LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 13

Introduced by Blood, 3.
Read first time January 10, 2019
Committee: Revenue

A BILL FOR AN ACT relating to breast-feeding; to amend sections 28-806, 77-2701, 77-2701.04, 77-2701.41, 77-2711, 77-2713, and 77-27,223, Reissue Revised Statutes of Nebraska; to exempt breast-feeding from public indecency offenses; to provide a sales and use tax exemption for breast pumps and related supplies as prescribed; to harmonize provisions; to provide an operative date; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,
Section 1. Section 28-806, Reissue Revised Statutes of Nebraska, is amended to read:

28-806 (1) A person, eighteen years of age or over, commits public indecency if such person performs or procures, or assists any other person to perform, in a public place and where the conduct may reasonably be expected to be viewed by members of the public:

(a) An act of sexual penetration; or

(b) An exposure of the genitals of the body done with intent to affront or alarm any person; or

(c) A lewd fondling or caressing of the body of another person of the same or opposite sex.

(2) Public indecency is a Class II misdemeanor.

(3) It shall not be a violation of this section for an individual to breast-feed a child in a public place.

Sec. 2. Section 77-2701, Reissue Revised Statutes of Nebraska, is amended to read:

77-2701 Sections 77-2701 to 77-27,135.01, 77-27,222, 77-27,235, 77-27,236, and 77-27,238 and section 5 of this act shall be known and may be cited as the Nebraska Revenue Act of 1967.

Sec. 3. Section 77-2701.04, Reissue Revised Statutes of Nebraska, is amended to read:

77-2701.04 For purposes of sections 77-2701.04 to 77-2713 and section 5 of this act, unless the context otherwise requires, the definitions found in sections 77-2701.05 to 77-2701.55 shall be used.

Sec. 4. Section 77-2701.41, Reissue Revised Statutes of Nebraska, is amended to read:

77-2701.41 Taxpayer means any person subject to a tax imposed by sections 77-2701 to 77-2713 and section 5 of this act.

Sec. 5. (1) Sales and use taxes shall not be imposed on the gross receipts from the sale, lease, or rental of and the storage, use, or other consumption in this state of:
(a) A breast pump purchased by an individual for home use, including repair and replacement parts for the breast pump;

(b) Breast pump collection and storage supplies purchased by an individual for home use;

(c) A breast pump kit purchased by an individual for home use. If a breast pump kit includes taxable items of tangible personal property, the breast pump kit shall qualify for the exemption provided in this section only if the sales price of the taxable items of tangible personal property is ten percent or less of the total sales price of the breast pump kit; or

(d) Nursing pads purchased by an individual for home use.

(2) For purposes of this section:

(a) Breast pump means an electrically or manually controlled pump device used to express milk from a human breast;

(b) Breast pump collection and storage supplies means items of tangible personal property used in conjunction with a breast pump to collect breast milk and to store such milk until it is ready for consumption. Breast pump collection and storage supplies includes: Breast shields and breast shield connectors; breast pump tubes and tubing adapters; breast pump valves and membranes; backflow protectors and backflow protector adapters; bottles and bottle caps specific to the operation of the breast pump; and breast milk storage bags. Breast pump collection and storage supplies does not include: Bottles and bottle caps not specific to the operation of the breast pump; breast pump travel bags and other similar carrying accessories, including ice packs, labels, and other similar products, unless sold as part of a breast pump kit; breast pump cleaning supplies, unless sold as part of a breast pump kit; nursing bras; breast shells; and creams, ointments, and other similar products that relieve breastfeeding-related symptoms or conditions of the breasts; and

(c) Breast pump kit means a pre-packaged set that contains one or
more of the following items: A breast pump; breast pump collection and
storage supplies; and other taxable items of tangible personal property
that are useful to initiate, support, or sustain breastfeeding using a
breast pump.

Sec. 6. Section 77-2711, Reissue Revised Statutes of Nebraska, is
amended to read:

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

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

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

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

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

(4) The Tax Commissioner or any person authorized in writing by him
or her may examine the books, papers, records, and equipment of any
person selling property and any person liable for the use tax and may
investigate the character of the business of the person in order to
verify the accuracy of any return made or, if no return is made by the
person, to ascertain and determine the amount required to be paid. In the
examination of any person selling property or of any person liable for
the use tax, an inquiry shall be made as to the accuracy of the reporting
of city sales and use taxes for which the person is liable under the
Local Option Revenue Act or sections 13-319, 13-324, and 13-2813 and the
accuracy of the allocation made between the various counties, cities,
villages, and municipal counties of the tax due. The Tax Commissioner may
make or cause to be made copies of resale or exemption certificates and
may pay a reasonable amount to the person having custody of the records
for providing such copies.

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

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

(7) It shall be a Class I misdemeanor for the Tax Commissioner or
any official or employee of the Tax Commissioner, the State Treasurer, or
the Department of Administrative Services to make known in any manner
whatever the business affairs, operations, or information obtained by an
investigation of records and activities of any retailer or any other
person visited or examined in the discharge of official duty or the
amount or source of income, profits, losses, expenditures, or any
particular thereof, set forth or disclosed in any return, or to permit
any return or copy thereof, or any book containing any abstract or
particulars thereof to be seen or examined by any person not connected
with the Tax Commissioner. Nothing in this section shall be construed to
prohibit (a) the delivery to a taxpayer, his or her duly authorized
representative, or his or her successors, receivers, trustees, executors, administrators, assignees, or guarantors, if directly interested, of a certified copy of any return or report in connection with his or her tax,

(b) the publication of statistics so classified as to prevent the identification of particular reports or returns and the items thereof,

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

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

(9) Notwithstanding the provisions of subsection (7) of this
section, the Tax Commissioner may permit other tax officials of this
state to inspect the tax returns, reports, and applications filed under
sections 77-2701.04 to 77-2713 and section 5 of this act, but such
inspection shall be permitted only for purposes of enforcing a tax law
and only to the extent and under the conditions prescribed by the rules
and regulations of the Tax Commissioner.

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

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

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

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

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

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

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

(b) Return information means:

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

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

(c) Tax return or return means any tax or information return or claim for refund required by, provided for, or permitted under sections 77-2701 to 77-2713 and section 5 of this act which is filed with the Tax Commissioner by, on behalf of, or with respect to any person and any amendment or supplement thereto, including supporting schedules, attachments, or lists which are supplemental to or part of the filed return.

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

(14)(a) Notwithstanding the provisions of subsection (7) of this section, the Tax Commissioner shall, upon written request, provide an individual certified under subdivision (b) of this subsection representing a municipality which has adopted the local option sales and use tax under the Local Option Revenue Act with confidential sales and use tax returns and sales and use tax return information regarding taxpayers that possess a sales tax permit and the amounts remitted by such permitholders at locations within the boundaries of the requesting municipality or with confidential business use tax returns and business
use tax return information regarding taxpayers that file a Nebraska and
Local Business Use Tax Return and the amounts remitted by such taxpayers
at locations within the boundaries of the requesting municipality. Any
written request pursuant to this subsection shall provide the Department
of Revenue with no less than ten business days to prepare the sales and
use tax returns and sales and use tax return information requested. Such
returns and return information shall be viewed only upon the premises of
the department.

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

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

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

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

(15) In all proceedings under the Nebraska Revenue Act of 1967, the
Tax Commissioner may act for and on behalf of the people of the State of
Nebraska. The Tax Commissioner in his or her discretion may waive all or
part of any penalties provided by the provisions of such act or interest on delinquent taxes specified in section 45-104.02, as such rate may from time to time be adjusted.

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

(b) For purposes of this subsection:

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

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

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

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

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

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

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

(iii) It provides consumers clear and conspicuous notice of its information practices, including what information it collects, how it collects the information, how it uses the information, how long, if at
all, it retains the information, and whether it discloses the information
to member states. Such notice shall be satisfied by a written privacy
policy statement accessible by the public on the web site of the
certified service provider;

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 7. Section 77-2713, Reissue Revised Statutes of Nebraska, is amended to read:

77-2713 (1) Any person required under the provisions of sections 77-2701.04 to 77-2713 and section 5 of this act to collect, account for, or pay over any tax imposed by the Nebraska Revenue Act of 1967 who willfully fails to collect or truthfully account for or pay over such tax and any person who willfully attempts in any manner to evade any tax imposed by such provisions of such act or the payment thereof shall, in addition to other penalties provided by law, be guilty of a Class IV felony.

(2) Any person who willfully aids or assists in, procures, counsels, or advises the preparation or presentation of a false or fraudulent return, affidavit, claim, or document under or in connection with any matter arising under sections 77-2701.04 to 77-2713 and section 5 of this act shall, whether or not such falsity or fraud is with the knowledge or consent of the person authorized or required to present such return, affidavit, claim, or document, be guilty of a Class IV felony.
(3) A person who engages in business as a retailer in this state without a permit or permits or after a permit has been suspended and each officer of any corporation which so engages in business shall be guilty of a Class IV misdemeanor. Each day of such operation shall constitute a separate offense.

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

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

(6) Any prosecution under sections 77-2701.04 to 77-2713 and section 5 of this act shall be instituted within three years after the commission of the offense. If such offense is the failure to do an act required by any of such sections to be done before a certain date, a prosecution for such offense may be commenced not later than three years after such date. The failure to do any act required by sections 77-2701.04 to 77-2713 and section 5 of this act shall be deemed an act committed in part at the principal office of the Tax Commissioner. Any prosecution under the provisions of the Nebraska Revenue Act of 1967 may be conducted in any county where the person or corporation to whose liability the proceeding relates resides or has a place of business or in any county in which such criminal act is committed. The Attorney General shall have concurrent jurisdiction with the county attorney in the prosecution of any offenses under the provisions of the Nebraska Revenue Act of 1967.

Sec. 8. Section 77-27,223, Reissue Revised Statutes of Nebraska, is amended to read:

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

Sec. 9. This act becomes operative on October 1, 2019.

Sec. 10. Original sections 28-806, 77-2701, 77-2701.04, 77-2701.41,
77-2711, 77-2713, and 77-27,223, Reissue Revised Statutes of Nebraska,
are repealed.