

Legislature - First Session - 2019

Introducer's Statement of Intent

LB523

Chairperson: Senator Lou Ann Linehan

Committee: Revenue

Date of Hearing: February 08, 2019

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB523 will make deeds transferring real property to or from a nonprofit organization operated for educational, religious, charitable, or cemetery purposes exempt from the documentary stamp tax.

The bill adds language to exempt property owned by a limited liability company property as long as the LLC is wholly owned by an organization that qualifies for the exemption and meets specific organizational requirements. These requirements are:

- The company is organized and operated exclusively to benefit and further the purposes of an organization whose property qualifies for the tax exemption;
- The company is wholly owned by and organization whose property qualifies for the tax exemption;
- Company prohibits discrimination in membership or employment based on race, color, or national origin;
- Prohibition on using the property of the company for financial gain or profit to the owner or user
- Prohibiting use of property for the sale of alcoholic liquors for more than 20 hours per week; and
- Upon dissolution of company, all assets shall be distributed to an origination whose property qualifies for the tax exemption.

LB523 has an operative date of January 1, 2020.

Principal Introducer: _____

Senator Lou Ann Linehan