

**ONE HUNDRED EIGHTH LEGISLATURE - FIRST SESSION - 2023**  
**COMMITTEE STATEMENT (CORRECTED)**  
**LB727**

---

**Hearing Date:** Thursday February 23, 2023  
**Committee On:** Revenue  
**Introducer:** Linehan  
**One Liner:** Change provisions relating to the sales and use tax exemption on purchases by the state and other public entities

---

**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

---

**Vote Results:**

**Aye:** 8 Senators Albrecht, Bostar, Briese, Dungan, Kauth, Linehan, Murman, von Gillern  
**Nay:**  
**Absent:**  
**Present Not Voting:**

---

**Testimony:**

**Proponents:**

Senator Lou Ann Linehan  
Matthew Ottmann

Daniel Duncan  
Rob Owen  
Michael Boyle

**Opponents:**

**Neutral:**

**Representing:**

Legislative District 39  
Greater Omaha Chamber of Commerce, Lincoln Chamber of Commerce  
Self  
Bio Nebraska  
Kawasaki, The Nebraska Chamber of Commerce

**Representing:**

**Representing:**

\* ADA Accommodation Written Testimony

---

**Summary of purpose and/or changes:**

LB 727 amends NRS 77-2704.15 to allow for sales and use tax exemption for expenditures made by governmental unit toward a project so long as the voters of such governmental unit have approved the expenditures.

---

**Explanation of amendments:**

AM 1152 incorporates the provisions of twenty other tax related bills into the bill LB 727. The bills and amendments included are LB 74, LB 96 (As Amended by AM 64), LB 100, LB 118, LB 165, LB 180 (As Amended by AM 142), LB 300, LB 344, LB 384, LB 407, LB 447, LB 491, LB 495, LB 580 (As Amended by AM 634), LB 584 (As Amended by AM 509), LB 692 (As Amended by AM 1012), LB 697 (As Amended by Committee Amendment), LB 704, LB 706 (As Amended by AM 692), LB 732 (As Amended by Committee Amendment), AM 169, AM 867, and Committee

---

Amendments.

The Committee voted to adopt AM 1152 on a 8-0-0-0 vote.

AM 867 to LB 727 allows the voter approval requirement to be satisfied if the governmental unit's expenditures toward the project are paid in whole or in part with revenue bonds.

Motion to Include AM 867 as part of AM 1152

Voting Result: 8-0-0-0

Voting Aye: Senators Albrecht, Bostar, Briese, Dungan, Kauth, Linehan, Murman, von Gillern

Voting Nay: None

Also amended by a Committee amendment to add an emergency clause.

Motion to Include the Emergency Clause as part of AM 1152

Voting Result: 8-0-0-0

Voting Aye: Senators Albrecht, Bostar, Briese, Dungan, Kauth, Linehan, Murman, von Gillern

Voting Nay: None

LB 74 as amended by AM 169 would allow contractors to make exempt purchases on buyer-based exemptions. The operative date of the bill is January 1, 2024. AM 169 adds a definition for "buyer-based exemption" that excludes an exemption that is available to all individuals.

Motion to Include LB 74 as part of AM 1152

Voting Result: 8-0-0-0

Voting Aye: Senators Albrecht, Bostar, Briese, Dungan, Kauth, Linehan, Murman, von Gillern

Voting Nay: None

Testifiers on LB 74

Proponents:

Senator Lou Ann Linehan, Legislative District 39

Stacy Watson, Nebraska Chamber

Shana Dahlgren, KAAPA Ethanol Holdings, LLC

Dawn Caldwell, RFN

Opponents:

None

Neutral:

None

LB 96 as amended by AM 64 adds an exemption from sales and use tax for twine. It further amends the definition of net wrap and twine. The bill defines twine as a strong string of two or more strands twisted together used in the baling of livestock feed or bedding. AM 64 adds bailing wire to the exemption.

Motion to Include LB 96 as part of AM 1152

Voting Result: 8-0-0-0

Voting Aye: Senators Albrecht, Bostar, Briese, Dungan, Kauth, Linehan, Murman, von Gillern

Voting Nay: None

Testifiers on LB 96

Proponents:

Senator Julie Slama, Legislative District 1

Lavon Heidemann, Nebraska Cattlemen, Nebraska Farm Bureau, Nebraska Corn Growers Association, Nebraska Soybean Association, Nebraska State Dairy Association, Nebraska Pork Association, Nebraska Wheat Growers Association

Phil Erdman, INEDA

Opponents:

None

Neutral:

None

LB 100 amends the ImagiNE Nebraska Act to include locations the primary business activities are waste treatment and disposal.

Motion to Include LB 100 as part of AM 1152

Voting Result: 8-0-0-0

Voting Aye: Senators Albrecht, Bostar, Briese, Dungan, Kauth, Linehan, Murman, von Gillern

Voting Nay: None

Testifiers on LB 100

Proponents:

Senator Steve Erdman, Legislative District 47

Paul Whiting, Clean Harbors INC

John Morrison, City of Kimball

Christy Warner, City of Kimball

Rich Flores, Kimball County Board of Commissioners

Brandi Burkett, Self

Opponents:

None

Neutral:

None

LB 118 changes two provisions under the Nebraska Advantage Rural Development Act; the first change would allow for different application fees depending on the investment amount. The fee for applications filed for an agreement with the Tax Commissioner would be changed from the current \$500 fee. LB 118 would make the application fee the following:

- \$100 for an investment amount of less than \$25,000
- \$250 for an investment amount of at least \$25,000 but less than \$50,000
- \$500 for an investment amount of \$50,000 or more.

The second change would lower the required investment amount to \$10,000.00.

Motion to Include LB 118 as part of AM 1152

Voting Result: 8-0-0-0

Voting Aye: Senators Albrecht, Bostar, Briese, Dungan, Kauth, Linehan, Murman, von Gillern

Voting Nay: None

Testifiers on LB 118

Proponents:

Senator Tom Brandt, District 32

Al Junke, Nebraska Pork Producers Association

Opponents:

None

Neutral:

None

LB 165 adds elementary and secondary education/tuition to already qualified post secondary education/tuition as qualified withdrawals from Nebraska education savings plans set up under the Act.

Motion to Include LB 165 as part of AM 1152

Voting Result: 8-0-0-0

Voting Aye: Senators Albrecht, Bostar, Briese, Dungan, Kauth, Linehan, Murman, von Gillern

Voting Nay: None

Testifiers on LB 165

Proponents:

Senator Suzanne Geist, Legislative District 25

John Murante, State Treasurer

Jay Steinacher, Union Bank and Trust

Jeremy Ekeler, Nebraska Catholic Conference

Heather Schmidt, Self

Elizabeth Davids, Self

Merlyn Bartels, Self

Opponents:

DeLoris Tonack, Nebraska State Education Association

Connie Knoche, OpenSky Policy

Dunix Guerneca, Stand for Schools

Neutral:

None

LB 180 as amended by AM 142 creates the Nebraska Biodiesel Tax Credit Act, allowing for biodiesel retailer income tax credits under the Act. The refundable tax credit would be in an amount equal to \$0.14 multiplied by the total number of gallons of biodiesel sold by the taxpayer. AM 142 allows for distribution of any credits to an independent entity, estate, or trust to be distributed to members of any entity, estate, or trust the same as income is distributed to members.

Motion to Include LB 180 as part of AM 1152

Voting Result: 8-0-0-0

Voting Aye: Senators Albrecht, Bostar, Briese, Dungan, Kauth, Linehan, Murman, von Gillern

Voting Nay: None

Testifiers on LB 180

Proponents:

Senator Tom Brandt, District 32

Lucas Miller, Nebraska Soybean Association, Nebraska Farm Bureau

Randy Gard, Bosselman Enterprises, Nebraska Chamber of Commerce, Nebraska Petroleum Marketers

John K. Hansen, Nebraska Farmers Union

Nathan Nolte, Ag Processing Inc  
Andrew Richard, Sapp Bros, Inc  
Jeffrey Earl, Clean Fuels Alliance Nebraska  
Adam Feser, Nebraska Cooperative Council  
Mick Mines, Renewable Fuels NE, Nebraska Corn Growers Association

Opponents:

None

Neutral:

None

LB 300 amends NRS 77-2704.12 to add to the sales and use tax exemptions available to nonprofit organizations. Specifically this bill exempts nonprofit organizations that are certified or contracted by a regional behavioral health authority or the Division of Behavioral Health of the Department of Health and Human Services to provide community-based mental health or substance use services.

Motion to Include LB 300 as part of AM 1152

Voting Result: 8-0-0-0

Voting Aye: Senators Albrecht, Bostar, Briese, Dungan, Kauth, Linehan, Murman, von Gillern

Voting Nay: None

Testifiers on LB 300

Proponents:

Senator Lou Ann Linehan, Legislative District 39

Carole Boye, Community Alliance, Nebraska Association of Behavioral Health Organization

Joe Kohout, Nebraska Association of Regional Administrators

Opponents:

None

Neutral:

None

LB 344 eliminates from the Nebraska Property Tax Incentive Act property tax payments that were over five years delinquent at the time of payment.

Motion to Include LB 344 as part of AM 1152

Voting Result: 8-0-0-0

Voting Aye: Senators Albrecht, Bostar, Briese, Dungan, Kauth, Linehan, Murman, von Gillern

Voting Nay: None

Testifiers on LB 344

Proponents:

Senator Christy Armendariz, Legislative District 18

Jon Cannon, NACO

Opponents:

None

Neutral:

None

LB 384 creates, funds and regulates the spending of a newly formed Department of Transportation Aeronautics Capital Improvement Fund (hereinafter "DTACIF"). The bill turns back sales taxes relating to aeronautics sales.

Motion to Include LB 384 as part of AM 1152

Voting Result: 8-0-0-0

Voting Aye: Senators Albrecht, Bostar, Briese, Dungan, Kauth, Linehan, Murman, von Gillern

Voting Nay: None

Testifiers on LB 384

Proponents:

Senator Eliot Bostar, Legislative District 29

Scott Tarry, Nebraska Aeronautics Commission

Rodney Storm, City of Blair, Blair Airport Authority

Nathan Masten, NAAO

Jon Large, Nebraska Association of Airport Officials

Tom Chandler, Aircraft Owners and Pilots Association

Opponents:

None

Neutral:

None

LB 407 amends the Nebraska Transformational Projects Act by amending the application deadline in NRS 81-12,182 from December 31, 2023 to December 31, 2025.

Motion to Include LB 407 as part of AM 1152

Voting Result: 8-0-0-0

Voting Aye: Senators Albrecht, Bostar, Briese, Dungan, Kauth, Linehan, Murman, von Gillern

Voting Nay: None

Testifiers on LB 407

Proponents:

Senator Lou Ann Linehan, Legislative District 39

Dr. Jeffrey Gold, University of Nebraska System

Jennifer Creager, Greater Omaha Chamber, Lincoln Chamber of Commerce, Nebraska Chamber of Commerce and Industry

Opponents:

None

Neutral:

None

LB 447 amends current statute(s) to allow retired firefighters a deduction for health insurance premiums paid and to allow for tuition waivers for firefighters and dependents of law enforcement officers and firefighters.

Motion to Include LB 447 as part of AM 1152

Voting Result: 8-0-0-0

Voting Aye: Senators Albrecht, Bostar, Briese, Dungan, Kauth, Linehan, Murman, von Gillern

Voting Nay: None

Testifiers on LB 447

Proponents:

Senator Eliot Bostar, Legislative District 29

Daniel Martin, Omaha Police Officer Association  
Darren Garrean, Nebraska Professional Fire Fighters Association  
Sheriff Ed Wenhoff, Nebraska Sheriffs Association, Police Chief Association of Nebraska, Police Officers Association of Nebraska  
Dan Osmond, Nebraska Sheriffs Association, Police Chief Association of Nebraska, Police Officers Association of Nebraska  
Dave Engler, Lincoln Fire and Rescue and Lincoln Police  
Steve Cerveny, Omaha Police Department  
Ben Houchin, Lancaster County  
Trevor Towey, Omaha Professional Firefighters  
Michael Perl, Douglas County Sheriff Dept  
Cindy Koenig-Warnke Lincoln Police Union  
Gary Bruns, Lincoln Firefighters Association  
Jerry Sdilmock, Nebraska Volunteer Firefighters Association  
Matt Schaefer, Statetroopers Association of Nebraska  
Jon Cannon, NACO  
Christy Abraham, League of Nebraskan Municipalities  
Matt Barrall  
Opponents:  
None  
Neutral:  
None

LB 491 changes provisions relating to qualification for, application for and calculation of amount for research and experimental activities tax credits. The bill changes the date for when a business firm is allowed to first claim the credit from any tax year beginning or deemed to begin after December 31, 2022 to December 31, 2033. LB 491 also adds and amends language for business firms which make expenditures in research and experimental activities as defined in section 174 of the Internal Revenue Code of 1986, as amended, and are allowed a research tax credit under the Act.

Motion to Include LB 491 as part of AM 1152

Voting Result: 8-0-0-0

Voting Aye: Senators Albrecht, Bostar, Briesse, Dungan, Kauth, Linehan, Murman, von Gillern

Voting Nay: None

Testifiers on LB 491

Proponents:

Senator Brad von Gillern, Legislative District 4

Matthew Ottemann, Greater Omaha Chamber of Commerce, Lincoln Chamber of Commerce

Daniel Duncan, Self

Rob Owen, Bio Nebraska

Michael J. Boyle, Kawasaki, The Nebraska Chamber of Commerce

Opponents:

None

Neutral:

None

LB 495 amends Neb. Rev. Stat. Sec. 85-1802 to exempt Roth IRA rollovers as allowed under federal law from being a nonqualified withdrawal from an account established under the Act.

Motion to Include LB 495 as part of AM 1152

Voting Result: 8-0-0-0

Voting Aye: Senators Albrecht, Bostar, Briese, Dungan, Kauth, Linehan, Murman, von Gillern

Voting Nay: None

Testifiers on LB 495

Proponents:

Senator Tom Briese, Legislative District 41

Rachel Biar, Nebraska State Treasurer, Trustee NEST 529

Donna Crownover, Union Bank and Trust Program Manager

Opponents:

None

Neutral:

None

LB 580 as amended by AM 634 eliminates special requirements for agricultural or horticultural land in sanitary improvement districts (SID), cities, or villages required to receive special valuation under the statutes. AM 634 adds an effective date retroactive to January 1, 2023.

Motion to Include LB 580 as part of AM 1152

Voting Result: 8-0-0-0

Voting Aye: Senators Albrecht, Bostar, Briese, Dungan, Kauth, Linehan, Murman, von Gillern

Voting Nay: None

Testifiers on LB 580

Proponents:

Senator Rick Holdcroft, Legislative District 36

Bruce Rieker, Nebraska Farm Bureau, Nebraska Cattlemen, Nebraska Corn Growers Association, Nebraska Soybean Association, Nebraska State Dairy Association, Nebraska Pork Producers Association, Nebraska Wheat Growers Association, Renewable Fuels Nebraska

James Harder, Self

Jarel Vinduska, Self

Robert Waldeisen, Self

Tim Vala, Vala's Pumpkin Farm and Apple Orchard

John K. Hansen, Nebraska Farmers Union

Trent Lorenz, Self

Maruin Leaders, Sarpy County Farm Bureau

Opponents:

None

Neutral:

Jon Cannon, NACO

Dan Pittman, Sarpy County Assessor

Derrick Niederklein, Lancaster County Assessor

LB 584 as amended by AM 509 amends NRS 77-4007 to include electronic nicotine delivery systems in the definition of tobacco products for purposes of imposition of sales and use tax. With AM 509 the bill adds a differentiation in the tax between sales of three milliliters or less, where the tax is five cents per milliliter of consumable liquid, and over three milliliters, taxed at ten percent of either the purchase price paid by the first owner, or ten percent of the price



which the first owner made, manufactured, or fabricated the system to sell the item to others. It also adds a definition reference for electronic nicotine delivery systems.

Motion to Include LB 584 as part of AM 1152

Voting Result: 8-0-0-0

Voting Aye: Senators Albrecht, Bostar, Briese, Dungan, Kauth, Linehan, Murman, von Gillern

Voting Nay: None

Testifiers on LB 584

Proponents:

Senator Jana Hughes, Legislative District 24

Seth Ford, Self

Maggie Ballard, Heartland Family Service

Laura McDougall, Friends of Public Health

Opponents:

Sarah Linden, Nebraska Vape Vendors Association

Nick Staudenmaier, Chasing Clouds

Neutral:

Dr. Roger Donovan, DHHS

LB 692 as amended by AM 1012 creates the Good Life Transformational Projects Act, establishing a new system in statute to allow for state assistance to certain projects within a "good life district" that meet certain benchmarks. AM 1012 replaces the original bill, keeps the concept of "good life districts" and adds a revised schedule of required investment, required new jobs, and required apparent sales from outside the state for different city levels as shown below:

Project eligibility is contingent on the following three items:

Development costs:

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

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

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

(iv) One hundred million dollars if the project will be located in a city of the first class, city of the second class, or village within a county with a population of less than one hundred thousand inhabitants.

Jobs created:

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

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

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

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

Motion to Include LB 692 as part of AM 1152

Voting Result: 8-0-0-0

Voting Aye: Senators Albrecht, Bostar, Briese, Dungan, Kauth, Linehan, Murman, von Gillern

Voting Nay: None

Testifiers on LB 692

Proponents:

Senator Lou Ann Linehan, Legislative District 39

Rod Yates, Justdata

Scott Muller, Verdad

Robb Heineman, Homefield LLC

Michael Earl, Lund Company

Mike Evans, City of Gretna, Gretna City Council, Gretna Chamber of Commerce, Grow Sarpy, Former Mayor and Current Sarpy County Commissioner Jim Warren

Jon Cannon, NACO

Opponents:

None

Neutral:

Lynn Rex, League of Nebraska Municipalities

LB 697 as amended by Committee Amendment seeks to amend provisions of the Nebraska Job Creation and Mainstreet Revitalization Act (Act). The bill redefines historically significant real property to include at-grade or above ground structures. The bill redefines improvement to include projects with a total cost which equal or exceed \$5,000.

LB 697 also seeks to change the amount of nonrefundable credits being equal to 20% of eligible expenditures up to a maximum credit of \$1 million to the following:

For historically significant real property located in a county that includes a city of the metropolitan class or a city of the primary class, the credit would be equal to 25% of eligible expenditures.

For historically significant real property located in any other county, the credit would be equal to 30% of eligible expenditures.

In all cases, the maximum credit allocated to any one project would be \$2 million.

A Committee amendment was added to include the portion of LB 213 that lowers the match required by the applicant under the Rural Workforce Housing Investment Act to 25% for all cities; and to replace the start and sunset dates with the start and sunset dates from LB 756.

Motion to Include LB 697 as part of AM 1152

Voting Result: 8-0-0-0

Voting Aye: Senators Albrecht, Bostar, Briese, Dungan, Kauth, Linehan, Murman, von Gillern

Voting Nay: None

Testifiers on LB 697

Proponents:

Senator Danielle Conrad, Legislative District 46

Jill Dolberg, History Nebraska

Michael Sothan, MainStreet Beatrice

Tom McLeay, Clarity Real Estate Companies

Lynn Rex, League of Nebraska Municipalities

David Levy, Omaha by Design

Opponents:

None

Neutral:

None

LB 704 modifies Neb. Rev. Stat. Sec. 77-1403 to allow for the disbursement of funds to individual(s) chosen by the designated beneficiary, the owner, or a personal representative in the event that on the date of the designated beneficiary's death the amount in the account is equal to or less than five thousand dollars (\$5,000.00).

Motion to Include LB 704 as part of AM 1152

Voting Result: 8-0-0-0

Voting Aye: Senators Albrecht, Bostar, Briese, Dungan, Kauth, Linehan, Murman, von Gillern

Voting Nay: None

Testifiers on LB 704

Proponents:

Senator Dave Murman, Legislative District 38

Stacy Pfeifer, Enable Savings Plan/Treasurer's Office

Edison McDonald, The Arc of Nebraska

Opponents:

None

Neutral:

None

LB 706 as amended by AM 692 creates new statutes that allow, under the Build Nebraska Act, for issuing bonds up to the amount of four hundred and fifty million dollars (\$450,000,000.00), with a provision for thirty million dollars (\$30,000,000.00) annually for debt service, for new roads projects, and harmonizes corresponding statutes to reflect the new sections. AM 692 added a provision to extend the sunset date of the Build Nebraska Act to match with the sunset date of the new bonding under LB 706.

Motion to Include LB 706 as part of AM 1152

Voting Result: 8-0-0-0

Voting Aye: Senators Albrecht, Bostar, Briese, Dungan, Kauth, Linehan, Murman, von Gillern

Voting Nay: None

Testifiers on LB 706

Proponents:

Senator Mike Moser, Legislative District 22

Governor Jim Pillen, Governor of Nebraska

Bryan Slone, Nebraska Chamber of Commerce

David Copple, WDOT

Vicki Kramer, Nebraska Department of Transportation

Tyler Hevlin, Acec Nebraska

Beth Bazyn Ferrell, Nebraska Association of County Officials (NACO)

Lynn Rex, League of Nebraska Municipalities

Bruce Bohrer, Lincoln Chamber

Opponents:

None

Neutral:

Tim Hruza, Associated General Contractors Nebraska Chapter (AGC)

LB 732 as amended by a Committee Amendment amends the Convention Center Facility Financing Assistance Act to extend the date for applications for assistance under the Act to December 31, 2030. A Committee amendment to adopt additional changes to the Act that include an adding turnback of sales taxes collected by nearby retailers within six hundred yards of a program area, defining a program area by a map or maps submitted with an application, applying such changes for collection of such state sales.

Motion to Include LB 732 as part of AM 1152

Voting Result: 8-0-0-0

Voting Aye: Senators Albrecht, Bostar, Briese, Dungan, Kauth, Linehan, Murman, von Gillern

Voting Nay: None

Testifiers on LB 732

Proponents:

Senator Eliot Bostar, Legislative District 29

Todd Ogden, Downtown Lincoln Association, Lincoln Chamber of Commerce, Visit Lincoln, Young Professionals Group

Kent Seacrest, Block 69 Coalition

Daniel Marvin, City of Lincoln

Lynn Rex, League of Nebraska Municipalities

Bud Synhorst, LIBA

Opponents:

None

Neutral:

None

---

Lou Ann Linehan, Chairperson