

One Hundred Seventh Legislature - First Session - 2021

Introducer's Statement of Intent

LB178

Chairperson: Senator Lou Ann Linehan

Committee: Revenue

Date of Hearing: February 19, 2021

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

LB 178 adopts the Infrastructure Improvement and Replacement Assistance Act and provides for a turn back of state sales tax revenue. Under the Act, a phased in portion of Nebraska state sales tax collected from each sewer and potable water utility will be returned to each utility or political subdivision to assist in paying for future infrastructure improvements.

The state shall pay to each political subdivision, sewer utility, or water utility a percentage of the state sales tax imposed on sewer and potable water fees and collected by such political subdivision or utility as follows:

- For sales taxes imposed from July 1, 2021, through June 30, 2022: 36.36%
- For sales taxes imposed from July 1, 2022, through June 30, 2024: 54.54%
- For sales taxes imposed from July 1, 2024: 72.72%

LB 178 would require that turnback funds be used exclusively to assist in paying for infrastructure improvements and to defer increases in sewer and water rates. Each political subdivision receiving turnback funds under this section shall include in its budget statement the amount of turnback funds received under this section and the percentage by which its sewer and water rates would have increased if not for the receipt of such turnback funds.

Principal Introducer: _____

Senator Brett Lindstrom