For tax year 2019 and each tax year
2 thereafter, the credit amount shall be adjusted for inflation based on
3 the percentage change in the Consumer Price Index for All Urban Consumers
4 published by the federal Bureau of Labor Statistics from the twelve
5 months ending on August 31, 2017, to the twelve months ending on August
6 31 of the year preceding the taxable year. If any credit amount is not an
7 even dollar amount, the amount shall be rounded to the nearest dollar.
8 For nonresident individuals and partial-year resident individuals, the
9 personal exemption credit shall be subtracted as specified in subsection
10 (3) of section 77-2715.

11 (2)(a) For tax years beginning or deemed to begin on or after
12 January 1, 2003, and before January 1, 2004, under the Internal Revenue
13 Code of 1986, as amended, every individual who did not itemize deductions
14 on his or her federal return shall be allowed to subtract from federal
15 adjusted gross income a standard deduction based on the filing status
16 used on the federal return except as the amount is adjusted under section
17 77-2716.03. The standard deduction shall be the smaller of the federal
18 standard deduction actually allowed or (i) for single taxpayers four
19 thousand seven hundred fifty dollars, (ii) for head of household
20 taxpayers seven thousand dollars, (iii) for married filing jointly
21 taxpayers seven thousand nine hundred fifty dollars, and (iv) for married
22 filing separately taxpayers three thousand nine hundred seventy-five
23 dollars. Taxpayers who are allowed additional federal standard deduction
24 amounts because of age or blindness shall be allowed an increase in the
25 Nebraska standard deduction for each additional amount allowed on the
26 federal return. The additional amounts shall be for married taxpayers,
27 nine hundred fifty dollars, and for single or head of household
28 taxpayers, one thousand one hundred fifty dollars.

29 (b) For tax years beginning or deemed to begin on or after January
30 1, 2007, and before January 1, 2018, under the Internal Revenue Code of
31 1986, as amended, every individual who did not itemize deductions on his

1 or her federal return shall be allowed to subtract from federal adjusted
2 gross income a standard deduction based on the filing status used on the
3 federal return. The standard deduction shall be the smaller of the
4 federal standard deduction actually allowed or (i) for single taxpayers
5 three thousand dollars and (ii) for head of household taxpayers four
6 thousand four hundred dollars. The standard deduction for married filing
7 jointly taxpayers shall be double the standard deduction for single
8 taxpayers, and for married filing separately taxpayers, the standard
9 deduction shall be the same as single taxpayers. Taxpayers who are
10 allowed additional federal standard deduction amounts because of age or
11 blindness shall be allowed an increase in the Nebraska standard deduction
12 for each additional amount allowed on the federal return. The additional
13 amounts shall be for married taxpayers six hundred dollars and for single
14 or head of household taxpayers seven hundred fifty dollars. The amounts
15 in this subdivision will be indexed using 1987 as the base year.

16 (c) For tax years beginning or deemed to begin on or after January
17 1, 2007, and before January 1, 2018, the standard deduction amounts,
18 including the additional standard deduction amounts, in this subsection
19 shall be adjusted for inflation by the method provided in section 151 of
20 the Internal Revenue Code of 1986, as it existed prior to December 22,
21 2017. If any amount is not a multiple of fifty dollars, the amount shall
22 be rounded to the next lowest multiple of fifty dollars.

23 (3)(a) For tax years beginning or deemed to begin on or after
24 January 1, 2018, every individual who did not itemize deductions on his
25 or her federal return shall be allowed to subtract from federal adjusted
26 gross income a standard deduction based on the filing status used on the
27 federal return. The standard deduction shall be the smaller of the
28 federal standard deduction actually allowed or (i) six thousand seven
29 hundred fifty dollars for single taxpayers and (ii) nine thousand nine
30 hundred dollars for head of household taxpayers. The standard deduction
31 for married filing jointly taxpayers or qualifying widows or widowers

1 shall be double the standard deduction for single taxpayers, and the
2 standard deduction for married filing separately taxpayers shall be the
3 same as the standard deduction for single taxpayers. Taxpayers who are
4 allowed additional federal standard deduction amounts because of age or
5 blindness shall be allowed an increase in the Nebraska standard deduction
6 for each additional amount allowed on the federal return. The additional
7 amounts shall be one thousand three hundred dollars for married taxpayers
8 and one thousand six hundred dollars for single or head of household
9 taxpayers.

10 (b) For tax years beginning or deemed to begin on or after January
11 1, 2019, the standard deduction amounts, including the additional
12 standard deduction amounts, in this subsection shall be adjusted for
13 inflation based on the percentage change in the Consumer Price Index for
14 All Urban Consumers published by the federal Bureau of Labor Statistics
15 from the twelve months ending on August 31, 2017, to the twelve months
16 ending on August 31 of the year preceding the taxable year. If any amount
17 is not a multiple of fifty dollars, the amount shall be rounded to the
18 next lowest multiple of fifty dollars.

19 (4) Every individual who itemized deductions on his or her federal
20 return shall be allowed to subtract from federal adjusted gross income
21 the greater of either the standard deduction allowed in this section or
22 his or her federal itemized deductions as defined in section 63(d) of the
23 Internal Revenue Code of 1986, as amended, except for the amount for
24 state or local income taxes included in federal itemized deductions
25 before any federal disallowance.

26 Sec. 21. Section 77-2734.01, Reissue Revised Statutes of Nebraska,
27 is amended to read:

28 77-2734.01 (1) Residents of Nebraska who are shareholders of a small
29 business corporation having an election in effect under subchapter S of
30 the Internal Revenue Code or who are members of a limited liability
31 company organized pursuant to the Nebraska Uniform Limited Liability

1 Company Act shall include in their Nebraska taxable income, to the extent
2 includable in federal gross income, their proportionate share of such
3 corporation's or limited liability company's federal income adjusted
4 pursuant to this section. Income or loss from such corporation or limited
5 liability company conducting a business, trade, profession, or occupation
6 shall be included in the Nebraska taxable income of a shareholder or
7 member who is a resident of this state to the extent of such
8 shareholder's or member's proportionate share of the net income or loss
9 from the conduct of such business, trade, profession, or occupation
10 within this state, determined under subsection (2) of this section. A
11 resident of Nebraska shall include in Nebraska taxable income fair
12 compensation for services rendered to such corporation or limited
13 liability company. Compensation actually paid shall be presumed to be
14 fair unless it is apparent to the Tax Commissioner that such compensation
15 is materially different from fair value for the services rendered or has
16 been manipulated for tax avoidance purposes.

17 (2) The income of any small business corporation having an election
18 in effect under subchapter S of the Internal Revenue Code or limited
19 liability company organized pursuant to the Nebraska Uniform Limited
20 Liability Company Act that is derived from or connected with Nebraska
21 sources shall be determined in the following manner:

22 (a) If the small business corporation is a member of a unitary
23 group, the small business corporation shall be deemed to be doing
24 business within this state if any part of its income is derived from
25 transactions with other members of the unitary group doing business
26 within this state, and such corporation shall apportion its income by
27 using the apportionment factor determined for the entire unitary group,
28 including the small business corporation, under sections 77-2734.05 to
29 77-2734.15;

30 (b) If the small business corporation or limited liability company
31 is not a member of a unitary group and is subject to tax in another

1 state, it shall apportion its income under sections 77-2734.05 to
2 77-2734.15; and

3 (c) If the small business corporation or limited liability company
4 is not subject to tax in another state, all of its income is derived from
5 or connected with Nebraska sources.

6 (3) Nonresidents of Nebraska who are shareholders of such
7 corporations or members of such limited liability companies shall file a
8 Nebraska income tax return and shall include in Nebraska adjusted gross
9 income their proportionate share of the corporation's or limited
10 liability company's Nebraska income as determined under subsection (2) of
11 this section.

12 (4) The nonresident shareholder or member shall execute and forward
13 to the corporation or limited liability company before the filing of the
14 corporation's or limited liability company's return an agreement which
15 states he or she will file a Nebraska income tax return and pay the tax
16 on the income derived from or connected with sources in this state, and
17 such agreement shall be attached to the corporation's or limited
18 liability company's Nebraska return for such taxable year.

19 (5) For taxable years beginning or deemed to begin before January 1,
20 2013, in the absence of the nonresident shareholder's or member's
21 executed agreement being attached to the Nebraska return, the corporation
22 or limited liability company shall remit with the return an amount equal
23 to the highest individual income tax rate determined under section
24 77-2715.02 multiplied by the nonresident shareholder's or member's share
25 of the corporation's or limited liability company's income which was
26 derived from or attributable to this state. For taxable years beginning
27 or deemed to begin on or after January 1, 2013, in the absence of the
28 nonresident shareholder's or member's executed agreement being attached
29 to the Nebraska return, the corporation or limited liability company
30 shall remit with the return an amount equal to the highest individual
31 income tax rate determined under section 77-2715.03 multiplied by the

1 nonresident shareholder's or member's share of the corporation's or
2 limited liability company's income which was derived from or attributable
3 to this state. The amount remitted shall be allowed as a credit against
4 the Nebraska income tax liability of the shareholder or member.

5 (6) The Tax Commissioner may allow a nonresident individual
6 shareholder or member to not file a Nebraska income tax return if the
7 nonresident individual shareholder's or member's only source of Nebraska
8 income was his or her share of the small business corporation's or
9 limited liability company's income which was derived from or attributable
10 to sources within this state, the nonresident did not file an agreement
11 to file a Nebraska income tax return, and the small business corporation
12 or limited liability company has remitted the amount required by
13 subsection (5) of this section on behalf of such nonresident individual
14 shareholder or member. The amount remitted shall be retained in
15 satisfaction of the Nebraska income tax liability of the nonresident
16 individual shareholder or member.

17 (7) A small business corporation or limited liability company return
18 shall be filed ~~only if the small business corporation or limited~~
19 ~~liability company has income derived from Nebraska sources one or more of~~
20 ~~the shareholders of the corporation or members of the limited liability~~
21 ~~company are not residents of the State of Nebraska or if such corporation~~
22 ~~or limited liability company has income derived from sources outside this~~
23 ~~state.~~

24 (8) For purposes of this section, any shareholder or member of the
25 corporation or limited liability company that is a grantor trust of a
26 nonresident shall be disregarded and this section shall apply as though
27 the nonresident grantor was the shareholder or member.

28 Sec. 22. Section 77-2761, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 77-2761 An income tax return with respect to the income tax imposed
31 by the provisions of the Nebraska Revenue Act of 1967 shall be made by

1 the following:

2 (1) Every resident individual who is required to file a federal
3 income tax return for the taxable year;

4 (2) Every nonresident individual who has income from Nebraska
5 ~~sources in this state;~~

6 (3) Every resident estate or trust which is required to file a
7 federal income tax return except a simple trust not required to file
8 under subsection (2) of section 77-2717;

9 (4) Every nonresident estate or trust which has taxable income from
10 Nebraska ~~sources within this state;~~

11 (5) Every corporation or any other entity taxed as a corporation
12 under the Internal Revenue Code which is required to file a federal
13 income tax return except the small business corporations not required to
14 file under subsection (7) of section 77-2734.01;

15 (6) Every limited liability company having ~~one or more nonresident~~
16 ~~members or with taxable~~ income derived from Nebraska ~~sources outside the~~
17 ~~state except the limited liability companies not required to file under~~
18 ~~subsection (7) of section 77-2734.01; and~~

19 (7) Every partnership having ~~one or more nonresident partners or~~
20 ~~with taxable~~ income derived from Nebraska ~~sources outside the state.~~

21 Sec. 23. Section 77-2773, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 77-2773 Every partnership having a ~~nonresident partner or having~~
24 ~~part of its income derived from~~ Nebraska ~~sources outside the State of~~
25 Nebraska, determined in accordance with the applicable rules of section
26 77-2733 as in the case of a nonresident individual, shall make a return
27 for the taxable year setting forth such pertinent information as the Tax
28 Commissioner by rule and regulation may prescribe. Such information may
29 include, but shall not be limited to, all items of income, gain, loss,
30 and deduction, the names and addresses of the individuals whether
31 residents or nonresidents who would be entitled to share in the net

1 income if distributed, and the amount of the distributive share of each
2 individual. Such return shall be filed on or before the date prescribed
3 for filing a federal partnership return. For purposes of this section,
4 taxable year shall mean a year or period which would be a taxable year of
5 the partnership if it were subject to tax under the provisions of the
6 Nebraska Revenue Act of 1967.

7 Sec. 24. Section 77-2776, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 77-2776 (1) As soon as practical after an income tax return is
10 filed, the Tax Commissioner shall examine it to determine the correct
11 amount of tax. If the Tax Commissioner finds that the amount of tax shown
12 on the return is less than the correct amount, he or she shall notify the
13 taxpayer of the amount of the deficiency proposed to be assessed. If the
14 Tax Commissioner finds that the tax paid is more than the correct amount,
15 he or she shall credit the overpayment against any taxes due by the
16 taxpayer and refund the difference. The Tax Commissioner shall, upon
17 request, make prompt assessment of taxes due as provided by the laws of
18 the United States for federal income tax purposes.

19 (2) If the taxpayer fails to file an income tax return, the Tax
20 Commissioner shall estimate the taxpayer's tax liability from any
21 available information and notify the taxpayer of the amount proposed to
22 be assessed as in the case of a deficiency.

23 (3) A notice of deficiency shall set forth the reason for the
24 proposed assessment or for the change in the amount of credit or loss to
25 be carried over to another year. The notice may be mailed to the taxpayer
26 at his or her last-known address. In the case of a joint return, the
27 notice of deficiency may be a single joint notice, except that if the Tax
28 Commissioner is notified by either spouse that separate residences have
29 been established, the Tax Commissioner shall mail joint notices to each
30 spouse. If the taxpayer is deceased or under a legal disability, a notice
31 of deficiency may be mailed to his or her last-known address unless the

1 Tax Commissioner has received notice of the existence of a fiduciary
2 relationship with respect to such taxpayer.

3 (4) A notice of deficiency regarding an item of entity income may be
4 mailed to the entity at its last-known address or to the address of the
5 entity's tax matters person for federal income tax purposes. Such notice
6 shall be deemed to have been received by each partner, shareholder, or
7 member of such entity, but only for items of entity income reported by
8 the partner, shareholder, or member. The actions taken thereon on behalf
9 of the partnership, limited liability company, small business
10 corporation, estate, or trust are binding on the partners, members,
11 shareholders, or beneficiaries.

12 Sec. 25. Section 77-3506, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 77-3506 (1) All homesteads in this state shall be assessed for
15 taxation the same as other property, except that there shall be exempt
16 from taxation, on any homestead described in subsection (2) of this
17 section, one hundred percent of the exempt amount.

18 (2) The exemption described in subsection (1) of this section shall
19 apply to homesteads of:

20 (a) A veteran who was discharged or otherwise separated with a
21 characterization of honorable or general (under honorable conditions),
22 who is drawing compensation from the United States Department of Veterans
23 Affairs because of one hundred percent service-connected disability, and
24 who is not eligible for total exemption under sections 77-3526 to
25 77-3528, an unremarried surviving spouse of such a veteran, or a
26 surviving spouse of such a veteran who remarries after attaining the age
27 of fifty-seven years;

28 (b) An unremarried surviving spouse of any veteran, including a
29 veteran other than a veteran described in section 80-401.01, who was
30 discharged or otherwise separated with a characterization of honorable or
31 general (under honorable conditions) and who died because of a service-

1 connected disability or a surviving spouse of such a veteran who
2 remarries after attaining the age of fifty-seven years;

3 (c) An unremarried surviving spouse of a serviceman or servicewoman,
4 including a veteran other than a veteran described in section 80-401.01,
5 whose death while on active duty was service-connected or a surviving
6 spouse of such a serviceman or servicewoman who remarries after attaining
7 the age of fifty-seven years; and

8 (d) An unremarried surviving spouse of a serviceman or servicewoman
9 who died while on active duty during the periods described in section
10 80-401.01 or a surviving spouse of such a serviceman or servicewoman who
11 remarries after attaining the age of fifty-seven years.

12 (3) Application for exemption under this section shall include
13 certification of the status set forth in subsection (2) of this section
14 from the United States Department of Veterans Affairs. Such certification
15 shall not be required in succeeding years if no change in status has
16 occurred, except that the county assessor or the Tax Commissioner may
17 request such certification to verify that no change in status has
18 occurred.

19 Sec. 26. Section 77-3508, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 77-3508 (1)(a) All homesteads in this state shall be assessed for
22 taxation the same as other property, except that there shall be exempt
23 from taxation, on any homestead described in subdivision (b) of this
24 subsection, a percentage of the exempt amount as limited by section
25 77-3506.03. The exemption shall be based on the household income of a
26 claimant pursuant to subsections (2) through (4) of this section.

27 (b) The exemption described in subdivision (a) of this subsection
28 shall apply to homesteads of:

29 (i) Veterans as defined in section 80-401.01 who were discharged or
30 otherwise separated with a characterization of honorable or general
31 (under honorable conditions) and who are totally disabled by a non-

1 service-connected accident or illness;

2 (ii) Individuals who have a permanent physical disability and have
3 lost all mobility so as to preclude locomotion without the use of a
4 mechanical aid or a prosthetic device as defined in section 77-2704.09
5 prostheses;

6 (iii) Individuals who have undergone amputation of both arms above
7 the elbow or who have a permanent partial disability of both arms in
8 excess of seventy-five percent; and

9 (iv) Beginning January 1, 2015, individuals who have a developmental
10 disability as defined in section 83-1205.

11 (c) Application for the exemption described in subdivision (a) of
12 this subsection shall include certification from a qualified medical
13 physician, physician assistant, or advanced practice registered nurse for
14 subdivisions (b)(i) through (b)(iii) of this subsection, certification
15 from the United States Department of Veterans Affairs affirming that the
16 homeowner is totally disabled due to non-service-connected accident or
17 illness for subdivision (b)(i) of this subsection, or certification from
18 the Department of Health and Human Services for subdivision (b)(iv) of
19 this subsection. Such certification from a qualified medical physician,
20 physician assistant, or advanced practice registered nurse or from the
21 Department of Health and Human Services shall be made on forms prescribed
22 by the Department of Revenue. If an individual described in subdivision
23 (b)(i), (ii), (iii), or (iv) of this subsection is granted a homestead
24 exemption pursuant to this section for any year, such individual shall
25 not be required to submit the certification required under this
26 subdivision in succeeding years if no change in medical condition has
27 occurred, except that the county assessor or the Tax Commissioner may
28 request such certification to verify that no change in medical condition
29 has occurred.

30 (2) For 2014, for a married or closely related claimant as described
31 in subsection (1) of this section, the percentage of the exempt amount

1 for which the claimant shall be eligible shall be the percentage in
2 Column B which corresponds with the claimant's household income in Column
3 A in the table found in this subsection.

4	Column A	Column B
5	Household Income	Percentage
6	In Dollars	Of Relief
7	0 through 34,700	100
8	34,701 through 36,400	90
9	36,401 through 38,100	80
10	38,101 through 39,800	70
11	39,801 through 41,500	60
12	41,501 through 43,200	50
13	43,201 through 44,900	40
14	44,901 through 46,600	30
15	46,601 through 48,300	20
16	48,301 through 50,000	10
17	50,001 and over	0

18 (3) For 2014, for a single claimant as described in subsection (1)
19 of this section, the percentage of the exempt amount for which the
20 claimant shall be eligible shall be the percentage in Column B which
21 corresponds with the claimant's household income in Column A in the table
22 found in this subsection.

23	Column A	Column B
24	Household Income	Percentage
25	In Dollars	Of Relief
26	0 through 30,300	100
27	30,301 through 31,700	90
28	31,701 through 33,100	80
29	33,101 through 34,500	70
30	34,501 through 35,900	60

1	35,901 through 37,300	50
2	37,301 through 38,700	40
3	38,701 through 40,100	30
4	40,101 through 41,500	20
5	41,501 through 42,900	10
6	42,901 and over	0

7 (4) For exemption applications filed in calendar years 2015 through
8 2017, the income eligibility amounts in subsections (2) and (3) of this
9 section shall be adjusted by the percentage determined pursuant to the
10 provisions of section 1(f) of the Internal Revenue Code of 1986, as it
11 existed prior to December 22, 2017. For exemption applications filed in
12 calendar year 2018 and each calendar year thereafter, the income
13 eligibility amounts in subsections (2) and (3) of this section shall be
14 adjusted by the percentage change in the Consumer Price Index for All
15 Urban Consumers published by the federal Bureau of Labor Statistics from
16 the twelve months ending on August 31, 2016, to the twelve months ending
17 on August 31 of the year preceding the applicable calendar year. The
18 income eligibility amounts shall be adjusted for cumulative inflation
19 since 2014. If any amount is not a multiple of one hundred dollars, the
20 amount shall be rounded to the next lower multiple of one hundred
21 dollars.

22 Sec. 27. Section 77-3519, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 77-3519 In any case when the county assessor rejects an application
25 for homestead exemption, such applicant may obtain a hearing before the
26 county board of equalization by filing a written complaint with the
27 county clerk. If the application for homestead exemption was rejected on
28 the basis of value, the complaint must be filed by June 30. The county
29 board of equalization may, by majority vote, extend such deadline to July
30 20. If the application for homestead exemption was rejected on any other
31 basis, the complaint must be filed within thirty days from receipt of the

1 notice from the county assessor showing such rejection. Such complaint
2 shall specify his or her grievances and the pertinent facts in relation
3 thereto, in ordinary and concise language and without repetition, and in
4 such manner as to enable a person of common understanding to know what is
5 intended. The board may take evidence pertinent to such complaint, and
6 for that purpose may compel the attendance of witnesses and the
7 production of books, records, and papers by subpoena. The board shall
8 issue its decision on the complaint within thirty days after the filing
9 of the complaint. Notice of the board's decision shall be mailed by the
10 county clerk to the applicant within seven days after the decision. The
11 taxpayer shall have the right to appeal from the board's decision with
12 reference to the application for homestead exemption to the Tax
13 Equalization and Review Commission in accordance with section 77-5013
14 within thirty days after the decision.

15 Sec. 28. Section 77-4111, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 77-4111 The Tax Commissioner ~~may shall~~ adopt and promulgate all
18 rules and regulations necessary to carry out the purposes of the
19 Employment and Investment Growth Act.

20 Sec. 29. Section 77-6203, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 77-6203 (1) The owner of a renewable energy generation facility
23 annually shall pay a nameplate capacity tax equal to the total nameplate
24 capacity of the commissioned renewable energy generation facility
25 multiplied by a tax rate of three thousand five hundred eighteen dollars
26 per megawatt.

27 (2) No tax shall be imposed on a renewable energy generation
28 facility:

29 (a) Owned or operated by the federal government, the State of
30 Nebraska, a public power district, a public power and irrigation
31 district, an individual municipality, a registered group of

1 municipalities, an electric membership association, or a cooperative; or

2 (b) That is a customer-generator as defined in section 70-2002.

3 (3) No tax levied pursuant to this section shall be construed to
4 constitute restricted funds as defined in section 13-518 for the first
5 five years after the renewable energy generation facility is
6 commissioned.

7 (4) The presence of one or more renewable energy generation
8 facilities or supporting infrastructure shall not be a factor in the
9 assessment, determination of actual value, or classification under
10 section 77-201 of the real property underlying or adjacent to such
11 facilities or infrastructure.

12 (5)(a) The Department of Revenue shall collect the tax due under
13 this section.

14 (b) The tax shall be imposed beginning the first calendar year the
15 renewable energy generation facility is commissioned. A renewable energy
16 generation facility that uses wind as the fuel source which was
17 commissioned prior to July 15, 2010, shall be subject to the tax levied
18 pursuant to sections 77-6201 to 77-6204 on and after January 1, 2010. The
19 amount of property tax on depreciable tangible personal property
20 previously paid on a renewable energy generation facility that uses wind
21 as the fuel source which was commissioned prior to July 15, 2010, which
22 is greater than the amount that would have been paid pursuant to sections
23 77-6201 to 77-6204 from the date of commissioning until January 1, 2010,
24 shall be credited against any tax due under Chapter 77, and any amount so
25 credited that is unused in any tax year shall be carried over to
26 subsequent tax years until fully utilized.

27 (c)(i) The tax for the first calendar year shall be prorated based
28 upon the number of days remaining in the calendar year after the
29 renewable energy generation facility is commissioned.

30 (ii) In the first year in which a renewable energy generation
31 facility is taxed or in any year in which additional commissioned

1 nameplate capacity is added to a renewable energy generation facility,
2 the taxes on the initial or additional nameplate capacity shall be
3 prorated for the number of days remaining in the calendar year.

4 (iii) When a renewable energy generation facility is decommissioned
5 or made nonoperational by a change in law during a tax year, the taxes
6 shall be prorated for the number of days during which the renewable
7 energy generation facility was not decommissioned or was operational.

8 (iv) When the capacity of a renewable energy generation facility to
9 produce electricity is reduced but the renewable energy generation
10 facility is not decommissioned, the nameplate capacity of the renewable
11 energy generation facility is deemed to be unchanged.

12 (6)(a) On March 1 of each year, the owner of a renewable energy
13 generation facility shall file with the Department of Revenue a report on
14 the nameplate capacity of the facility for the previous year from January
15 1 through December 31. All taxes shall be due on April 1 and shall be
16 delinquent if not paid on a quarterly basis on April 1 and each quarter
17 thereafter. Delinquent quarterly payments shall draw interest at the rate
18 provided for in section 45-104.02, as such rate may from time to time be
19 adjusted.

20 (b) The owner of a renewable energy generation facility is liable
21 for the taxes under this section with respect to the facility, whether or
22 not the owner of the facility is the owner of the land on which the
23 facility is situated.

24 (7) Failure to file a report required by subsection (6) of this
25 section, filing such report late, failure to pay taxes due, or
26 underpayment of such taxes shall result in a penalty of five percent of
27 the amount due being imposed for each quarter the report is overdue or
28 the payment is delinquent, except that the penalty shall not exceed ten
29 thousand dollars.

30 (8) The Department of Revenue shall enforce the provisions of this
31 section. The department ~~may shall~~ adopt and promulgate rules and

1 regulations necessary for the implementation and enforcement of this
2 section.

3 (9) The Department of Revenue shall separately identify the proceeds
4 from the tax imposed by this section and shall pay all such proceeds over
5 to the county treasurer of the county where the renewable energy
6 generation facility is located within thirty days after receipt of such
7 proceeds.

8 Sec. 30. Sections 20 and 32 of this act become operative for all
9 taxable years beginning or deemed to begin on or after January 1, 2018,
10 under the Internal Revenue Code of 1986, as amended. Sections 21, 22, 23,
11 and 33 of this act become operative for all taxable years beginning or
12 deemed to begin on or after January 1, 2019, under the Internal Revenue
13 Code of 1986, as amended. The other sections of this act become operative
14 on their effective date.

15 Sec. 31. Original sections 3-150, 66-482, 66-4,143, 66-6,101,
16 66-712, 66-718, 66-739, 66-1521, 77-202.03, 77-377.02, 77-702, 77-1239,
17 77-1301, 77-1725.01, 77-1734.01, 77-2776, 77-3506, 77-3508, 77-3519,
18 77-4111, and 77-6203, Reissue Revised Statutes of Nebraska, and section
19 39-2215, Revised Statutes Cumulative Supplement, 2018, are repealed.

20 Sec. 32. Original section 77-2716.01, Reissue Revised Statutes of
21 Nebraska, is repealed.

22 Sec. 33. Original sections 77-2734.01, 77-2761, and 77-2773,
23 Reissue Revised Statutes of Nebraska, are repealed.

24 Sec. 34. The following section is outright repealed: Section
25 66-738, Reissue Revised Statutes of Nebraska.

26 Sec. 35. Since an emergency exists, this act takes effect when
27 passed and approved according to law.