

E AND R AMENDMENTS TO LB 901

Introduced by Guereca, 7, Chairman Enrollment and Review

1 1. Strike the original sections and all amendments thereto and
2 insert the following new sections:

3 **Section 1.** Sections 1 to 4 of this act shall be known and may be
4 cited as the Domestic Violence and Human Trafficking Service Providers
5 Tax Credit Act.

6 **Sec. 2.** (1) For taxable years beginning or deemed to begin on or
7 after January 1, 2027, under the Internal Revenue Code of 1986, as
8 amended, there shall be allowed refundable credits against the income tax
9 imposed by the Nebraska Revenue Act of 1967 as follows:

10 (a) Two hundred forty thousand dollars of tax credits to be
11 distributed equally among qualifying domestic violence and sexual assault
12 programs run by tribal governments;

13 (b) One hundred fifty thousand dollars of tax credits to be
14 distributed to a statewide coalition representing nonprofit organizations
15 that have an affiliation agreement with the Department of Health and
16 Human Services to provide services to victims of domestic abuse under the
17 Protection from Domestic Abuse Act;

18 (c) One million forty-four thousand dollars of tax credits to be
19 distributed equally to entities described in subdivisions (a) and (b) of
20 this subsection and any other nonprofit organizations that operate a
21 shelter for victims of domestic violence or human trafficking; and

22 (d) One million five hundred sixty-six thousand dollars of tax
23 credits to be distributed to entities described in subdivisions (a) and
24 (b) of this subsection and any other nonprofit organizations that operate
25 a shelter for victims of domestic violence or human trafficking as
26 follows:

27 (i) One million two hundred fifty-two thousand eight hundred dollars

1 of tax credits to be distributed based on the population of the program
2 or service area as shown by the latest federal decennial census or as
3 determined by the department if such census data is not available; and

4 (ii) Three hundred thirteen thousand two hundred dollars of tax
5 credits to be distributed based on the square miles of the program or
6 service area.

7 (2) The department shall distribute all of the credits allowed under
8 the Domestic Violence and Human Trafficking Service Providers Tax Credit
9 Act each calendar year.

10 (3) For purposes of this section:

11 (a) Department means the Department of Revenue;

12 (b) Nonprofit organization means an organization organized under
13 section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and

14 (c) Tribal has the same meaning as in section 71-914.02.

15 **Sec. 3.** A credit recipient may sell all or a portion of the tax
16 credit received under section 2 of this act to another taxpayer. The
17 purchasing taxpayer must have received a transfer of the tax credit prior
18 to the date a tax return, or amended return, claiming the tax credit is
19 filed. For any tax year in which a credit is sold pursuant to this
20 section, the credit recipient selling the tax credit shall notify the
21 Department of Revenue of the sale and provide the tax identification
22 number of the taxpayer purchasing the tax credit at least thirty days
23 prior to the taxpayer claiming the tax credit. The notification shall be
24 in the manner prescribed by the department.

25 **Sec. 4.** The Department of Revenue may adopt and promulgate rules
26 and regulations to carry out the Domestic Violence and Human Trafficking
27 Service Providers Tax Credit Act.

28 **Sec. 5.** (1) Beginning no later than October 31, 2026, the
29 Department of Health and Human Services and the Department of Revenue,
30 for the purpose of the proper administration of the laws administered by
31 each agency, shall, upon request, disclose confidential information about

1 persons, businesses, and state and local subdivisions to the other
2 agency. The receiving agency shall not use any confidential information
3 obtained from the transmitting agency except for purposes directly
4 connected with the proper administration of the laws administered by each
5 agency.

6 (2) The disclosures allowed under this section may be made
7 notwithstanding any other provision of law of this state regarding
8 disclosure of information by either agency. Any information received by
9 either agency under this section shall be considered confidential as
10 required by any applicable state laws or rules and regulations which
11 govern the transmitting agency's disclosure of the information and any
12 use of such information after such disclosure. Any individual who
13 discloses such information other than as specifically allowed by this
14 section or other laws of this state shall be subject to the penalties
15 normally imposed on individuals who improperly disclose such information.

16 **Sec. 6.** (1) The Department of Revenue shall add a collection fee in
17 the amount of twenty-five dollars or ten percent of the tax liability,
18 whichever is greater, to all delinquent tax claims regardless of whether
19 the claim has been assigned to a collection agency under sections
20 77-377.01 to 77-377.04. For purposes of this subsection, delinquent tax
21 claim has the same meaning as in section 77-377.01.

22 (2) In addition to the collection fee in subsection (1) of this
23 section, the Department of Revenue shall add the actual costs incurred by
24 the department to collect delinquent taxes to the tax liability at the
25 time such costs are incurred.

26 (3) The Department of Revenue shall add an assessment fee in the
27 amount of twenty-five dollars or ten percent of the tax liability,
28 whichever is greater, to all assessments and notices of deficiency when
29 issued. If the assessment or notice of deficiency becomes due and owing,
30 the assessment fee shall be recalculated on the tax liability as of the
31 date when the assessment or notice of deficiency becomes due and owing.

1 (4)(a) The Tax Commissioner may require any person filing a petition
2 for redetermination of (i) a notice and demand for payment issued
3 pursuant to section 77-1783.01 or (ii) a notice of a deficiency
4 determination issued pursuant to the Nebraska Revenue Act of 1967, to
5 remit a filing fee of forty dollars to the Department of Revenue.

6 (b) A person may file an application with the Department of Revenue
7 claiming he or she is indigent. A person determined by the Department of
8 Revenue to be indigent shall not be required to remit the filing fee
9 required by this subsection. For purposes of this subdivision, indigent
10 means the inability to financially pursue the petition for
11 redetermination without prejudicing the person's ability to provide
12 economic necessities for the person or the person's family. In making its
13 determination, the department shall consider (i) the person's income,
14 (ii) the availability of other resources to the person including, but not
15 limited to, real and personal property, bank accounts, social security
16 benefits, and unemployment or other benefits, (iii) the person's normal
17 living expenses, (iv) the person's outstanding debts, (v) the number and
18 age of the person's dependents, and (vi) other relevant circumstances.

19 (5) All applications for a waiver of interest or penalty pursuant to
20 the statutory authority of the Tax Commissioner shall be submitted with a
21 fee of twenty-five dollars.

22 (6) All written requests for a certificate stating no tax is due
23 which are filed pursuant to section 77-2707 shall be submitted with a fee
24 of twenty-five dollars.

25 (7) The fees and costs collected by the Department of Revenue
26 pursuant to this section shall be remitted to the State Treasurer for
27 credit to the Department of Revenue Enforcement Fund.

28 (8) Beginning on January 1, 2027, and on January 1 of successive
29 years, the Department of Revenue shall increase the fees provided for in
30 this section by the percentage change, if any, as of August of the
31 previous year over the level as of August of the year preceding that year

1 in the Consumer Price Index for All Urban Consumers, Midwest Region, as
2 published by the Bureau of Labor Statistics of the United States
3 Department of Labor.

4 **Sec. 7.** Section 9-1,101, Revised Statutes Supplement, 2025, is
5 amended to read:

6 9-1,101 (1) The Nebraska Bingo Act, the Nebraska County and City
7 Lottery Act, the Nebraska Lottery and Raffle Act, the Nebraska Pickle
8 Card Lottery Act, the Nebraska Small Lottery and Raffle Act, and section
9 9-701 shall be administered and enforced by the Charitable Gaming
10 Division of the Department of Revenue, which division is hereby created.
11 The Department of Revenue shall make annual reports to the Governor,
12 Legislature, Auditor of Public Accounts, and Attorney General on all tax
13 revenue received, expenses incurred, and other activities relating to the
14 administration and enforcement of such acts. The report submitted to the
15 Legislature shall be submitted electronically.

16 (2) The Charitable Gaming Operations Fund is hereby created. Any
17 money in the fund available for investment shall be invested by the state
18 investment officer pursuant to the Nebraska Capital Expansion Act and the
19 Nebraska State Funds Investment Act.

20 (3)(a) Forty percent of the taxes collected pursuant to sections
21 9-239, 9-344, 9-429, and 9-648 shall be available to the Charitable
22 Gaming Division for administering and enforcing the acts listed in
23 subsection (1) of this section and providing administrative support for
24 the Nebraska Commission on Problem Gambling. The remaining sixty percent
25 shall be transferred to the General Fund. Any portion of the forty
26 percent not used by the division in the administration and enforcement of
27 such acts and section shall be distributed as provided in this
28 subsection.

29 (b) Beginning July 1, 2019, through June 30, 2026, on or before the
30 last day of the last month of each calendar quarter, the State Treasurer
31 shall transfer one hundred thousand dollars from the Charitable Gaming

1 Operations Fund to the Compulsive Gamblers Assistance Fund.

2 (c) Any money remaining in the Charitable Gaming Operations Fund
3 after the transfer pursuant to subdivision (b) of this subsection not
4 used by the Charitable Gaming Division in its administration and
5 enforcement duties pursuant to this section may be transferred to the
6 General Fund and the Compulsive Gamblers Assistance Fund at the direction
7 of the Legislature.

8 (4) The Tax Commissioner shall employ investigators who shall be
9 vested with the authority and power of a law enforcement officer to carry
10 out the laws of this state administered by the Tax Commissioner or the
11 Department of Revenue and to enforce sections 28-1101 to 28-1117 relating
12 to possession of a gambling device. For purposes of enforcing sections
13 28-1101 to 28-1117, the authority of the investigators shall be limited
14 to investigating possession of a gambling device, notifying local law
15 enforcement authorities, and reporting suspected violations to the county
16 attorney for prosecution.

17 (5) The Charitable Gaming Division may charge a fee for publications
18 and listings it produces. The fee shall not exceed the cost of
19 publication and distribution of such items. The division may also charge
20 a fee for making a copy of any record in its possession equal to the
21 actual cost per page. The division shall remit the fees to the State
22 Treasurer for credit to the Charitable Gaming Operations Fund.

23 ~~(6) The taxes collected and available to the Charitable Gaming~~
24 ~~Division pursuant to section 77-3012 shall be used by the division for~~
25 ~~enforcement of the Mechanical Amusement Device Tax Act and maintenance of~~
26 ~~the central server established pursuant to section 77-3013.~~

27 (6) ~~(7)~~ For administrative purposes only, the Nebraska Commission on
28 Problem Gambling shall be located within the Charitable Gaming Division.
29 The division shall provide office space, furniture, equipment, and
30 stationery and other necessary supplies for the commission. Commission
31 staff shall be appointed, supervised, and terminated by the director of

1 the Gamblers Assistance Program pursuant to section 9-1004.

2 **Sec. 8.** Section 71-812, Revised Statutes Supplement, 2025, is
3 amended to read:

4 71-812 (1) The Behavioral Health Services Fund is created. The fund
5 shall be administered by the division and shall contain cash funds
6 appropriated by the Legislature or otherwise received by the department
7 for the provision of behavioral health services from any other public or
8 private source and directed by the Legislature for credit to the fund.
9 Transfers may be made from the fund to the General Fund at the direction
10 of the Legislature.

11 (2) The Behavioral Health Services Fund shall be used to encourage
12 and facilitate the statewide development and provision of community-based
13 behavioral health services, including, but not limited to, (a) the
14 provision of grants, loans, and other assistance for such purpose and (b)
15 reimbursement to providers of such services.

16 (3)(a) Money transferred to the fund under section 76-903 shall be
17 used for housing-related assistance for very low-income adults with
18 serious mental illness or substance abuse disorder, except that if the
19 division determines that all housing-related assistance obligations under
20 this subsection have been fully satisfied, the division may distribute
21 any excess, up to twenty percent of such money, to regional behavioral
22 health authorities for acquisition or rehabilitation of housing to assist
23 such persons. The division shall manage and distribute such funds based
24 upon a formula established by the division, in consultation with regional
25 behavioral health authorities and the department, in a manner consistent
26 with and reasonably calculated to promote the purposes of the public
27 behavioral health system enumerated in section 71-803. The division shall
28 contract with each regional behavioral health authority for the provision
29 of such assistance. Each regional behavioral health authority may
30 contract with qualifying public, private, or nonprofit entities for the
31 provision of such assistance.

1 (b) For purposes of this subsection:

2 (i) Adult with serious mental illness means a person eighteen years
3 of age or older who has, or at any time during the immediately preceding
4 twelve months has had, a diagnosable mental, behavioral, or emotional
5 disorder of sufficient duration to meet diagnostic criteria identified in
6 the most recent edition of the Diagnostic and Statistical Manual of
7 Mental Disorders and which has resulted in functional impairment that
8 substantially interferes with or limits one or more major life functions.
9 Serious mental illness does not include DSM V codes, substance abuse
10 disorders, or developmental disabilities unless such conditions exist
11 concurrently with a diagnosable serious mental illness;

12 (ii) Housing-related assistance includes rental payments, utility
13 payments, security and utility deposits, landlord risk mitigation
14 payments, and other related costs and payments;

15 (iii) Landlord risk mitigation payment means a payment provided to a
16 landlord who leases or rents property to a very low-income adult with
17 serious mental illness which may be used to pay for excessive damage to
18 the rental property, any lost rent, any legal fees incurred by the
19 landlord in excess of the security deposit, or any other expenses
20 incurred by the landlord as a result of leasing or renting the property
21 to such individual; and

22 (iv) Very low-income means a household income of fifty percent or
23 less of the applicable median family income estimate as established by
24 the United States Department of Housing and Urban Development.

25 (4) Money transferred to the fund under section 77-3012 shall be
26 allocated to the behavioral health authority of the behavioral health
27 region with the lowest per-capita spending. If allocation of the full
28 amount transferred pursuant to section 77-3012 would alter the region's
29 status as the region with the lowest per-capita spending, then after such
30 initial disbursement to make the region with the lowest per-capita
31 spending equal to the region with the second-lowest per-capita spending,

1 the remainder shall be allocated equally to the behavioral health
2 authorities of the behavioral health regions with the lowest and second-
3 lowest per-capita spending.

4 (5) ~~(4)~~ Any money in the fund available for investment shall be
5 invested by the state investment officer pursuant to the Nebraska Capital
6 Expansion Act and the Nebraska State Funds Investment Act.

7 **Sec. 9.** Section 77-202, Revised Statutes Supplement, 2025, is
8 amended to read:

9 77-202 (1) The following property shall be exempt from property
10 taxes:

11 (a) Property of the state and its governmental subdivisions to the
12 extent used or being developed for use by the state or governmental
13 subdivision for a public purpose. For purposes of this subdivision:

14 (i) Property of the state and its governmental subdivisions means
15 (A) property held in fee title by the state or a governmental subdivision
16 or (B) property beneficially owned by the state or a governmental
17 subdivision in that it is used for a public purpose and is being acquired
18 under a lease-purchase agreement, financing lease, or other instrument
19 which provides for transfer of legal title to the property to the state
20 or a governmental subdivision upon payment of all amounts due thereunder.
21 If the property to be beneficially owned by a governmental subdivision
22 has a total acquisition cost that exceeds the threshold amount or will be
23 used as the site of a public building with a total estimated construction
24 cost that exceeds the threshold amount, then such property shall qualify
25 for an exemption under this section only if the question of acquiring
26 such property or constructing such public building has been submitted at
27 a primary, general, or special election held within the governmental
28 subdivision and has been approved by the voters of the governmental
29 subdivision. For purposes of this subdivision, threshold amount means the
30 greater of fifty thousand dollars or six-tenths of one percent of the
31 total actual value of real and personal property of the governmental

1 subdivision that will beneficially own the property as of the end of the
2 governmental subdivision's prior fiscal year; and

3 (ii) Public purpose means use of the property (A) to provide public
4 services with or without cost to the recipient, including the general
5 operation of government, public education, public safety, transportation,
6 public works, civil and criminal justice, public health and welfare,
7 developments by a public housing authority, parks, culture, recreation,
8 community development, and cemetery purposes, or (B) to carry out the
9 duties and responsibilities conferred by law with or without
10 consideration. Public purpose does not include leasing of property to a
11 private party unless the lease of the property is at fair market value
12 for a public purpose. Leases of property by a public housing authority to
13 low-income individuals as a place of residence are for the authority's
14 public purpose;

15 (b) Unleased property of the state or its governmental subdivisions
16 which is not being used or developed for use for a public purpose but
17 upon which a payment in lieu of taxes is paid for public safety, rescue,
18 and emergency services and road or street construction or maintenance
19 services to all governmental units providing such services to the
20 property. Except as provided in Article VIII, section 11, of the
21 Constitution of Nebraska, the payment in lieu of taxes shall be based on
22 the proportionate share of the cost of providing public safety, rescue,
23 or emergency services and road or street construction or maintenance
24 services unless a general policy is adopted by the governing body of the
25 governmental subdivision providing such services which provides for a
26 different method of determining the amount of the payment in lieu of
27 taxes. The governing body may adopt a general policy by ordinance or
28 resolution for determining the amount of payment in lieu of taxes by
29 majority vote after a hearing on the ordinance or resolution. Such
30 ordinance or resolution shall nevertheless result in an equitable
31 contribution for the cost of providing such services to the exempt

1 property;

2 (c) Property owned by and used exclusively for agricultural and
3 horticultural societies;

4 (d)(i) Property owned by educational, religious, charitable, or
5 cemetery organizations, or any organization for the exclusive benefit of
6 any such educational, religious, charitable, or cemetery organization,
7 and used exclusively for educational, religious, charitable, or cemetery
8 purposes, when such property is not (A) owned or used for financial gain
9 or profit to either the owner or user, (B) used for the sale of alcoholic
10 liquors for more than twenty hours per week, or (C) owned or used by an
11 organization which discriminates in membership or employment based on
12 race, color, or national origin.

13 (ii) For purposes of subdivision (1)(d) of this section:

14 (A) Educational organization means (I) an institution operated
15 exclusively for the purpose of offering regular courses with systematic
16 instruction in academic, vocational, or technical subjects or assisting
17 students through services relating to the origination, processing, or
18 guarantying of federally reinsured student loans for higher education,
19 (II) a museum or historical society operated exclusively for the benefit
20 and education of the public, or (III) a nonprofit organization that owns
21 or operates a child care facility; and

22 (B) Charitable organization includes (I) an organization operated
23 exclusively for the purpose of the mental, social, or physical benefit of
24 the public or an indefinite number of persons and (II) a fraternal
25 benefit society organized and licensed under sections 44-1072 to
26 44-10,109.

27 (iii) The property tax exemption authorized in subdivision (1)(d)(i)
28 of this section shall apply to any for-profit skilled nursing facility,
29 for-profit nursing facility, or for-profit assisted-living facility that
30 provides housing for medicaid beneficiaries, except that the exemption
31 amount for such property shall be a percentage of the property taxes that

1 would otherwise be due. Such percentage shall be equal to the average
2 percentage of occupied beds in the facility provided to medicaid
3 beneficiaries over the most recent three-year period. This subdivision
4 shall not be construed to modify, limit, or reduce any property tax
5 exemption provided to a nonprofit skilled nursing facility, nonprofit
6 nursing facility, or nonprofit assisted-living facility pursuant to
7 subdivision (1)(d)(i) of this section. For purposes of this subdivision,
8 skilled nursing facility has the same meaning as in section 71-429,
9 nursing facility has the same meaning as in section 71-424, and assisted-
10 living facility has the same meaning as in section 71-5903.

11 (iv) The property tax exemption authorized in subdivision (1)(d)(i)
12 of this section shall apply to a building that (A) is owned by a
13 charitable organization, (B) is made available to students in attendance
14 at an educational institution, and (C) is recognized by such educational
15 institution as approved student housing, except that the exemption shall
16 only apply to the commons area of such building, including any common
17 rooms and cooking and eating facilities;

18 (e) Household goods and personal effects not owned or used for
19 financial gain or profit to either the owner or user; and

20 (f) A portion of the property owned by a taxpayer as provided in the
21 Recreational Trail Easement Property Tax Exemption Act.

22 (2) The increased value of land by reason of shade and ornamental
23 trees planted along the highway shall not be taken into account in the
24 valuation of land.

25 (3) Tangible personal property which is not depreciable tangible
26 personal property as defined in section 77-119 shall be exempt from
27 property tax.

28 (4) Motor vehicles, trailers, and semitrailers required to be
29 registered for operation on the highways of this state shall be exempt
30 from payment of property taxes.

31 (5) Business and agricultural inventory shall be exempt from the

1 personal property tax. For purposes of this subsection, business
2 inventory includes personal property owned for purposes of leasing or
3 renting such property to others for financial gain only if the personal
4 property is of a type which in the ordinary course of business is leased
5 or rented thirty days or less and may be returned at the option of the
6 lessee or renter at any time and the personal property is of a type which
7 would be considered household goods or personal effects if owned by an
8 individual. All other personal property owned for purposes of leasing or
9 renting such property to others for financial gain shall not be
10 considered business inventory.

11 (6) Any personal property exempt pursuant to subsection (2) of
12 section 77-4105 or section 77-5209.02 shall be exempt from the personal
13 property tax.

14 (7) Livestock shall be exempt from the personal property tax.

15 (8) Any personal property exempt pursuant to the Nebraska Advantage
16 Act or the Imagine Nebraska Act shall be exempt from the personal
17 property tax.

18 (9) Any depreciable tangible personal property used directly in the
19 generation of electricity using wind as the fuel source shall be exempt
20 from the property tax levied on depreciable tangible personal property.
21 Any depreciable tangible personal property used directly in the
22 generation of electricity using solar, biomass, or landfill gas as the
23 fuel source shall be exempt from the property tax levied on depreciable
24 tangible personal property if such depreciable tangible personal property
25 was installed on or after January 1, 2016, and has a nameplate capacity
26 of one hundred kilowatts or more. Depreciable tangible personal property
27 used directly in the generation of electricity using wind, solar,
28 biomass, or landfill gas as the fuel source includes, but is not limited
29 to, wind turbines, rotors and blades, towers, solar panels, trackers,
30 generating equipment, transmission components, substations, supporting
31 structures or racks, inverters, and other system components such as

1 wiring, control systems, switchgears, and generator step-up transformers.

2 ~~(10) Any tangible personal property that is acquired by a person~~
3 ~~operating a data center located in this state, that is assembled,~~
4 ~~engineered, processed, fabricated, manufactured into, attached to, or~~
5 ~~incorporated into other tangible personal property, both in component~~
6 ~~form or that of an assembled product, for the purpose of subsequent use~~
7 ~~at a physical location outside this state by the person operating a data~~
8 ~~center shall be exempt from the personal property tax. Such exemption~~
9 ~~extends to keeping, retaining, or exercising any right or power over~~
10 ~~tangible personal property in this state for the purpose of subsequently~~
11 ~~transporting it outside this state for use thereafter outside this state.~~
12 ~~For purposes of this subsection, data center means computers, supporting~~
13 ~~equipment, and other organized assembly of hardware or software that are~~
14 ~~designed to centralize the storage, management, or dissemination of data~~
15 ~~and information, environmentally controlled structures or facilities or~~
16 ~~interrelated structures or facilities that provide the infrastructure for~~
17 ~~housing the equipment, such as raised flooring, electricity supply,~~
18 ~~communication and data lines, Internet access, cooling, security, and~~
19 ~~fire suppression, and any building housing the foregoing.~~

20 ~~(10)~~ ~~(11)~~ For tax years prior to tax year 2020, each person who owns
21 property required to be reported to the county assessor under section
22 77-1201 shall be allowed an exemption amount as provided in the Personal
23 Property Tax Relief Act. For tax years prior to tax year 2020, each
24 person who owns property required to be valued by the state as provided
25 in section 77-601, 77-682, 77-801, or 77-1248 shall be allowed a
26 compensating exemption factor as provided in the Personal Property Tax
27 Relief Act.

28 ~~(11)(a)~~ ~~(12)(a)~~ Broadband equipment shall be exempt from the
29 personal property tax if such broadband equipment is:

30 (i) Deployed in an area funded in whole or in part by funds from the
31 Broadband Equity, Access, and Deployment Program, authorized by the

1 federal Infrastructure Investment and Jobs Act, Public Law 117-58; or

2 (ii) Deployed in a qualified census tract located within the
3 corporate limits of a city of the metropolitan class and being utilized
4 to provide end-users with access to the Internet at speeds of at least
5 one hundred megabits per second for downloading and at least one hundred
6 megabits per second for uploading.

7 (b) An owner of broadband equipment seeking an exemption under this
8 section shall apply for an exemption to the county assessor on or before
9 December 31 of the year preceding the year for which the exemption is to
10 begin. If the broadband equipment meets the criteria described in this
11 subsection, the county assessor shall approve the application within
12 thirty calendar days after receiving the application. The application
13 shall be on forms prescribed by the Tax Commissioner.

14 (c) For purposes of this subsection:

15 (i) Broadband communications service means telecommunications
16 service as defined in section 86-121, video programming as defined in 47
17 U.S.C. 522, as such section existed on January 1, 2024, or Internet
18 access as defined in section 1104 of the federal Internet Tax Freedom
19 Act, Public Law 105-277;

20 (ii) Broadband equipment means machinery or equipment used to
21 provide broadband communications service and includes, but is not limited
22 to, wires, cables, fiber, conduits, antennas, poles, switches, routers,
23 amplifiers, rectifiers, repeaters, receivers, multiplexers, duplexers,
24 transmitters, circuit cards, insulating and protective materials and
25 cases, power equipment, backup power equipment, diagnostic equipment,
26 storage devices, modems, and other general central office or headend
27 equipment, such as channel cards, frames, and cabinets, or equipment used
28 in successor technologies, including items used to monitor, test,
29 maintain, enable, or facilitate qualifying equipment, machinery,
30 software, ancillary components, appurtenances, accessories, or other
31 infrastructure that is used in whole or in part to provide broadband

1 communications service. Machinery or equipment used to produce broadband
2 communications service does not include personal consumer electronics,
3 including, but not limited to, smartphones, computers, and tablets; and

4 (iii) Qualified census tract means a qualified census tract as
5 defined in 26 U.S.C. 42(d)(5)(B)(ii)(I), as such section existed on
6 January 1, 2024.

7 **Sec. 10.** Section 77-367, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 77-367 (1) The Department of Revenue may contract to procure
10 products and services to develop, deploy, or administer systems or
11 programs which identify nonfilers of returns, underreporters, or
12 nonpayers of taxes administered by the department or improper or
13 fraudulent payments made through programs administered by the department.
14 The department shall enter into at least one such contract by December
15 31, 2014, and such contract shall be for the purpose of identifying
16 nonfilers of returns with a tax liability in any amount or underreporters
17 or nonpayers of taxes with an outstanding tax liability of at least five
18 thousand dollars. Fees for services, reimbursements, costs incurred by
19 the department, or other remuneration may be funded from the amount of
20 tax, penalty, interest, or other recovery actually collected and shall be
21 paid only after the amount is collected. The Legislature intends to
22 appropriate an amount from the tax, penalty, interest, and other recovery
23 actually collected, not to exceed the amount collected, which is
24 sufficient to pay for services, reimbursements, costs incurred by the
25 department, or other remuneration pursuant to this section. Vendors
26 entering into a contract with the department pursuant to this section are
27 subject to the requirements and penalties of the confidentiality laws of
28 this state regarding tax information.

29 (2) Ten percent of all proceeds received during each calendar year
30 due to the contracts entered into pursuant to this section shall be
31 deposited in the Department of Revenue Enforcement Fund ~~for purposes of~~

1 ~~identifying nonfilers, underreporters, nonpayers, and improper or~~
2 ~~fraudulent payments.~~

3 (3) The Tax Commissioner shall submit electronically an annual
4 report to the Revenue Committee of the Legislature and Appropriations
5 Committee of the Legislature on the amount of dollars generated during
6 the previous fiscal year pursuant to this section.

7 **Sec. 11.** Section 77-377.01, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 77-377.01 The Tax Commissioner may, for the purposes of collecting
10 delinquent taxes due from a taxpayer and in addition to exercising those
11 powers in section 77-27,107, contract with any collection agency licensed
12 pursuant to the Collection Agency Act, within or without the state, for
13 the collection of such delinquent taxes, including penalties and interest
14 thereon. Such delinquent tax claims may be assigned to the collection
15 agency, for the purpose of litigation in the agency's name ~~and at the~~
16 ~~agency's expense~~, as a means of facilitating and expediting the
17 collection process.

18 For purposes of this section, a delinquent tax claim shall be
19 defined as a tax liability that is due and owing for a period longer than
20 six months and for which the taxpayer has been mailed at least three
21 notices requesting payment. At least one notice shall include a statement
22 that the matter of such taxpayer's delinquency may be referred to a
23 collection agency in the taxpayer's home state.

24 **Sec. 12.** Section 77-377.02, Revised Statutes Cumulative Supplement,
25 2024, is amended to read:

26 77-377.02 (1) Fees for services, reimbursements, or other
27 remuneration to such collection agency shall be based on the amount of
28 tax, penalty, and interest actually collected and shall not be subject to
29 the requirements of section 73-203 or 73-204. Each contract entered into
30 between the Tax Commissioner and the collection agency shall provide for
31 the payment of fees for such services, reimbursements, or other

1 remuneration not in excess of fifty percent of the total amount of
2 delinquent taxes, penalties, and interest actually collected.

3 (2) If, at the time a delinquent tax claim is assigned to a
4 collection agency, any collection fees or costs were added to the tax
5 liability pursuant to subsections (1) and (2) of section 6 of this act,
6 then a portion of such fees and costs, up to fifty percent of the balance
7 of the delinquent tax claim, shall be added to the amount owed and
8 collected from the taxpayer along with the fees for the collection
9 agency's services as provided in the contract. The collection fees and
10 costs added to the amount owed and collected from the taxpayer pursuant
11 to this subsection shall be remitted and deposited in the same manner as
12 the taxes being collected. For purposes of this subsection, delinquent
13 tax claim shall have the same meaning as in section 77-377.01.

14 (3) ~~(2)~~ All funds collected, less the fees for the collection
15 agency's services as provided in the contract, shall be remitted to the
16 Tax Commissioner within forty-five days from the date of collection from
17 a taxpayer. Forms to be used for such remittances shall be prescribed by
18 the Tax Commissioner.

19 **Sec. 13.** Section 77-382, Revised Statutes Cumulative Supplement,
20 2024, is amended to read:

21 77-382 (1) The department shall prepare a tax expenditure report
22 describing (a) the basic provisions of the Nebraska tax laws, (b) the
23 actual or estimated revenue loss caused by the exemptions, deductions,
24 exclusions, deferrals, credits, and preferential rates in effect on July
25 1 of each year and allowed under Nebraska's tax structure and in the
26 property tax, (c) the actual or estimated revenue loss caused by failure
27 to impose sales and use tax on services purchased for nonbusiness use,
28 and (d) the elements which make up the tax base for state and local
29 income, including income, sales and use, property, and miscellaneous
30 taxes.

31 (2) The department shall review the major tax exemptions for which

1 state general funds are used to reduce the impact of revenue lost due to
2 a tax expenditure. The report shall indicate an estimate of the amount of
3 the reduction in revenue resulting from the operation of all tax
4 expenditures. The report shall list each tax expenditure relating to
5 sales and use tax under the following categories:

6 (a) Agriculture, which shall include a separate listing for the
7 following items: Agricultural machinery; agricultural chemicals; seeds
8 sold to commercial producers; water for irrigation and manufacturing;
9 commercial artificial insemination; ~~mineral oil as dust suppressant~~;
10 animal grooming; oxygen for use in aquaculture; animal life whose
11 products constitute food for human consumption; and grains;

12 (b) Business across state lines, which shall include a separate
13 listing for the following items: Property shipped out-of-state;
14 fabrication labor for items to be shipped out-of-state; property to be
15 transported out-of-state; property purchased in other states to be used
16 in Nebraska; aircraft delivery to an out-of-state resident or business;
17 state reciprocal agreements for industrial machinery; and property taxed
18 in another state;

19 (c) Common carrier and logistics, which shall include a separate
20 listing for the following items: Railroad rolling stock and repair parts
21 and services; common or contract carriers and repair parts and services;
22 common or contract carrier accessories; and common or contract carrier
23 safety equipment;

24 (d) Consumer goods, which shall include a separate listing for the
25 following items: Motor vehicles and motorboat trade-ins; merchandise
26 trade-ins; certain medical equipment and medicine; newspapers;
27 laundromats; telefloral deliveries; motor vehicle discounts for the
28 disabled; and political campaign fundraisers;

29 (e) Energy, which shall include a separate listing for the following
30 items: Motor fuels; energy used in industry; energy used in agriculture;
31 aviation fuel; and minerals, oil, and gas severed from real property;

1 (f) Food, which shall include a separate listing for the following
2 items: Food for home consumption; Supplemental Nutrition Assistance
3 Program; school lunches; meals sold by hospitals; meals sold by
4 institutions at a flat rate; food for the elderly, handicapped, and
5 Supplemental Security Income recipients; and meals sold by churches;

6 (g) General business, which shall include a separate listing for the
7 following items: Component and ingredient parts; manufacturing machinery;
8 containers; film rentals; molds and dies; syndicated programming;
9 intercompany sales; intercompany leases; sale of a business or farm
10 machinery; and transfer of property in a change of business ownership;

11 (h) Lodging and shelter, which shall include a separate listing for
12 the following item: Room rentals by certain institutions;

13 (i) Miscellaneous, which shall include a separate listing for the
14 following items: Cash discounts and coupons; separately stated finance
15 charges; casual sales; lease-to-purchase agreements; and separately
16 stated taxes;

17 (j) Nonprofits, governments, and exempt entities, which shall
18 include a separate listing for the following items: Purchases by
19 political subdivisions of the state; purchases by churches and nonprofit
20 colleges and medical facilities; purchasing agents for public real estate
21 construction improvements; contractor as purchasing agent for public
22 agencies; Nebraska lottery; admissions to school events; sales on Native
23 American Indian reservations; school-supporting fundraisers; fine art
24 purchases by a museum; purchases by the Nebraska State Fair Board;
25 purchases by the Nebraska Investment Finance Authority and licensees of
26 the State Racing and Gaming Commission; purchases by the United States
27 Government; public records; and sales by religious organizations;

28 (k) Recent sales tax expenditures, which shall include a separate
29 listing for each sales tax expenditure created by statute or rule and
30 regulation after July 19, 2012;

31 (l) Services purchased for nonbusiness use, which shall include a

1 separate listing for each such service, including, but not limited to,
2 the following items: Motor vehicle cleaning, maintenance, and repair
3 services; cleaning and repair of clothing; cleaning, maintenance, and
4 repair of other tangible personal property; maintenance, painting, and
5 repair of real property; entertainment admissions; personal care
6 services; lawn care, gardening, and landscaping services; pet-related
7 services; storage and moving services; household utilities; other
8 personal services; taxi, limousine, and other transportation services;
9 legal services; accounting services; other professional services; and
10 other real estate services; and

11 (m) Telecommunications, which shall include a separate listing for
12 the following items: Telecommunications access charges; prepaid calling
13 arrangements; conference bridging services; and nonvoice data services.

14 (3) It is the intent of the Legislature that nothing in the Tax
15 Expenditure Reporting Act shall cause the valuation or assessment of any
16 property exempt from taxation on the basis of its use exclusively for
17 religious, educational, or charitable purposes.

18 **Sec. 14.** Section 77-3,109, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 77-3,109 (1) The Department of Revenue may charge persons and state
21 agencies for the following publications of the Department of Revenue:
22 Department of Revenue Annual Report, Package XN, Department of Revenue
23 Tax Expenditure Report, and the Department of Revenue State Funds
24 Booklet. The Tax Commissioner shall set the price of such publications
25 which shall be the cost of production.

26 (2) The Department of Revenue shall remit all funds received under
27 this section to the State Treasurer for credit to the Department of
28 Revenue Enforcement Fund.

29 **Sec. 15.** Section 77-3,118, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 77-3,118 (1) The Department of Revenue may charge persons and state

1 agencies for any listings made by the department of information that is
2 not confidential. The Tax Commissioner shall set the price of such
3 listings which shall be the cost of production.

4 (2) The Department of Revenue shall remit all funds received under
5 this section to the State Treasurer for credit to the Department of
6 Revenue Enforcement Fund.

7 **Sec. 16.** Section 77-2704.12, Revised Statutes Cumulative Supplement,
8 2024, is amended to read:

9 77-2704.12 (1) Sales and use taxes shall not be imposed on the gross
10 receipts from the sale, lease, or rental of and the storage, use, or
11 other consumption in this state of purchases by (a) any nonprofit
12 organization created exclusively for religious purposes, (b) any
13 nonprofit organization providing services exclusively to the blind, (c)
14 any nonprofit private educational institution established under sections
15 79-1601 to 79-1607, (d) any accredited, nonprofit, privately controlled
16 college or university with its primary campus physically located in
17 Nebraska, (e) any nonprofit (i) hospital, (ii) health clinic when one or
18 more hospitals or the parent corporations of the hospitals own or control
19 the health clinic for the purpose of reducing the cost of health services
20 or when the health clinic receives federal funds through the United
21 States Public Health Service for the purpose of serving populations that
22 are medically underserved, (iii) skilled nursing facility, (iv)
23 intermediate care facility, (v) assisted-living facility, (vi)
24 intermediate care facility for persons with developmental disabilities,
25 (vii) nursing facility, (viii) home health agency, (ix) hospice or
26 hospice service, (x) respite care service, (xi) mental health substance
27 use treatment center licensed under the Health Care Facility Licensure
28 Act, or (xii) center for independent living as defined in 29 U.S.C. 796a,
29 (f) any nonprofit licensed residential child-caring agency, (g) any
30 nonprofit licensed child-placing agency, (h) any nonprofit organization
31 certified by the Department of Health and Human Services to provide

1 community-based services for persons with developmental disabilities, or
2 (i) any nonprofit organization certified or contracted by a regional
3 behavioral health authority or the Division of Behavioral Health of the
4 Department of Health and Human Services to provide community-based mental
5 health or substance use services, ~~or (j) any nonprofit organization for~~
6 ~~purchases of property that will be transferred to an organization listed~~
7 ~~in subdivisions (a) through (i) of this subsection until the property is~~
8 ~~transferred or the contract is completed, provided that the nonprofit~~
9 ~~organization (i) acquires property that will be transferred to an~~
10 ~~organization listed in subdivisions (a) through (i) of this subsection or~~
11 ~~(ii) enters into a contract of construction, improvement, or repair upon~~
12 ~~property annexed to real estate if the property will be transferred to an~~
13 ~~organization listed in subdivisions (a) through (i) of this subsection.~~

14 (2) Any organization listed in subsection (1) of this section shall
15 apply for an exemption on forms provided by the Tax Commissioner. The
16 application shall be approved and a numbered certificate of exemption
17 received by the applicant organization in order to be exempt from the
18 sales and use tax.

19 (3) The appointment of purchasing agents shall be recognized for the
20 purpose of altering the status of the construction contractor as the
21 ultimate consumer of building materials which are physically annexed to
22 the structure and which subsequently belong to the owner of the
23 organization or institution. The appointment of purchasing agents shall
24 be in writing and occur prior to having any building materials annexed to
25 real estate in the construction, improvement, or repair. The contractor
26 who has been appointed as a purchasing agent may apply for a refund of or
27 use as a credit against a future use tax liability the tax paid on
28 inventory items annexed to real estate in the construction, improvement,
29 or repair of a project for a licensed not-for-profit institution.

30 (4) Any organization listed in subsection (1) of this section which
31 enters into a contract of construction, improvement, or repair upon

1 property annexed to real estate without first issuing a purchasing agent
2 authorization to a contractor or repairperson prior to the building
3 materials being annexed to real estate in the project may apply to the
4 Tax Commissioner for a refund of any sales and use tax paid by the
5 contractor or repairperson on the building materials physically annexed
6 to real estate in the construction, improvement, or repair.

7 (5) Any person purchasing, storing, using, or otherwise consuming
8 building materials in the performance of any construction, improvement,
9 or repair by or for any institution enumerated in subsection (1) of this
10 section which is licensed upon completion although not licensed at the
11 time of construction or improvement, which building materials are annexed
12 to real estate and which subsequently belong to the owner of the
13 institution, shall pay any applicable sales or use tax thereon. Upon
14 becoming licensed and receiving a numbered certificate of exemption, the
15 institution organized not for profit shall be entitled to a refund of the
16 amount of taxes so paid in the performance of such construction,
17 improvement, or repair and shall submit whatever evidence is required by
18 the Tax Commissioner sufficient to establish the total sales and use tax
19 paid upon the building materials physically annexed to real estate in the
20 construction, improvement, or repair.

21 **Sec. 17.** Section 77-2704.46, Reissue Revised Statutes of Nebraska,
22 is amended to read:

23 77-2704.46 Sales and use taxes shall not be imposed on the gross
24 receipts from the sale, lease, or rental of and the storage, use, or
25 other consumption in this state of:

26 (1) Any form of animal life of a kind the products of which
27 ordinarily constitute food for human consumption. Animal life includes
28 live poultry ~~, other species of game birds subject to permit and~~
29 ~~regulation by the Game and Parks Commission,~~ and livestock on the hoof
30 when sales are made by the grower, producer, feeder, or any person
31 engaged in the business of bartering, buying, or selling live poultry ~~,~~

1 ~~other species of game birds subject to permit and regulation by the Game~~
2 ~~and Parks Commission,~~ or livestock on the hoof;

3 (2) Seeds and annual plants, the products of which ordinarily
4 constitute food for human consumption and which seeds and annual plants
5 are sold to commercial producers of such products, and seed legumes, seed
6 grasses, and seed grains when sold to be used exclusively for
7 agricultural purposes;

8 (3) Agricultural chemicals, adjuvants, surfactants, bonding agents,
9 clays, oils, and any other additives or compatibility agents for use in
10 commercial agriculture and applied to land or crops and sold in any tax
11 period that has not been closed by the applicable statute of limitations.
12 Agricultural chemicals does not mean chemicals, adjuvants, surfactants,
13 bonding agents, clays, oils, and any other additives or compatibility
14 agents applied to harvested grains stored in commercial elevators; or

15 (4) Oxygen for use in aquaculture as defined in section 2-3804.01.

16 **Sec. 18.** Section 77-2715.07, Revised Statutes Supplement, 2025, is
17 amended to read:

18 77-2715.07 (1) There shall be allowed to qualified resident
19 individuals as a nonrefundable credit against the income tax imposed by
20 the Nebraska Revenue Act of 1967:

21 (a) A credit equal to the federal credit allowed under section 22 of
22 the Internal Revenue Code; and

23 (b) A credit for taxes paid to another state as provided in section
24 77-2730.

25 (2) There shall be allowed to qualified resident individuals against
26 the income tax imposed by the Nebraska Revenue Act of 1967:

27 (a) For returns filed reporting federal adjusted gross incomes of
28 greater than twenty-nine thousand dollars, a nonrefundable credit equal
29 to twenty-five percent of the federal credit allowed under section 21 of
30 the Internal Revenue Code of 1986, as amended, except that for taxable
31 years beginning or deemed to begin on or after January 1, 2015, such

1 nonrefundable credit shall be allowed only if the individual would have
2 received the federal credit allowed under section 21 of the code after
3 adding back in any carryforward of a net operating loss that was deducted
4 pursuant to such section in determining eligibility for the federal
5 credit;

6 (b) For returns filed reporting federal adjusted gross income of
7 twenty-nine thousand dollars or less, a refundable credit equal to a
8 percentage of the federal credit allowable under section 21 of the
9 Internal Revenue Code of 1986, as amended, whether or not the federal
10 credit was limited by the federal tax liability. The percentage of the
11 federal credit shall be one hundred percent for incomes not greater than
12 twenty-two thousand dollars, and the percentage shall be reduced by ten
13 percent for each one thousand dollars, or fraction thereof, by which the
14 reported federal adjusted gross income exceeds twenty-two thousand
15 dollars, except that for taxable years beginning or deemed to begin on or
16 after January 1, 2015, such refundable credit shall be allowed only if
17 the individual would have received the federal credit allowed under
18 section 21 of the code after adding back in any carryforward of a net
19 operating loss that was deducted pursuant to such section in determining
20 eligibility for the federal credit;

21 (c) A refundable credit as provided in section 77-5209.01 for
22 individuals who qualify for an income tax credit as a qualified beginning
23 farmer or livestock producer under the Beginning Farmer Tax Credit Act
24 for all taxable years beginning or deemed to begin on or after January 1,
25 2006, under the Internal Revenue Code of 1986, as amended;

26 (d) A refundable credit for individuals who qualify for an income
27 tax credit under the Adoption Tax Credit Act, the Angel Investment Tax
28 Credit Act, the Nebraska Advantage Microenterprise Tax Credit Act, the
29 Nebraska Advantage Research and Development Act, the Reverse Osmosis
30 System Tax Credit Act, or the Volunteer Emergency Responders Incentive
31 Act;

1 (e) A refundable credit equal to ten percent of the federal credit
2 allowed under section 32 of the Internal Revenue Code of 1986, as
3 amended, except that for taxable years beginning or deemed to begin on or
4 after January 1, 2015, such refundable credit shall be allowed only if
5 the individual would have received the federal credit allowed under
6 section 32 of the code after adding back in any carryforward of a net
7 operating loss that was deducted pursuant to such section in determining
8 eligibility for the federal credit; and

9 (f) A refundable credit as provided in section 77-7203 for
10 individuals who qualify for an income tax credit under the Child Care Tax
11 Credit Act for all taxable years beginning or deemed to begin on or after
12 January 1, 2024, under the Internal Revenue Code of 1986, as amended.

13 (3) There shall be allowed to all individuals as a nonrefundable
14 credit against the income tax imposed by the Nebraska Revenue Act of
15 1967:

16 (a) A credit for personal exemptions allowed under section
17 77-2716.01;

18 (b) A credit for (i) contributions to programs or projects certified
19 for tax credit status as provided in the Creating High Impact Economic
20 Futures Act and (ii) contributions to certified community betterment
21 programs as provided in the Community Development Assistance Act. Each
22 partner, each shareholder of an electing subchapter S corporation, each
23 beneficiary of an estate or trust, or each member of a limited liability
24 company shall report his or her share of the credit in the same manner
25 and proportion as he or she reports the partnership, subchapter S
26 corporation, estate, trust, or limited liability company income;

27 (c) A credit for investment in a biodiesel facility as provided in
28 section 77-27,236;

29 (d) A credit as provided in the New Markets Job Growth Investment
30 Act;

31 (e) A credit as provided in the Nebraska Job Creation and Mainstreet

1 Revitalization Act;

2 (f) A credit to employers as provided in sections 77-27,238 and
3 77-27,240;

4 (g) A credit as provided in the Affordable Housing Tax Credit Act;

5 (h) A credit to grocery store retailers, restaurants, and
6 agricultural producers as provided in section 77-27,241;

7 (i) A credit as provided in the Sustainable Aviation Fuel Tax Credit
8 Act;

9 (j) A credit as provided in the Nebraska Shortline Rail
10 Modernization Act;

11 (k) A credit as provided in the Nebraska Pregnancy Help Act; and

12 (l) A credit as provided in the Caregiver Tax Credit Act.

13 (4) There shall be allowed as a credit against the income tax
14 imposed by the Nebraska Revenue Act of 1967:

15 (a) A credit to all resident estates and trusts for taxes paid to
16 another state as provided in section 77-2730;

17 (b) A credit to all estates and trusts for (i) contributions to
18 programs or projects certified for tax credit status as provided in the
19 Creating High Impact Economic Futures Act and (ii) contributions to
20 certified community betterment programs as provided in the Community
21 Development Assistance Act; and

22 (c) A refundable credit for individuals who qualify for an income
23 tax credit as an owner of agricultural assets under the Beginning Farmer
24 Tax Credit Act for all taxable years beginning or deemed to begin on or
25 after January 1, 2009, under the Internal Revenue Code of 1986, as
26 amended. The credit allowed for each partner, shareholder, member, or
27 beneficiary of a partnership, corporation, limited liability company, or
28 estate or trust qualifying for an income tax credit as an owner of
29 agricultural assets under the Beginning Farmer Tax Credit Act shall be
30 equal to the partner's, shareholder's, member's, or beneficiary's portion
31 of the amount of tax credit distributed pursuant to subsection (6) of

1 section 77-5211.

2 (5)(a) For all taxable years beginning on or after January 1, 2007,
3 and before January 1, 2009, under the Internal Revenue Code of 1986, as
4 amended, there shall be allowed to each partner, shareholder, member, or
5 beneficiary of a partnership, subchapter S corporation, limited liability
6 company, or estate or trust a nonrefundable credit against the income tax
7 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the
8 partner's, shareholder's, member's, or beneficiary's portion of the
9 amount of franchise tax paid to the state under sections 77-3801 to
10 77-3807 by a financial institution.

11 (b) For all taxable years beginning on or after January 1, 2009,
12 under the Internal Revenue Code of 1986, as amended, there shall be
13 allowed to each partner, shareholder, member, or beneficiary of a
14 partnership, subchapter S corporation, limited liability company, or
15 estate or trust a nonrefundable credit against the income tax imposed by
16 the Nebraska Revenue Act of 1967 equal to the partner's, shareholder's,
17 member's, or beneficiary's portion of the amount of franchise tax paid to
18 the state under sections 77-3801 to 77-3807 by a financial institution.

19 (c) Each partner, shareholder, member, or beneficiary shall report
20 his or her share of the credit in the same manner and proportion as he or
21 she reports the partnership, subchapter S corporation, limited liability
22 company, or estate or trust income. If any partner, shareholder, member,
23 or beneficiary cannot fully utilize the credit for that year, the credit
24 may not be carried forward or back.

25 (6) There shall be allowed to all individuals nonrefundable credits
26 against the income tax imposed by the Nebraska Revenue Act of 1967 as
27 provided in section 77-3604 and refundable credits against the income tax
28 imposed by the Nebraska Revenue Act of 1967 as provided in section
29 77-3605.

30 (7)(a) For taxable years beginning or deemed to begin on or after
31 January 1, 2020, and before January 1, 2032, under the Internal Revenue

1 Code of 1986, as amended, a nonrefundable credit against the income tax
2 imposed by the Nebraska Revenue Act of 1967 in the amount of five
3 thousand dollars shall be allowed to any individual who purchases a
4 residence during the taxable year if such residence:

5 (i) Is located within an area that has been declared an extremely
6 blighted area under section 18-2101.02;

7 (ii) Is the individual's primary residence; and

8 (iii) Was not purchased from a family member of the individual or a
9 family member of the individual's spouse.

10 (b) The credit provided in this subsection shall be claimed for the
11 taxable year in which the residence is purchased. If the individual
12 cannot fully utilize the credit for such year, the credit may be carried
13 forward to subsequent taxable years until fully utilized.

14 (c) No more than one credit may be claimed under this subsection
15 with respect to a single residence.

16 (d) The credit provided in this subsection shall be subject to
17 recapture by the Department of Revenue if the individual claiming the
18 credit sells or otherwise transfers the residence or quits using the
19 residence as his or her primary residence within five years after the end
20 of the taxable year in which the credit was claimed.

21 (e) For purposes of this subsection, family member means an
22 individual's spouse, child, parent, brother, sister, grandchild, or
23 grandparent, whether by blood, marriage, or adoption.

24 (8) There shall be allowed to all individuals refundable credits
25 against the income tax imposed by the Nebraska Revenue Act of 1967 as
26 provided in the Cast and Crew Nebraska Act, the Domestic Violence and
27 Human Trafficking Service Providers Tax Credit Act, the Nebraska
28 Biodiesel Tax Credit Act, the Nebraska Higher Blend Tax Credit Act, the
29 Nebraska Property Tax Incentive Act, the Relocation Incentive Act, and
30 the Renewable Chemical Production Tax Credit Act.

31 (9)(a) For taxable years beginning or deemed to begin on or after

1 January 1, 2022, under the Internal Revenue Code of 1986, as amended, a
2 refundable credit against the income tax imposed by the Nebraska Revenue
3 Act of 1967 shall be allowed to the parent of a stillborn child if:

4 (i) A fetal death certificate is filed pursuant to subsection (1) of
5 section 71-606 for such child;

6 (ii) Such child had advanced to at least the twentieth week of
7 gestation; and

8 (iii) Such child would have been a dependent of the individual
9 claiming the credit.

10 (b) The amount of the credit shall be two thousand dollars.

11 (c) The credit shall be allowed for the taxable year in which the
12 stillbirth occurred.

13 (10) There shall be allowed to all individuals nonrefundable credits
14 against the income tax imposed by the Nebraska Revenue Act of 1967 as
15 provided in section 77-7204.

16 (11) There shall be allowed to all individuals refundable credits
17 against the income tax imposed by the Nebraska Revenue Act of 1967 as
18 provided in section 77-3157 and nonrefundable credits against the income
19 tax imposed by the Nebraska Revenue Act of 1967 as provided in sections
20 77-3156, 77-3158, and 77-3159.

21 **Sec. 19.** Section 77-2717, Revised Statutes Cumulative Supplement,
22 2024, is amended to read:

23 77-2717 (1)(a)(i) For taxable years beginning or deemed to begin
24 before January 1, 2014, the tax imposed on all resident estates and
25 trusts shall be a percentage of the federal taxable income of such
26 estates and trusts as modified in section 77-2716, plus a percentage of
27 the federal alternative minimum tax and the federal tax on premature or
28 lump-sum distributions from qualified retirement plans. The additional
29 taxes shall be recomputed by (A) substituting Nebraska taxable income for
30 federal taxable income, (B) calculating what the federal alternative
31 minimum tax would be on Nebraska taxable income and adjusting such

1 calculations for any items which are reflected differently in the
2 determination of federal taxable income, and (C) applying Nebraska rates
3 to the result. The federal credit for prior year minimum tax, after the
4 recomputations required by the Nebraska Revenue Act of 1967, and the
5 credits provided in the Nebraska Advantage Microenterprise Tax Credit Act
6 and the Nebraska Advantage Research and Development Act shall be allowed
7 as a reduction in the income tax due. A refundable income tax credit
8 shall be allowed for all resident estates and trusts under the Angel
9 Investment Tax Credit Act, the Nebraska Advantage Microenterprise Tax
10 Credit Act, and the Nebraska Advantage Research and Development Act. A
11 nonrefundable income tax credit shall be allowed for all resident estates
12 and trusts as provided in the New Markets Job Growth Investment Act.

13 (ii) For taxable years beginning or deemed to begin on or after
14 January 1, 2014, the tax imposed on all resident estates and trusts shall
15 be a percentage of the federal taxable income of such estates and trusts
16 as modified in section 77-2716, plus a percentage of the federal tax on
17 premature or lump-sum distributions from qualified retirement plans. The
18 additional taxes shall be recomputed by substituting Nebraska taxable
19 income for federal taxable income and applying Nebraska rates to the
20 result. The credits provided in the Nebraska Advantage Microenterprise
21 Tax Credit Act and the Nebraska Advantage Research and Development Act
22 shall be allowed as a reduction in the income tax due. A refundable
23 income tax credit shall be allowed for all resident estates and trusts
24 under the Angel Investment Tax Credit Act, the Cast and Crew Nebraska
25 Act, the Domestic Violence and Human Trafficking Service Providers Tax
26 Credit Act, the Nebraska Advantage Microenterprise Tax Credit Act, the
27 Nebraska Advantage Research and Development Act, the Nebraska Biodiesel
28 Tax Credit Act, the Nebraska Higher Blend Tax Credit Act, the Nebraska
29 Property Tax Incentive Act, the Relocation Incentive Act, and the
30 Renewable Chemical Production Tax Credit Act. A nonrefundable income tax
31 credit shall be allowed for all resident estates and trusts as provided

1 in the Nebraska Job Creation and Mainstreet Revitalization Act, the New
2 Markets Job Growth Investment Act, the School Readiness Tax Credit Act,
3 the Child Care Tax Credit Act, the Affordable Housing Tax Credit Act, the
4 Sustainable Aviation Fuel Tax Credit Act, the Nebraska Shortline Rail
5 Modernization Act, the Nebraska Pregnancy Help Act, the Individuals with
6 Intellectual and Developmental Disabilities Support Act, and sections
7 77-27,238, 77-27,240, and 77-27,241.

8 (b) The tax imposed on all nonresident estates and trusts shall be
9 the portion of the tax imposed on resident estates and trusts which is
10 attributable to the income derived from sources within this state. The
11 tax which is attributable to income derived from sources within this
12 state shall be determined by multiplying the liability to this state for
13 a resident estate or trust with the same total income by a fraction, the
14 numerator of which is the nonresident estate's or trust's Nebraska income
15 as determined by sections 77-2724 and 77-2725 and the denominator of
16 which is its total federal income after first adjusting each by the
17 amounts provided in section 77-2716. The federal credit for prior year
18 minimum tax, after the recomputations required by the Nebraska Revenue
19 Act of 1967, reduced by the percentage of the total income which is
20 attributable to income from sources outside this state, and the credits
21 provided in the Nebraska Advantage Microenterprise Tax Credit Act and the
22 Nebraska Advantage Research and Development Act shall be allowed as a
23 reduction in the income tax due. A refundable income tax credit shall be
24 allowed for all nonresident estates and trusts under the Angel Investment
25 Tax Credit Act, the Cast and Crew Nebraska Act, the Domestic Violence and
26 Human Trafficking Service Providers Tax Credit Act, the Nebraska
27 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
28 and Development Act, the Nebraska Biodiesel Tax Credit Act, the Nebraska
29 Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, the
30 Relocation Incentive Act, and the Renewable Chemical Production Tax
31 Credit Act. A nonrefundable income tax credit shall be allowed for all

1 nonresident estates and trusts as provided in the Nebraska Job Creation
2 and Mainstreet Revitalization Act, the New Markets Job Growth Investment
3 Act, the School Readiness Tax Credit Act, the Child Care Tax Credit Act,
4 the Affordable Housing Tax Credit Act, the Sustainable Aviation Fuel Tax
5 Credit Act, the Nebraska Shortline Rail Modernization Act, the Nebraska
6 Pregnancy Help Act, the Individuals with Intellectual and Developmental
7 Disabilities Support Act, and sections 77-27,238, 77-27,240, and
8 77-27,241.

9 (2) In all instances wherein a fiduciary income tax return is
10 required under the provisions of the Internal Revenue Code, a Nebraska
11 fiduciary return shall be filed, except that a fiduciary return shall not
12 be required to be filed regarding a simple trust if all of the trust's
13 beneficiaries are residents of the State of Nebraska, all of the trust's
14 income is derived from sources in this state, and the trust has no
15 federal tax liability. The fiduciary shall be responsible for making the
16 return for the estate or trust for which he or she acts, whether the
17 income be taxable to the estate or trust or to the beneficiaries thereof.
18 The fiduciary shall include in the return a statement of each
19 beneficiary's distributive share of net income when such income is
20 taxable to such beneficiaries.

21 (3) The beneficiaries of such estate or trust who are residents of
22 this state shall include in their income their proportionate share of
23 such estate's or trust's federal income and shall reduce their Nebraska
24 tax liability by their proportionate share of the credits as provided in
25 the Angel Investment Tax Credit Act, the Nebraska Advantage
26 Microenterprise Tax Credit Act, the Nebraska Advantage Research and
27 Development Act, the Nebraska Job Creation and Mainstreet Revitalization
28 Act, the New Markets Job Growth Investment Act, the School Readiness Tax
29 Credit Act, the Child Care Tax Credit Act, the Affordable Housing Tax
30 Credit Act, the Nebraska Biodiesel Tax Credit Act, the Nebraska Higher
31 Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, the

1 Relocation Incentive Act, the Renewable Chemical Production Tax Credit
2 Act, the Sustainable Aviation Fuel Tax Credit Act, the Nebraska Shortline
3 Rail Modernization Act, the Cast and Crew Nebraska Act, the Nebraska
4 Pregnancy Help Act, the Individuals with Intellectual and Developmental
5 Disabilities Support Act, the Domestic Violence and Human Trafficking
6 Service Providers Tax Credit Act, and sections 77-27,238, 77-27,240, and
7 77-27,241. There shall be allowed to a beneficiary a refundable income
8 tax credit under the Beginning Farmer Tax Credit Act for all taxable
9 years beginning or deemed to begin on or after January 1, 2001, under the
10 Internal Revenue Code of 1986, as amended.

11 (4) If any beneficiary of such estate or trust is a nonresident
12 during any part of the estate's or trust's taxable year, he or she shall
13 file a Nebraska income tax return which shall include (a) in Nebraska
14 adjusted gross income that portion of the estate's or trust's Nebraska
15 income, as determined under sections 77-2724 and 77-2725, allocable to
16 his or her interest in the estate or trust and (b) a reduction of the
17 Nebraska tax liability by his or her proportionate share of the credits
18 as provided in the Angel Investment Tax Credit Act, the Nebraska
19 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
20 and Development Act, the Nebraska Job Creation and Mainstreet
21 Revitalization Act, the New Markets Job Growth Investment Act, the School
22 Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable
23 Housing Tax Credit Act, the Nebraska Biodiesel Tax Credit Act, the
24 Nebraska Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive
25 Act, the Relocation Incentive Act, the Renewable Chemical Production Tax
26 Credit Act, the Sustainable Aviation Fuel Tax Credit Act, the Nebraska
27 Shortline Rail Modernization Act, the Cast and Crew Nebraska Act, the
28 Nebraska Pregnancy Help Act, the Individuals with Intellectual and
29 Developmental Disabilities Support Act, the Domestic Violence and Human
30 Trafficking Service Providers Tax Credit Act, and sections 77-27,238,
31 77-27,240, and 77-27,241 and shall execute and forward to the fiduciary,

1 on or before the original due date of the Nebraska fiduciary return, an
2 agreement which states that he or she will file a Nebraska income tax
3 return and pay income tax on all income derived from or connected with
4 sources in this state, and such agreement shall be attached to the
5 Nebraska fiduciary return for such taxable year.

6 (5) In the absence of the nonresident beneficiary's executed
7 agreement being attached to the Nebraska fiduciary return, the estate or
8 trust shall remit a portion of such beneficiary's income which was
9 derived from or attributable to Nebraska sources with its Nebraska return
10 for the taxable year. For taxable years beginning or deemed to begin
11 before January 1, 2013, the amount of remittance, in such instance, shall
12 be the highest individual income tax rate determined under section
13 77-2715.02 multiplied by the nonresident beneficiary's share of the
14 estate or trust income which was derived from or attributable to sources
15 within this state. For taxable years beginning or deemed to begin on or
16 after January 1, 2013, the amount of remittance, in such instance, shall
17 be the highest individual income tax rate determined under section
18 77-2715.03 multiplied by the nonresident beneficiary's share of the
19 estate or trust income which was derived from or attributable to sources
20 within this state. The amount remitted shall be allowed as a credit
21 against the Nebraska income tax liability of the beneficiary.

22 (6) The Tax Commissioner may allow a nonresident beneficiary to not
23 file a Nebraska income tax return if the nonresident beneficiary's only
24 source of Nebraska income was his or her share of the estate's or trust's
25 income which was derived from or attributable to sources within this
26 state, the nonresident did not file an agreement to file a Nebraska
27 income tax return, and the estate or trust has remitted the amount
28 required by subsection (5) of this section on behalf of such nonresident
29 beneficiary. The amount remitted shall be retained in satisfaction of the
30 Nebraska income tax liability of the nonresident beneficiary.

31 (7) For purposes of this section, unless the context otherwise

1 requires, simple trust shall mean any trust instrument which (a) requires
2 that all income shall be distributed currently to the beneficiaries, (b)
3 does not allow amounts to be paid, permanently set aside, or used in the
4 tax year for charitable purposes, and (c) does not distribute amounts
5 allocated in the corpus of the trust. Any trust which does not qualify as
6 a simple trust shall be deemed a complex trust.

7 (8) For purposes of this section, any beneficiary of an estate or
8 trust that is a grantor trust of a nonresident shall be disregarded and
9 this section shall apply as though the nonresident grantor was the
10 beneficiary.

11 **Sec. 20.** Section 77-2734.03, Revised Statutes Supplement, 2025, is
12 amended to read:

13 77-2734.03 (1)(a) For taxable years commencing prior to January 1,
14 1997, any (i) insurer paying a tax on premiums and assessments pursuant
15 to section 77-908 or 81-523, (ii) electric cooperative organized under
16 the Joint Public Power Authority Act, or (iii) credit union shall be
17 credited, in the computation of the tax due under the Nebraska Revenue
18 Act of 1967, with the amount paid during the taxable year as taxes on
19 such premiums and assessments and taxes in lieu of intangible tax.

20 (b) For taxable years commencing on or after January 1, 1997, any
21 insurer paying a tax on premiums and assessments pursuant to section
22 77-908 or 81-523, any electric cooperative organized under the Joint
23 Public Power Authority Act, or any credit union shall be credited, in the
24 computation of the tax due under the Nebraska Revenue Act of 1967, with
25 the amount paid during the taxable year as (i) taxes on such premiums and
26 assessments included as Nebraska premiums and assessments under section
27 77-2734.05 and (ii) taxes in lieu of intangible tax.

28 (c) For taxable years commencing or deemed to commence prior to, on,
29 or after January 1, 1998, any insurer paying a tax on premiums and
30 assessments pursuant to section 77-908 or 81-523 shall be credited, in
31 the computation of the tax due under the Nebraska Revenue Act of 1967,

1 with the amount paid during the taxable year as assessments allowed as an
2 offset against premium and related retaliatory tax liability pursuant to
3 section 44-4233.

4 (2) There shall be allowed to corporate taxpayers a tax credit for
5 (a) contributions to programs or projects certified for tax credit status
6 as provided in the Creating High Impact Economic Futures Act and (b)
7 contributions to certified community betterment programs as provided in
8 the Community Development Assistance Act.

9 (3) There shall be allowed to corporate taxpayers a refundable
10 income tax credit under the Beginning Farmer Tax Credit Act for all
11 taxable years beginning or deemed to begin on or after January 1, 2001,
12 under the Internal Revenue Code of 1986, as amended.

13 (4) The changes made to this section by Laws 2004, LB 983, apply to
14 motor fuels purchased during any tax year ending or deemed to end on or
15 after January 1, 2005, under the Internal Revenue Code of 1986, as
16 amended.

17 (5) There shall be allowed to corporate taxpayers refundable income
18 tax credits under the Nebraska Advantage Microenterprise Tax Credit Act,
19 the Cast and Crew Nebraska Act, the Domestic Violence and Human
20 Trafficking Service Providers Tax Credit Act, the Nebraska Advantage
21 Research and Development Act, the Nebraska Biodiesel Tax Credit Act, the
22 Nebraska Higher Blend Tax Credit Act, the Nebraska Property Tax Incentive
23 Act, the Relocation Incentive Act, and the Renewable Chemical Production
24 Tax Credit Act.

25 (6) There shall be allowed to corporate taxpayers a nonrefundable
26 income tax credit for investment in a biodiesel facility as provided in
27 section 77-27,236.

28 (7) There shall be allowed to corporate taxpayers a nonrefundable
29 income tax credit as provided in the Nebraska Job Creation and Mainstreet
30 Revitalization Act, the New Markets Job Growth Investment Act, the School
31 Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable

1 Housing Tax Credit Act, the Sustainable Aviation Fuel Tax Credit Act, the
2 Nebraska Shortline Rail Modernization Act, the Nebraska Pregnancy Help
3 Act, the Individuals with Intellectual and Developmental Disabilities
4 Support Act, and sections 77-27,238, 77-27,240, and 77-27,241.

5 **Sec. 21.** Section 77-27,107, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 77-27,107 (1) When notice and demand for the payment of income tax
8 is given to a taxpayer and it appears to the Tax Commissioner that it is
9 not practicable to locate property of the taxpayer sufficient in amount
10 to cover the amount of tax due, he or she shall send a copy of the notice
11 provided for in the Uniform State Tax Lien Registration and Enforcement
12 Act to the taxpayer at his or her last-known address together with a
13 notice that such notice has been filed with the appropriate filing
14 officer. Thereafter, the Tax Commissioner may authorize the institution
15 of any action or proceeding to collect or enforce such claim in any place
16 and by any procedure that a civil judgment of a court of record of this
17 state could be collected or enforced.

18 (2) The Tax Commissioner may register a claim for any delinquent
19 taxes due and owing as a judgment in the office of the clerk of the
20 district court of Lancaster County in the same manner as a foreign
21 judgment is filed under the Nebraska Uniform Enforcement of Foreign
22 Judgments Act.

23 (3) The Tax Commissioner may also in his or her discretion designate
24 agents or retain counsel for the purpose of collecting any income taxes
25 due under the Nebraska Revenue Act of 1967. He or she may fix the
26 compensation of such agents and counsel to be paid out of money
27 appropriated or otherwise lawfully available for payment thereof and he
28 or she may require of them bonds or other security for the faithful
29 performance of their duties.

30 (4) The Tax Commissioner may enter into agreements with the tax
31 departments of other states and the District of Columbia for the

1 collection of income taxes from persons found in those jurisdictions who
2 are delinquent in the payment of income taxes imposed under such act.

3 **Sec. 22.** Section 77-27,235, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 77-27,235 (1) Beginning on or after July 14, 2006, and before July
6 1, 2026, any Any producer of electricity generated by a new renewable
7 electric generation facility shall earn a renewable energy tax credit.
8 For electricity generated on or after July 14, 2006, and before October
9 1, 2007, the credit shall be .075 cent for each kilowatt-hour of
10 electricity generated by a new renewable electric generation facility.
11 For electricity generated on or after October 1, 2007, and before January
12 1, 2010, the credit shall be .1 cent for each kilowatt-hour of
13 electricity generated by a new renewable electric generation facility.
14 For electricity generated on or after January 1, 2010, and before January
15 1, 2013, the credit shall be .075 cent per kilowatt-hour for electricity
16 generated by a new renewable electric generation facility. For
17 electricity generated on or after January 1, 2013, and before July 1,
18 2026, the credit shall be .05 cent per kilowatt-hour for electricity
19 generated by a new renewable electric generation facility. The credit may
20 be earned for production of electricity for ten years after the date that
21 the facility is placed in operation on or after July 14, 2006.

22 (2) For purposes of this section:

23 (a) Electricity generated by a new renewable electric generation
24 facility means electricity that is exclusively produced by a new
25 renewable electric generation facility;

26 (b) Eligible renewable resources means wind, moving water, solar,
27 geothermal, fuel cell, methane gas, or photovoltaic technology; and

28 (c) New renewable electric generation facility means an electrical
29 generating facility located in this state that is first placed into
30 service on or after July 14, 2006, which utilizes eligible renewable
31 resources as its fuel source.

1 (3) The credit allowed under this section may be used to reduce the
2 producer's Nebraska income tax liability or to obtain a refund of state
3 sales and use taxes paid by the producer of electricity generated by a
4 new renewable electric generation facility. A claim to use the credit for
5 refund of the state sales and use taxes paid, either directly or
6 indirectly, by the producer may be filed quarterly for electricity
7 generated during the previous quarter by the twentieth day of the month
8 following the end of the calendar quarter. The credit may be used to
9 obtain a refund of state sales and use taxes paid during the quarter
10 immediately preceding the quarter in which the claim for refund is made,
11 except that the amount refunded under this subsection shall not exceed
12 the amount of the state sales and use taxes paid during the quarter.

13 (4) The Department of Revenue may adopt and promulgate rules and
14 regulations to permit verification of the validity and timeliness of any
15 renewable energy tax credit claimed.

16 (5) The total amount of renewable energy tax credits that may be
17 used by all taxpayers shall be limited to fifty thousand dollars without
18 further authorization from the Legislature.

19 (6) The credit allowed under this section may not be claimed by a
20 producer who received a sales tax exemption under section 77-2704.57, as
21 such section existed on June 30, 2026, for the new renewable electric
22 generation facility.

23 (7) Interest shall not be allowed on any refund paid under this
24 section.

25 **Sec. 23.** Section 77-3003, Revised Statutes Supplement, 2025, is
26 amended to read:

27 77-3003 (1) Any distributor shall be required to procure a biennial
28 license from the Tax Commissioner permitting him or her to place and
29 either directly or indirectly control or manage a mechanical amusement
30 device within the State of Nebraska. The Tax Commissioner, upon the
31 application of any person, may issue a license, subject to the same

1 limitations as an operator's license under section 77-3002. If the
2 applicant is an individual, the application shall include the applicant's
3 social security number.

4 (2)(a) Except for an applicant that holds a liquor license under the
5 Nebraska Liquor Control Act, an applicant for or person holding a license
6 as a distributor of a cash device shall be subject to a background check
7 at any time by the department including fingerprinting and a check of his
8 or her criminal history record information maintained by the
9 Identification Division of the Federal Bureau of Investigation through
10 the Nebraska State Patrol for the purpose of determining whether the
11 Department of Revenue has a basis to deny the license application or to
12 suspend, cancel, revoke, or terminate the person's license. Each
13 applicant for or person holding a license pursuant to this section shall
14 also submit a personal history report to the department on a form
15 provided by the department and may be subject to a background
16 investigation, an inspection of the applicant's or licensee's facilities,
17 or both. An applicant or licensee shall pay the costs associated with the
18 background check along with any required fees as determined by the
19 department.

20 (b) The Tax Commissioner has the authority to deny any application
21 for a license as a distributor of a cash device for cause. Cause for
22 denial of a license application includes instances in which the applicant
23 individually, or in the case of a business entity, any officer, director,
24 employee, or limited liability company member of the applicant or
25 licensee other than an employee whose duties are purely ministerial in
26 nature:

27 (i) Violated the provisions, requirements, conditions, limitations,
28 or duties imposed by the Mechanical Amusement Device Tax Act or any rules
29 or regulations adopted and promulgated pursuant to the act;

30 (ii) Knowingly caused, aided, abetted, or conspired with another to
31 cause any person to violate any of the provisions of the act or any rules

1 or regulations adopted and promulgated pursuant to the act;

2 (iii) Obtained a license or permit under the act by fraud,
3 misrepresentation, or concealment;

4 (iv) Has been convicted of, forfeited bond upon a charge of, or
5 pleaded guilty or nolo contendere to any offense or crime, whether a
6 felony or a misdemeanor, involving any gambling activity or fraud, theft,
7 willful failure to make required payments or reports, or filing false
8 reports with a governmental agency at any level;

9 (v) Denied the department or its authorized representatives,
10 including authorized law enforcement agencies, access to any place where
11 activity required to be licensed under the act is being conducted or
12 failed to produce for inspection or audit any book, record, document, or
13 item required by law, rule, or regulation;

14 (vi) Made a misrepresentation of or failed to disclose a material
15 fact to the department;

16 (vii) Failed to prove by clear and convincing evidence such
17 applicant's qualifications to be licensed in accordance with the act;

18 (viii) Failed to pay any taxes and additions to taxes, including
19 penalties and interest required by the act or any other taxes imposed
20 pursuant to the Nebraska Revenue Act of 1967; or

21 (ix) Has been cited for a violation of the Nebraska Liquor Control
22 Act and had a liquor license suspended, canceled, or revoked by the
23 Nebraska Liquor Control Commission for illegal gambling activities on or
24 about the premises licensed by the commission pursuant to the Nebraska
25 Liquor Control Act or the rules and regulations adopted and promulgated
26 pursuant to such act.

27 (c) No renewal of a license issued pursuant to this section shall be
28 issued when the applicant for renewal would not be eligible for a license
29 upon a first application.

30 (3) Beginning January 1, 2025, the biennial license for a
31 distributor of a cash device shall be accompanied by a fee of two hundred

1 dollars per cash device up to a maximum of ten thousand dollars. The
2 Department of Revenue shall remit all license fees collected by the
3 department pursuant to this section to the State Treasurer for credit to
4 the Department of Revenue Enforcement Fund.

5 (4) The Tax Commissioner has the authority to suspend or revoke the
6 license of any distributor that is in violation of the Mechanical
7 Amusement Device Tax Act.

8 (5) Beginning on the implementation date designated by the Tax
9 Commissioner pursuant to subsection (2) of section 9-1312, prior to the
10 winnings payment of any cash device winnings as defined in section
11 9-1303, a distributor of a cash device shall check the collection system
12 to determine if the winner has a debt or an outstanding state liability
13 as required by the Gambling Winnings Setoff for Outstanding Debt Act. If
14 such distributor determines that the winner is subject to the collection
15 system, the distributor shall deduct the amount of debt and outstanding
16 state liability identified in the collection system from the winnings
17 payment and shall remit the net winnings payment of cash device winnings,
18 if any, to the winner and the amount deducted to the Department of
19 Revenue to be credited against such debt or outstanding state liability
20 as provided in section 9-1306.

21 **Sec. 24.** Section 77-3003.01, Revised Statutes Cumulative Supplement,
22 2024, is amended to read:

23 77-3003.01 (1)(a) The Tax Commissioner or his or her agents or
24 employees, at the direction of the Tax Commissioner, or any peace officer
25 of this state may seize, without a warrant, any mechanical amusement
26 device if there is cause to believe such mechanical amusement device is
27 not in compliance with the Mechanical Amusement Device Tax Act or any
28 rules and regulations adopted and promulgated under the act or if the
29 department determines the response to a request for information is
30 materially deficient without good cause. In addition to seizure, any
31 person placing in service or operating a cash device constituting an

1 illegal game of chance or an unlicensed cash device of any kind within
2 this state shall be subject to a penalty of up to one thousand dollars
3 for each day of such operation. The Tax Commissioner has the authority to
4 suspend or revoke the license of any operator, manufacturer, or
5 distributor of a cash device that is in violation of this section.

6 (b) For purposes of this subsection, a mechanical amusement device
7 is subject to seizure and penalties as if it were a game of chance if:

8 (i) The mechanical amusement device is a cash device; and

9 (ii) The mechanical amusement device does not bear an unexpired
10 decal as required under the Mechanical Amusement Device Tax Act.

11 (c) This section does not apply to any device (i) used in any bingo,
12 lottery by the sale of pickle cards, or other lottery, raffle, or gift
13 enterprise conducted in accordance with the Nebraska Bingo Act, Nebraska
14 County and City Lottery Act, Nebraska Lottery and Raffle Act, Nebraska
15 Pickle Card Lottery Act, Nebraska Small Lottery and Raffle Act, State
16 Lottery Act, or section 9-701, (ii) used for a prize contest as defined
17 in section 28-1101, (iii) specifically authorized by the laws of this
18 state, or (iv) regulated under the Nebraska Racetrack Gaming Act.

19 (2) To receive a determination from the department that a cash
20 device is in compliance with the Mechanical Amusement Device Tax Act and
21 any rules and regulations adopted and promulgated under the act, a
22 manufacturer or distributor of the device shall:

23 (a) Submit an application to the Tax Commissioner containing
24 information regarding the device's location, software, Internet
25 connectivity, and configuration as may be required by the Tax
26 Commissioner;

27 (b)(i) (b) Submit an application fee as provided in subdivision (b)
28 (ii) of this subsection. of five hundred dollars;

29 (ii) The application fee shall be:

30 (A) Five hundred dollars prior to January 1, 2027;

31 (B) Six hundred fifty dollars beginning January 1, 2027, and prior

1 to January 1, 2028; and

2 (C) Beginning January 1, 2028, and January 1 of each year
3 thereafter, the fee from the prior calendar year adjusted for inflation
4 by the department using a formula tied to the Producer Price Index for
5 all commodities, published by the United States Department of Labor,
6 Bureau of Labor Statistics. After applying the formula, the Department of
7 Revenue shall round the adjusted figure to the nearest number divisible
8 by fifty and set such figure as the application fee;

9 (c) Provide a specimen of the proposed cash device;

10 (d) Provide all supporting evidence, including a report by an
11 independent testing laboratory certified by the Tax Commissioner, to the
12 Tax Commissioner indicating that, under all configurations, settings, and
13 modes of operation, operation of the cash device constitutes a game of
14 skill and not a game of chance and the use, operation, sale, or
15 manufacture of the cash device would not constitute a violation of
16 section 28-1107; and

17 (e) Provide an affidavit from the manufacturer or distributor
18 affirming that no functional changes in hardware or software will be made
19 to the approved cash device without further approval from the Tax
20 Commissioner.

21 (3) The Tax Commissioner shall issue a response in writing to the
22 applicant within forty-five days after the applicant has completed and
23 submitted all application requirements. The Tax Commissioner's response
24 shall state the reason for any denial or the reasons a determination
25 cannot be made.

26 (4)(a) A cash device shall not be considered a game of skill if one
27 or more of the following apply:

28 (i) The ability of any player to succeed at the game played on the
29 cash device is impacted by the number or ratio of prior wins to prior
30 losses of players playing such cash device;

31 (ii) The ability of the player to succeed at the game played on the

1 cash device is impacted by the ability of any person to set a specified
2 win-loss ratio for the cash device or by the cash device having a
3 predetermined win-loss percentage;

4 (iii) The outcome of the game played on the cash device can be
5 controlled by a source other than any player playing the cash device;

6 (iv) The success of any player is or may be determined by a chance
7 event which cannot be altered by player action;

8 (v) There is no possibility for the player to win every game played
9 on the cash device or there are unwinnable games or game modes on the
10 cash device;

11 (vi) The ability of any player to succeed at the game played on the
12 cash device requires the exercise of skill that no reasonable player
13 could exercise; or

14 (vii) The primary determination of the prize amount is determined by
15 the presentation or generation of a particular puzzle or group of symbols
16 dealt to the player and the player does not have control over the puzzle
17 or group of symbols presented.

18 (b) For purposes of this subsection, reasonable player means a
19 player with an average level of intelligence, physical and mental skills,
20 reaction time, and dexterity.

21 (5) The department or any court considering whether a gambling
22 device is a game of skill may consider:

23 (a) The results of an analysis by the independent testing laboratory
24 certified by the Tax Commissioner to evaluate the reaction time required
25 for a player of a particular game on such cash device to perform the
26 tasks required by the game to win; or

27 (b) The results of an analysis by the independent testing laboratory
28 certified by the Tax Commissioner to evaluate factors set forth by the
29 Tax Commissioner, other than reaction time, required for the player of a
30 particular game on such cash device to perform the tasks required by the
31 game to win.

1 (6) Factors which are not sufficient indications of a skill-based
2 game include, but are not limited to:

3 (a) Whether a comprehensive list of prizes or outcomes is offered to
4 the player or whether all outcomes are drawn from a finite pool of
5 predetermined outcomes or starting positions;

6 (b) Whether a player can increase his or her chance of winning based
7 on knowledge of probabilities in general or the probabilities of any
8 particular prize or outcome in a game or on a cash device;

9 (c) Whether a player can simply choose not to play before committing
10 money or credits; or

11 (d) A game task consisting solely of moving a symbol up or down,
12 replacing one symbol with another, or any similar action, with or without
13 a timer.

14 (7) Upon approval of an application based on a determination that
15 the mechanical amusement device is a game of skill and not a game of
16 chance, the Tax Commissioner shall issue a mechanical amusement device
17 decal for the device as configured and as provided in subsection (8) of
18 this section. No mechanical amusement device decal shall be issued for
19 any cash device unless the department has determined that (a) such cash
20 device is a game of skill and not a game of chance and that the
21 manufacture, sale, transport, placement, possession, or operation of such
22 cash device does not constitute a violation of section 28-1107 and (b)
23 the appearance of such cash device does not violate subsection (9) of
24 this section. If the Tax Commissioner does not approve the application
25 for the cash device, the application shall be denied and the operator
26 shall have the opportunity for an administrative hearing before the Tax
27 Commissioner at which evidence may be presented on the issue of whether
28 the cash device is specifically authorized by law and is not a gambling
29 device as defined in section 28-1101. After such hearing, the Tax
30 Commissioner shall enter a final decision approving or denying the
31 application. The Tax Commissioner's final decision may be appealed, and

1 the appeal shall be in accordance with the Administrative Procedure Act.

2 (8)(a) Upon approval of a specimen of a cash device as a game of
3 skill under this section, the department may issue a mechanical amusement
4 device decal for each such cash device:

5 (i) If certified by the manufacturer to be functionally identical in
6 both hardware and software configurations to the specimen provided to the
7 department; and

8 (ii) If the application fee described in subdivision (2)(b) of this
9 section and the annual decal fee described in subdivision (c) of this
10 subsection have been paid.

11 (b)(i) In order for a distributor or operator of a cash device to
12 place a cash device into operation at a retail establishment, other than
13 a retail establishment owned or operated by a fraternal benefit society
14 organized and licensed under sections 44-1072 to 44-10,109 or a
15 recognized veterans organization as defined in section 80-401.01, such
16 retail establishment shall generate at least sixty percent of the gross
17 operating revenue of such retail establishment from sources other than
18 the total gross operating revenue of any cash devices located within the
19 retail establishment.

20 (ii) The number of cash devices permitted at any retail
21 establishment shall not exceed the lesser of either:

22 (A) Except for a fraternal benefit society organized and licensed
23 under sections 44-1072 to 44-10,109 or a recognized veterans organization
24 as defined in section 80-401.01, the number of cash devices it takes to
25 generate forty percent of the gross operating revenue of the retail
26 establishment; or

27 (B) Five ~~Four~~ cash devices or four cash devices for an establishment
28 located in a qualified census tract, except that an establishment with
29 over four thousand square feet may have one cash device for each one
30 thousand square feet, up to a maximum of fifteen cash devices.

31 (c)(i) ~~(e)~~ The distributor or operator of a cash device shall pay an

1 annual decal fee as provided in subdivision (c)(ii) of this subsection of
2 two hundred fifty dollars to the department for each cash device in
3 operation in Nebraska. The decal issued under this section shall be
4 distinct from other decals issued by the department for mechanical
5 amusement devices that are not required to be evaluated under this
6 section. Regardless of the issuance of a decal by the department, no cash
7 device shall be considered in compliance if it does not bear an unexpired
8 decal in a conspicuous place.

9 (ii) For each cash device in operation in Nebraska the annual decal
10 fee shall be:

11 (A) Two hundred fifty dollars prior to January 1, 2027;

12 (B) Three hundred fifty dollars beginning January 1, 2027, and prior
13 to January 1, 2028; and

14 (C) Beginning January 1, 2028, and January 1 of each year
15 thereafter, the fee from the prior calendar year adjusted for inflation
16 by the department using a formula tied to the Producer Price Index for
17 all commodities, published by the United States Department of Labor,
18 Bureau of Labor Statistics. After applying the formula, the Department of
19 Revenue shall round the adjusted figure to the nearest number divisible
20 by fifty and set such figure as the annual decal fee.

21 (d)(i) A decal issued under this subsection shall be replaced by the
22 department without the payment of an additional fee under the following
23 circumstances:

24 (A) If the decal is damaged through no fault of the distributor or
25 operator; or

26 (B) If the cabinet on the cash device is destroyed beyond repair
27 through no fault of the distributor or operator.

28 (ii) A replacement decal is not required (A) if the internal
29 components of the cash device require replacement due to failure or
30 damage and the replacement of such components does not change the
31 approved cash device software currently on the device or (B) when cash

1 device software is updated to improve security or resolve issues or
2 defects.

3 (iii) Any replacement decal will be valid for the same time period
4 as the decal that was first issued.

5 (9)(a) An operator, distributor, or manufacturer of a cash device
6 shall not market, advertise, promote, or make available any cash device
7 in this state if the device or its container, packaging, or advertising
8 materials:

9 (i) Depict a cartoon-like or fictional character primarily used to
10 appeal to minors; or

11 (ii) Imitate or mimic the trademark, trade dress, branding, or
12 packaging of products primarily marketed to minors.

13 (b)(i) No person shall place or permit exterior advertising for a
14 cash device on or about any premises where such device is located except
15 as provided in this section.

16 (ii) Each premises where a cash device is located may display not
17 more than three exterior signs advertising the availability of a cash
18 device available for play at such location. Any such sign shall:

19 (A) Not exceed eleven inches in height and seventeen inches in
20 width; and

21 (B) Be permanently affixed to the exterior of the building that
22 contains a cash device.

23 (iii) No exterior banner, flag, window wraps, digital display,
24 vehicle wrap, or other exterior advertising media shall be used to
25 advertise a cash device other than the signs permitted pursuant to
26 subdivision (9)(b)(ii) of this section.

27 (10) ~~(9)~~ The application process described in this section shall not
28 be construed to limit further investigation by the department or the
29 issuance of further regulations to promote compliance after the
30 application process is completed. At any point after a determination of
31 skill by the department, the department may request from the

1 manufacturer, distributor, or operator information about any cash device
2 in operation in this state, including, but not limited to, information
3 regarding currently operable source code, changes to software or
4 hardware, and communications from or to the device over the Internet. A
5 manufacturer, distributor, or operator that receives a request shall
6 respond with all responsive information in its possession or control
7 within fifteen business days.

8 (11) ~~(10)~~ If a manufacturer or distributor receives a determination
9 from the department that a cash device is not in compliance with the
10 Mechanical Amusement Device Tax Act, such manufacturer or distributor
11 shall have thirty days after the issuance of that determination to (a)
12 provide proof of correction and compliance or (b) remove any such cash
13 device from operation in Nebraska.

14 (12) ~~(11)~~ Application fees collected under subsection (2) of this
15 section and annual decal fees collected under subsection (8) of this
16 section shall be remitted to the State Treasurer for credit to the
17 Department of Revenue Enforcement Fund.

18 **Sec. 25.** Section 77-3003.02, Revised Statutes Cumulative Supplement,
19 2024, is amended to read:

20 77-3003.02 (1) No cash device shall be operated using a credit card,
21 charge card, or debit card.

22 (2) No person under twenty-one years of age shall play or
23 participate in any way in the operation of a cash device. No distributor,
24 operator, or employee or agent of any distributor or operator shall
25 knowingly permit any individual under twenty-one years of age to play or
26 participate in any way in the operation of a cash device. The
27 distributor, operator, or employee or agent shall verify the age of any
28 individual requesting to play a cash device and shall comply with
29 subsection (3) of this section.

30 (3) Beginning August 1, 2026, an operator of a cash device shall not
31 make such device available for play at a retail establishment unless an

1 attendant is physically present on the premises of such retail
2 establishment and capable of actively supervising play of such cash
3 device. An attendant shall be considered to be actively supervising play
4 of such cash device if the attendant:

5 (a) Visually confirms the age of the player; and

6 (b) Continuously monitors the area in which a cash device is located
7 and intervenes to prevent play of a cash device by any person under
8 twenty-one years of age.

9 (4) (2) No distributor or operator shall charge a fee or require a
10 gratuity in return for the payment of any prize money won by a player of
11 a cash device.

12 (5) (3) The Tax Commissioner has the authority to suspend or revoke
13 the license of any distributor or operator of a cash device for a
14 violation of this section.

15 (6) (4) The department shall adopt and promulgate rules and
16 regulations for the implementation and enforcement of this section as
17 long as such rules and regulations do not restrict how a cash device
18 manufacturer, distributor, or operator markets or advertises the
19 existence of a cash device, unless the advertiser or marketer of a cash
20 device is willfully conflating the cash device play with casino style
21 gambling or slot machine wagering.

22 **Sec. 26.** Section 77-3003.03, Revised Statutes Supplement, 2025, is
23 amended to read:

24 77-3003.03 (1) A manufacturer of a cash device shall be required to
25 procure a biennial license from the Tax Commissioner permitting such
26 manufacturer to place any cash devices in the State of Nebraska for sale,
27 lease, or distribution through a third party. The Tax Commissioner, upon
28 the application of any person, may issue a license subject to the same
29 limitations as an operator's license under section 77-3002. If the
30 applicant is an individual, the application shall include the applicant's
31 social security number. The license fee for a manufacturer of a cash

1 device shall be ten thousand dollars. The Department of Revenue shall
2 remit all license fees collected by the department pursuant to this
3 section to the State Treasurer for credit to the Department of Revenue
4 Enforcement Fund.

5 (2)(a) Each applicant for or person holding a license as a
6 manufacturer of a cash device shall be subject to a background check at
7 any time by the department including fingerprinting and a check of his or
8 her criminal history record information maintained by the Identification
9 Division of the Federal Bureau of Investigation through the Nebraska
10 State Patrol for the purpose of determining whether the Department of
11 Revenue has a basis to deny the license application or to suspend,
12 cancel, revoke, or terminate the person's license. Each applicant for or
13 person holding a license pursuant to this section shall also submit a
14 personal history report to the department on a form provided by the
15 department and may be subject to a background investigation, an
16 inspection of the applicant's or licensee's facilities, or both. An
17 applicant or licensee shall pay the costs associated with the background
18 check and any required fees as determined by the department.

19 (b) The Tax Commissioner has the authority to deny a license for a
20 manufacturer of a cash device for cause. Cause for denial of a license
21 application includes instances in which the applicant individually, or in
22 the case of a business entity, any officer, director, employee, or
23 limited liability company member of the applicant or licensee other than
24 an employee whose duties are purely ministerial in nature:

25 (i) Violated the provisions, requirements, conditions, limitations,
26 or duties imposed by the Mechanical Amusement Device Tax Act or any rules
27 or regulations adopted and promulgated pursuant to the act;

28 (ii) Knowingly caused, aided, abetted, or conspired with another to
29 cause any person to violate any of the provisions of the act or any rules
30 or regulations adopted and promulgated pursuant to the act;

31 (iii) Obtained a license or permit under the act by fraud,

1 misrepresentation, or concealment;

2 (iv) Has been convicted of, forfeited bond upon a charge of, or
3 pleaded guilty or nolo contendere to any offense or crime, whether a
4 felony or a misdemeanor, involving any gambling activity or fraud, theft,
5 willful failure to make required payments or reports, or filing false
6 reports with a governmental agency at any level;

7 (v) Denied the department or its authorized representatives,
8 including authorized law enforcement agencies, access to any place where
9 activity required to be licensed under the act is being conducted or
10 failed to produce for inspection or audit any book, record, document, or
11 item required by law, rule, or regulation;

12 (vi) Made a misrepresentation of or failed to disclose a material
13 fact to the department;

14 (vii) Failed to prove by clear and convincing evidence such
15 applicant's qualifications to be licensed in accordance with the act;

16 (viii) Failed to pay any taxes and additions to taxes, including
17 penalties and interest required by the act or any other taxes imposed
18 pursuant to the Nebraska Revenue Act of 1967; or

19 (ix) Has been cited for a violation of the Nebraska Liquor Control
20 Act and had a liquor license suspended, canceled, or revoked by the
21 Nebraska Liquor Control Commission for illegal gambling activities on or
22 about the premises licensed by the commission pursuant to the Nebraska
23 Liquor Control Act or the rules and regulations adopted and promulgated
24 pursuant to such act.

25 (c) No renewal of a license pursuant to this section shall be issued
26 when the applicant for renewal would not be eligible for a license upon a
27 first application.

28 (3) The Tax Commissioner has the authority to suspend or revoke the
29 license of any manufacturer of a cash device that is in violation of the
30 Mechanical Amusement Device Tax Act.

31 **Sec. 27.** Section 77-3004, Revised Statutes Cumulative Supplement,

1 2024, is amended to read:

2 77-3004 (1) An occupation tax is hereby imposed and levied, in the
3 amount and in accordance with the terms and conditions stated in this
4 section, upon the business of operating mechanical amusement devices that
5 are not cash devices within the State of Nebraska for profit or gain
6 either directly or indirectly received. Every person who now or hereafter
7 engages in the business of operating such mechanical amusement devices
8 that are not cash devices in the State of Nebraska shall pay such
9 occupation tax in the amount and manner specified in this section.

10 (2) Any distributor or operator of a mechanical amusement device
11 that is not a cash device within the State of Nebraska shall pay an
12 occupation tax for each such mechanical amusement device which he or she
13 places into operation during all of the taxable year. The occupation tax
14 shall be due and payable on January 1 of each year on each mechanical
15 amusement device that is not a cash device in operation on that date,
16 except that it shall be unlawful to pay any such occupation tax unless
17 the sales or use tax has been paid on such mechanical amusement devices.
18 For every mechanical amusement device that is not a cash device put into
19 operation on a date subsequent to January 1, and which has not been
20 included in computing the occupation tax imposed and levied by the
21 Mechanical Amusement Device Tax Act, the occupation tax shall be due and
22 payable therefor prior to the time the mechanical amusement device is
23 placed in operation. ~~All occupation taxes collected pursuant to the act~~
24 ~~shall be remitted to the State Treasurer for credit to the General Fund.~~

25 (3) The amount of the occupation tax for each mechanical amusement
26 device that is not a cash device shall be:

27 (a) Thirty-five ~~thirty-five~~ dollars ~~for each mechanical amusement~~
28 ~~device that is not a cash device~~ for any period beginning on or after
29 January 1, 2000, and prior to January 1, 2027, except that for such
30 mechanical amusement devices placed in operation after July 1, and before
31 January 1 of any such ~~each~~ year, the occupation tax shall be twenty

1 dollars for each mechanical amusement device; -

2 (b) For calendar year 2027, seventy dollars; and

3 (c) For calendar year 2028 and each calendar year thereafter, the
4 occupation tax from the prior calendar year adjusted for inflation by the
5 department using a formula tied to the Producer Price Index for all
6 commodities, published by the United States Department of Labor, Bureau
7 of Labor Statistics. After applying the formula, the Department of
8 Revenue shall round the adjusted figure to the nearest number divisible
9 by five.

10 (4) The occupation taxes collected pursuant to this section shall be
11 remitted to the State Treasurer for credit as follows:

12 (a) Twenty percent of such amount to the Department of Revenue
13 Enforcement Fund; and

14 (b) Eighty percent of such amount to the General Fund.

15 **Sec. 28.** Section 77-3006, Revised Statutes Cumulative Supplement,
16 2024, is amended to read:

17 77-3006 (1) The administration of the Mechanical Amusement Device
18 Tax Act is hereby vested in the Tax Commissioner subject to other
19 provisions of law relating to the Tax Commissioner. The Tax Commissioner
20 may prescribe, adopt and promulgate, and enforce rules and regulations
21 relating to the administration and enforcement of the act and may
22 delegate authority to his or her representatives to conduct hearings or
23 perform any other duties imposed under the act. The Tax Commissioner
24 shall ~~may~~ adopt and promulgate rules and regulations necessary to carry
25 out section 77-3003.01. Such rules and regulations shall include
26 standards for determining when advertising or packaging is used to appeal
27 to minors or primarily marketed to minors.

28 (2) The department has the authority to review all documents between
29 a distributor, manufacturer, and operator regarding a cash device. Such
30 documents shall include, but not be limited to, any a contract,
31 agreement, lease, revenue-sharing agreement, profit-sharing document,

1 annual report, tax filing, or bill of sale.

2 (3) The department has the authority to approve all cash device
3 locations across the state. No cash device shall be moved from such cash
4 device's approved location without the prior approval of the department.
5 The department may examine and audit any retail establishment operating a
6 cash device without prior notice to verify compliance with the act.

7 (4) The department shall establish retail establishment location
8 standards required for the placement of any cash device in this state.

9 (5) The following factors shall be considered for the issuance of a
10 license to operate a cash device at a particular retail establishment
11 location:

12 (a) Whether there are physical walls separating a retail
13 establishment operating a cash device from other businesses located in
14 the same building;

15 (b) Whether there are dedicated entrances and exits to the retail
16 establishment;

17 (c) Whether a separate sales tax permit has been obtained by the
18 retail establishment;

19 (d) Whether the retail establishment has separate points of sale;

20 (e) Whether the retail establishment has separate points of ticket
21 redemption;

22 (f) Whether there is diversity of merchandise for sale in the retail
23 establishment;

24 (g) Whether the retail establishment issues a receipt for sales;

25 (h) The number of dedicated employees on duty at the same time at
26 the retail establishment;

27 (i) The level of business activity being conducted in the retail
28 establishment;

29 (j) Whether the physical space for the retail establishment within
30 the building is contiguous to other businesses; and

31 (k) Whether there are distinct owners or officers of the retail

1 establishment within the shared building.

2 **Sec. 29.** Section 77-3012, Revised Statutes Cumulative Supplement,
3 2024, is amended to read:

4 77-3012 (1) Except as otherwise provided in subsection (5) of this
5 section, a tax is hereby imposed and levied, in the amount and in
6 accordance with this section, upon the net operating revenue of all cash
7 devices operating within the State of Nebraska for profit or gain either
8 directly or indirectly received. The tax shall be paid in the amount and
9 manner specified in this section.

10 (2) Except as otherwise provided in subsection (5) of this section,
11 beginning on and after July 1, 2025, any distributor of a cash device,
12 and any operator of a cash device if the operator is not subject to a
13 revenue-sharing or other agreement with a distributor who is paying the
14 tax, shall pay a tax for each cash device in operation each calendar
15 quarter during the taxable year. The tax shall be collected by the
16 department and due and payable on January 1, April 1, July 1, and October
17 1 of each year on each cash device in operation during the preceding
18 calendar quarter. For each cash device put into operation on a date
19 subsequent to a quarterly due date that has not been included in
20 computing the tax imposed and levied by the Mechanical Amusement Device
21 Tax Act, the tax shall be due and payable on the immediately succeeding
22 quarterly due date.

23 (3) The amount of the tax imposed and levied under this section
24 shall be ten five percent of the net operating revenue for each cash
25 device. The quarterly tax shall be submitted on a form prescribed by the
26 Tax Commissioner documenting the total gross and net operating revenue
27 for that quarter.

28 (4) The Tax Commissioner shall remit the taxes collected pursuant to
29 this section to the State Treasurer for credit as follows:

30 (a) Nine and seventy-five hundredths ~~Twenty~~ percent to the
31 Department of Revenue Enforcement Charitable Gaming Operations Fund for

1 enforcement of the act and maintenance of the central server;

2 (b) Two and twenty-five hundredths ~~one-half~~ percent to the
3 Compulsive Gamblers Assistance Fund;

4 (c) Sixty-five and twenty-five hundredths ~~Two and one-half~~ percent
5 to the General Fund;

6 ~~(d) Ten percent to the Nebraska Tourism Commission Promotional Cash~~
7 ~~Fund;~~

8 ~~(d) Six and one-half~~ (e) ~~Forty~~ percent to the Property Tax Credit
9 Cash Fund; ~~and~~

10 (e) Three and seventy-five hundredths percent to the Behavioral
11 Health Services Fund; and

12 (f) The remaining twelve and one-half ~~twenty-five~~ percent to the
13 county treasurer of the county in which the cash device is located to be
14 distributed as follows: (i) If the cash device is located completely
15 within an unincorporated area of a county, the remaining twelve and one-
16 half ~~twenty-five~~ percent shall be distributed to the county in which the
17 cash device is located, or (ii) if the cash device is located within the
18 limits of a city or village in such county, one-half of the remaining
19 twelve and one-half ~~twenty-five~~ percent shall be distributed to such
20 county and one-half of the remaining twelve and one-half ~~twenty-five~~
21 percent shall be distributed to the city or village in which such cash
22 device is located.

23 (5) This section does not apply to cash devices operated by a
24 fraternal benefit society organized and licensed under sections 44-1072
25 to 44-10,109 or a recognized veterans organization as defined in section
26 80-401.01.

27 **Sec. 30.** Section 77-5601, Revised Statutes Supplement, 2025, is
28 amended to read:

29 77-5601 (1) From August 1, 2004, through October 31, 2004, there
30 shall be conducted a tax amnesty program with regard to taxes due and
31 owing that have not been reported to the Department of Revenue. Any

1 person applying for tax amnesty shall pay all unreported taxes that were
2 due on or before April 1, 2004. Any person that applies for tax amnesty
3 and is accepted by the Tax Commissioner shall have any penalties and
4 interest waived on unreported and delinquent taxes notwithstanding any
5 other provisions of law to the contrary.

6 (2) To be eligible for the tax amnesty provided by this section, the
7 person shall apply for amnesty within the amnesty period, file a return
8 for each taxable period for which the amnesty is requested by December
9 31, 2004, if no return has been filed, and pay in full all taxes for
10 which amnesty is sought with the return or within thirty days after the
11 application if a return was filed prior to the amnesty period. Tax
12 amnesty shall not be available for any person that is under civil or
13 criminal audit, investigation, or prosecution for unreported or
14 delinquent taxes by this state or the United States Government on or
15 before April 16, 2004.

16 (3) The department shall not seek civil or criminal prosecution
17 against any person for any taxable period for which amnesty has been
18 granted. The Tax Commissioner shall develop forms for applying for the
19 tax amnesty program, develop procedures for qualification for tax
20 amnesty, and conduct a public awareness campaign publicizing the program.

21 (4) If a person elects to participate in the amnesty program, the
22 election shall constitute an express and irrevocable relinquishment of
23 all administrative and judicial rights to challenge the imposition of the
24 tax or its amount. Nothing in this section shall prohibit the department
25 from adjusting a return as a result of any state or federal audit.

26 (5)(a) Except for any local option sales tax collected and returned
27 to the appropriate municipality and any motor vehicle fuel, diesel fuel,
28 and compressed fuel taxes, which shall be deposited in the Highway Trust
29 Fund or Highway Allocation Fund as provided by law, no less than eighty
30 percent of all revenue received pursuant to the tax amnesty program shall
31 be deposited in the General Fund and ten percent, not to exceed five

1 hundred thousand dollars, shall be deposited in the Department of Revenue
2 Enforcement Fund. Any amount that would otherwise be deposited in the
3 Department of Revenue Enforcement Fund that is in excess of the five-
4 hundred-thousand-dollar limitation shall be deposited in the General
5 Fund.

6 (b) For fiscal year 2005-06, all proceeds in the Department of
7 Revenue Enforcement Fund shall be appropriated to the department for
8 purposes of employing investigators, agents, and auditors and otherwise
9 increasing personnel for enforcement of the Nebraska Revenue Act of 1967.

10 (c) For fiscal years after fiscal year 2005-06, twenty percent of
11 all proceeds received during the previous calendar year due to the
12 efforts of auditors and investigators hired pursuant to subdivision (5)
13 (b) of this section, not to exceed seven hundred fifty thousand dollars,
14 shall be deposited in the Department of Revenue Enforcement Fund for
15 purposes of employing investigators and auditors or continuing such
16 employment for purposes of increasing enforcement of the act.

17 ~~(d) Ten percent of all proceeds received during each calendar year~~
18 ~~due to the contracts entered into pursuant to section 77-367 shall be~~
19 ~~deposited in the Department of Revenue Enforcement Fund for purposes of~~
20 ~~identifying nonfilers of returns, underreporters, nonpayers of taxes, and~~
21 ~~improper or fraudulent payments.~~

22 (6)(a) The department shall prepare a report by April 1, 2005, and
23 by February 1 of each year thereafter detailing the results of the tax
24 amnesty program and the subsequent enforcement efforts. For the report
25 due April 1, 2005, the report shall include (i) the amount of revenue
26 obtained as a result of the tax amnesty program broken down by tax
27 program, (ii) the amount obtained from instate taxpayers and from out-of-
28 state taxpayers, and (iii) the amount obtained from individual taxpayers
29 and from business enterprises.

30 (b) For reports due in subsequent years, the report shall include
31 (i) the number of personnel hired for purposes of subdivision (5)(b) of

1 this section and their duties, (ii) a description of lists, software,
2 programming, computer equipment, and other technological methods acquired
3 and the purposes of each, and (iii) the amount of new revenue obtained as
4 a result of the new personnel and acquisitions during the prior calendar
5 year, broken down into the same categories as described in subdivision
6 (6)(a) of this section.

7 (7)(a) ~~(7)~~ The Department of Revenue Enforcement Fund is created.
8 The money in the fund shall be used by the Department of Revenue for the
9 administration and enforcement of any activity or function administered
10 by the Tax Commissioner.

11 (b) Transfers may be made from the Department of Revenue Enforcement
12 Fund to the General Fund at the direction of the Legislature. The
13 Department of Revenue Enforcement Fund may receive transfers from the
14 Civic and Community Center Financing Fund at the direction of the
15 Legislature for the purpose of administering the Sports Arena Facility
16 Financing Assistance Act. ~~The Department of Revenue Enforcement Fund~~
17 shall include any money credited to the fund (a) under section 77-2703,
18 and such money shall be used by the Department of Revenue to defray the
19 costs incurred to implement Laws 2019, LB237, (b) under the Mechanical
20 Amusement Device Tax Act, and such money shall be used by the department
21 to defray the costs incurred to implement and enforce Laws 2019, LB538,
22 and any rules and regulations adopted and promulgated to carry out Laws
23 2019, LB538, (c) under section 77-2906, and such money shall be used by
24 the Department of Revenue to defray the costs incurred to implement Laws
25 2020, LB310, (d) under the Kratom Consumer Protection Act, and such money
26 shall be used by the Department of Revenue to defray the costs incurred
27 to administer the act, and (e) under section 77-3,124.

28 (c) Any money in the Department of Revenue Enforcement Fund
29 available for investment shall be invested by the state investment
30 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
31 State Funds Investment Act. ~~Beginning October 1, 2024, any investment~~

1 ~~earnings from investment of money in the fund shall be credited to the~~
2 ~~General Fund.~~

3 (8) For purposes of this section, taxes mean any taxes collected by
4 the department, including, but not limited to state and local sales and
5 use taxes, individual and corporate income taxes, financial institutions
6 deposit taxes, motor vehicle fuel, diesel fuel, and compressed fuel
7 taxes, cigarette taxes, transfer taxes, and charitable gaming taxes.

8 **Sec. 31.** Section 77-5804, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 77-5804 (1) The credit allowed under section 77-5803 may be used (a)
11 to obtain a refund of state sales and use taxes paid or (b) ~~, may be used~~
12 ~~against the income tax liability of the taxpayer. , or may be used as a~~
13 ~~refundable credit claimed on an income tax return of the taxpayer. The~~
14 ~~return need not reflect any income tax liability owed by the taxpayer.~~

15 (2) A claim for the credit may be filed quarterly for refund of the
16 state sales and use taxes paid, either directly or indirectly, after the
17 filing of the income tax return for the tax year in which the credit was
18 first allowed.

19 (3) The credit may be used to obtain a refund of state sales and use
20 taxes paid before the end of the tax year for which the credit was
21 allowed, except that the amount refunded under this subsection shall not
22 exceed the amount of the state sales and use taxes paid, either directly
23 or indirectly, by the taxpayer on the qualifying expenditures.

24 (4) Credits distributed to a partner, limited liability company
25 member, shareholder, or beneficiary may be used against the income tax
26 liability of the partner, member, shareholder, or beneficiary receiving
27 the credits.

28 (5) Interest shall not be allowed on any taxes refunded under the
29 Nebraska Advantage Research and Development Act.

30 **Sec. 32.** Section 77-6818, Revised Statutes Cumulative Supplement,
31 2024, is amended to read:

1 77-6818 (1) Qualified location means a location at which the
2 majority of the business activities conducted are within one or more of
3 the following NAICS codes or the following descriptions:

4 (a) Manufacturing - 31, 32, or 33, including pre-production
5 services;

6 (b) Testing Laboratories - 541380;

7 (c) Rail Transportation - 482;

8 (d) Truck Transportation - 484;

9 (e) Insurance Carriers - 5241;

10 (f) Wired Telecommunications Carriers - 517311;

11 (g) Wireless Telecommunications Carriers (except Satellite) -
12 517312;

13 (h) Telemarketing Bureaus and Other Contact Centers - 561422;

14 (i) Data Processing, Hosting, and Related Services - 518210;

15 (j) Computer Facilities Management Services - 541513;

16 (k) Warehousing and Storage - 4931;

17 (l) The administrative management of the taxpayer's activities,
18 including headquarter facilities relating to such activities, or the
19 administrative management of any of the activities of any business entity
20 or entities in which the taxpayer or a group of its owners hold any
21 direct or indirect ownership interest of at least ten percent, including
22 headquarter facilities relating to such activities;

23 (m) Logistics Facilities - Portions of NAICS 488210, 488310, and
24 488490 dealing with independently operated trucking terminals,
25 independently operated railroad and railway terminals, and waterfront
26 terminal and port facility operations;

27 (n) Services provided on aircraft brought into this state by an
28 individual who is a resident of another state or any other person who has
29 a business location in another state when the aircraft is not to be
30 registered or based in this state and will not remain in this state more
31 than ten days after the service is completed;

1 (o) The conducting of research, development, or testing, or any
2 combination thereof, for scientific, agricultural, animal husbandry, food
3 product, industrial, or technology purposes;

4 (p) The production of electricity by using one or more sources of
5 renewable energy to produce electricity for sale. For purposes of this
6 subdivision, sources of renewable energy includes, but is not limited to,
7 wind, solar, energy storage, geothermal, hydroelectric, biomass, nuclear,
8 and transmutation of elements;

9 (q) Computer Systems Design and Related Services - 5415;

10 (r) The performance of financial services. For purposes of this
11 subdivision, financial services includes only financial services provided
12 by any financial institution subject to tax under Chapter 77, article 38,
13 or any person or entity licensed by the Department of Banking and Finance
14 or the federal Securities and Exchange Commission;

15 (s) Postharvest Crop Activities (except Cotton Ginning) - 115114; or

16 (t) The processing of tangible personal property. For purposes of
17 this subdivision, processing means to subject to a particular method,
18 system, or technique of preparation, handling, or other treatment
19 designed to prepare tangible personal property for market, manufacture,
20 or other commercial use which does not result in the transformation of
21 such property into a substantially different character. ~~;~~

22 ~~(u) Waste Treatment and Disposal - 5622.~~

23 (2)(a) Qualified location also includes any other business location
24 if at least seventy-five percent of the revenue derived at the location
25 is from sales to customers who are not related persons which are
26 delivered or provided from the qualified location to a location that is
27 not within Nebraska according to the sourcing rules in subsections (2)
28 and (3) of section 77-2734.14. Intermediate sales to related persons are
29 included as sales to customers delivered or provided to a location
30 outside Nebraska if the related person delivers or provides the goods or
31 services to a location outside Nebraska. Even if a location meets the

1 seventy-five percent requirement of this subdivision, such location shall
2 not constitute a qualified location under this subdivision if the
3 majority of the business activities conducted at such location are within
4 any of the following NAICS codes or any combination thereof:

5 (i) Agriculture, Forestry, Fishing and Hunting - 11, excluding NAICS
6 code 115114;

7 (ii) Transportation and Warehousing - 48-49;

8 (iii) Information - 51;

9 (iv) Utilities - 22;

10 (v) Mining, Quarrying, and Oil and Gas Extraction - 21;

11 (vi) Public Administration - 92; or

12 (vii) Construction - 23.

13 (b) The director may adopt and promulgate rules and regulations
14 establishing an alternative method in circumstances in which subdivision
15 (2)(a) of this section does not accurately reflect the out-of-state sales
16 taking place at locations within Nebraska for a particular industry.

17 (3) The determination of the majority of the business activities
18 shall be made based on the number of employees working in the respective
19 business activities. The director may adopt and promulgate rules and
20 regulations establishing an alternative method in circumstances in which
21 other factors provide a better reflection of business activities.

22 (4) The delineation of the types of business activities which enable
23 a location to constitute a qualified location is based on the state's
24 intention to attract certain types of business activities and to
25 responsibly accomplish the purposes of the Imagine Nebraska Act by
26 directing the state's incentive capabilities towards business activities
27 which, due to their national nature, could locate outside of Nebraska and
28 which therefore would, through the use of incentives, be motivated to
29 locate in Nebraska. By listing specific types of business activities in
30 subsection (1) of this section, the state has determined such business
31 activities by their nature meet these objectives. By specifying the

1 national nature of a taxpayer's revenue in subsection (2) of this
2 section, the state has determined that certain other types of business
3 activities can meet these objectives.

4 **Sec. 33.** Section 81-3729, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 81-3729 The Nebraska Tourism Commission Promotional Cash Fund is
7 hereby created. The fund shall consist of revenue submitted by vendors
8 and retailers under section 81-3728 ~~and revenue from the tax collected on~~
9 ~~the net operating revenue of cash devices pursuant to section 77-3012.~~
10 Revenue from the sale of advertising shall be remitted to the State
11 Treasurer for credit to the fund. The commission shall use the fund to
12 carry out its purposes under the Nebraska Visitors Development Act. Any
13 money in the fund available for investment shall be invested by the state
14 investment officer pursuant to the Nebraska Capital Expansion Act and the
15 Nebraska State Funds Investment Act.

16 **Sec. 34.** Sections 5, 6, 7, 10, 11, 12, 13, 14, 15, 16, 17, 21, 22,
17 30, 31, 32, 35, and 38 of this act become operative on July 1, 2026.
18 Sections 1, 2, 3, 4, 9, 18, 19, 20, and 36 of this act become operative
19 on January 1, 2027. Sections 8, 23, 24, 25, 26, 27, 28, 29, 33, and 37 of
20 this act become operative three calendar months after the adjournment of
21 this legislative session. The other sections of this act become operative
22 on their effective date.

23 **Sec. 35.** Original sections 77-367, 77-377.01, 77-3,109, 77-3,118,
24 77-2704.46, 77-27,107, 77-27,235, and 77-5804, Reissue Revised Statutes
25 of Nebraska, sections 77-377.02, 77-382, 77-2704.12, and 77-6818, Revised
26 Statutes Cumulative Supplement, 2024, and sections 9-1,101 and 77-5601,
27 Revised Statutes Supplement, 2025, are repealed.

28 **Sec. 36.** Original section 77-2717, Revised Statutes Cumulative
29 Supplement, 2024, and sections 77-202, 77-2715.07, and 77-2734.03,
30 Revised Statutes Supplement, 2025, are repealed.

31 **Sec. 37.** Original section 81-3729, Reissue Revised Statutes of

1 Nebraska, sections 77-3003.01, 77-3003.02, 77-3004, 77-3006, and 77-3012,
2 Revised Statutes Cumulative Supplement, 2024, and sections 71-812,
3 77-3003, and 77-3003.03, Revised Statutes Supplement, 2025, are repealed.

4 **Sec. 38.** The following sections are outright repealed: Sections
5 77-2701.54, 77-2704.57, 77-2704.60, 77-2704.61, and 77-2704.62, Reissue
6 Revised Statutes of Nebraska.

7 **Sec. 39.** Since an emergency exists, this act takes effect when
8 passed and approved according to law.

9 2. On page 1, strike beginning with "revenue" in line 1 through line
10 6 and insert "revenue and taxation; to amend sections 77-367, 77-377.01,
11 77-3,109, 77-3,118, 77-2704.46, 77-27,107, 77-27,235, 77-5804, and
12 81-3729, Reissue Revised Statutes of Nebraska, sections 77-377.02,
13 77-382, 77-2704.12, 77-2717, 77-3003.01, 77-3003.02, 77-3004, 77-3006,
14 77-3012, and 77-6818, Revised Statutes Cumulative Supplement, 2024, and
15 sections 9-1,101, 71-812, 77-202, 77-2715.07, 77-2734.03, 77-3003,
16 77-3003.03, and 77-5601, Revised Statutes Supplement, 2025; to adopt the
17 Domestic Violence and Human Trafficking Service Providers Tax Credit Act;
18 to provide for the disclosure of certain confidential information by the
19 Department of Health and Human Services and the Department of Revenue; to
20 provide fees; to change provisions relating to the Behavioral Health
21 Services Fund; to eliminate a property tax exemption; to change the
22 purposes of and money credited to the Department of Revenue Enforcement
23 Fund; to change and provide provisions relating to delinquent taxes and
24 the collection of delinquent taxes; to change provisions relating to a
25 report on tax expenditures; to change and eliminate certain sales and use
26 tax exemptions; to provide an income tax credit; to provide for the
27 registration of a claim for due and owing delinquent taxes as a judgment;
28 to eliminate a renewable energy tax credit as provided; to change
29 provisions relating to fees for manufacturer and distributor licenses and
30 cash devices, the advertisement and operation of mechanical amusement
31 devices and cash devices, and the amount and distribution of taxes

1 collected under the Mechanical Amusement Device Tax Act; to change
2 provisions relating to the use of funds; to change credits under the
3 Nebraska Advantage Research and Development Act; to redefine a term under
4 the Imagine Nebraska Act; to change provisions of the Nebraska Tourism
5 Commission Promotional Cash Fund; to eliminate obsolete provisions; to
6 harmonize provisions; to provide operative dates; to repeal the original
7 sections; to outright repeal sections 77-2701.54, 77-2704.57, 77-2704.60,
8 77-2704.61, and 77-2704.62, Reissue Revised Statutes of Nebraska; and to
9 declare an emergency."