

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1025

Introduced by Bosn, 25; Bostar, 29; Brandt, 32; Cavanaugh, M., 6; Clouse, 37; DeKay, 40; Dorn, 30; Guereca, 7; Hallstrom, 1; Hardin, 48; Holdcroft, 36; Ibach, 44; Juarez, 5; Kauth, 31; Lonowski, 33; McKinney, 11; Meyer, G., 17; Murman, 38; Prokop, 27; Raybould, 28; Sanders, 45; Sorrentino, 39; Spivey, 13; Wordekemper, 15.

Read first time January 13, 2026

Committee: Revenue

- 1 A BILL FOR AN ACT relating to taxation; to adopt the Social Media
- 2 Collection of Consumer Data Tax Act; to establish an excise tax on
- 3 certain social media platform businesses; and to create a fund.
- 4 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Sections 1 to 8 of this act shall be known and may be
2 cited as the Social Media Collection of Consumer Data Tax Act.

3 **Sec. 2.** For purposes of the Social Media Collection of Consumer
4 Data Tax Act:

5 (1) Any term shall have the same meaning as used in Chapter 77,
6 article 27, except as otherwise defined in the Social Media Collection of
7 Consumer Data Tax Act;

8 (2) Consumer means an individual who establishes an account on an
9 app or website owned by a social media platform business whose consumer
10 data is collected by the social media platform business regardless of
11 whether the individual is charged for establishing the account;

12 (3) Consumer data means any information that identifies, relates to,
13 describes, is capable of being associated with, or could reasonably be
14 linked with a consumer, whether directly submitted to the social media
15 platform business by the consumer or derived from other sources;

16 (4) Internet protocol address means a unique string of characters or
17 other identifier assigned to each device connected to a network for
18 communication;

19 (5) Nebraska consumer means a consumer who is a resident individual
20 as defined in section 77-2714.01;

21 (6) Social media platform means an electronic medium, including a
22 browser-based or application-based interactive computer service, Internet
23 website, telephone network, or data network, that allows an account
24 holder to create, share, and view user-generated content for a
25 substantial purpose of social interaction, sharing user-generated
26 content, or personal networking. Social media platform does not include:

27 (a) An Internet search provider;

28 (b) An Internet service provider;

29 (c) An email service;

30 (d) A streaming service, online video game, e-commerce, or other
31 Internet website where the content is not user generated but where

1 interactive functions enable chat, comments, reviews, or other
2 interactive functionality that is incidental to, directly related to, or
3 dependent upon providing the content;

4 (e) A communication service, including text, audio, or video
5 communication technology, provided by a business to the business's
6 employees and clients for use in the course of business activities and
7 not for public distribution, except that social media platform includes a
8 communication service provided by a social media platform;

9 (f) An advertising network with the sole function of delivering
10 commercial content;

11 (g) A telecommunications carrier as defined in 47 U.S.C. 153;

12 (h) A broadband Internet access service as defined in 47 C.F.R.
13 8.1(b);

14 (i) Single-purpose community groups for education or public safety;

15 (j) Teleconferencing or video-conferencing services that allow
16 reception and transmission of audio and video signals for real-time
17 communication, except that social media platform includes
18 teleconferencing or video-conferencing services provided by a social
19 media platform;

20 (k) Cloud computing services, which may include cloud storage and
21 shared document collaboration;

22 (l) Providing or obtaining technical support for a platform,
23 product, or service; or

24 (m) A platform designed primarily and specifically for creative
25 professional users, as distinct from the general public, to share their
26 portfolio and creative content, engage in professional networking,
27 acquire clients, and market the creative professional user's creative
28 content and creative services through facilitated transactions; and

29 (7) Social media platform business means a for-profit entity that
30 operates a social media platform that engages, collects, maintains, uses,
31 processes, sells, or shares consumer data in support of the entity's

1 business activities.

2 **Sec. 3.** (1) Beginning January 1, 2027, an excise tax is imposed on
3 the collection of consumer data by a social media platform business as
4 provided in this section.

5 (2) The tax is imposed on social media platform businesses based on
6 the number of Nebraska consumers from whom a social media platform
7 business collects consumer data within a month as follows:

| <u>Nebraska Consumers</u> | <u>Tax</u> |
|---|---|
| <u>Fewer than or equal to 50,000</u> | <u>Zero</u> |
| <u>Over 50,000 but not more than</u> <u>250,000</u> | <u>\$0.10 per month on the number of</u> <u>Nebraska consumers over 50,000 but</u> <u>not more than 250,000;</u> |
| <u>Over 250,000 but not more than</u> <u>500,000</u> | <u>\$40,000 plus \$0.25 per month on the</u> <u>number of Nebraska consumers over</u> <u>250,000 but not more than 500,000;</u> <u>and</u> |
| <u>Over 500,000</u> | <u>\$165,000 plus \$0.50</u> <u>per month on the number of Nebraska</u> <u>consumers over 500,000.</u> |

20 (3) All taxes collected under this section shall be remitted to the
21 State Treasurer for credit to the Juvenile Mental Health Support Fund.

22 **Sec. 4.** (1) Until the contrary is established, it is presumed that
23 a consumer whose information on record with or available to a social
24 media platform business indicates a Nebraska home address, a Nebraska
25 mailing address, or an Internet protocol address connected with a
26 Nebraska location is a Nebraska consumer for purposes of the Social Media
27 Collection of Consumer Data Tax Act. The burden of proving that a
28 consumer is not a Nebraska consumer is on the social media platform
29 business.

30 (2) A Nebraska consumer must be counted only once per social media
31 platform in the calculation of the monthly tax imposed on a social media

1 platform business.

2 (3) A social media platform business that has paid tax under the
3 Social Media Collection of Consumer Data Tax Act may claim a credit
4 against the tax paid with respect to a Nebraska consumer if another state
5 imposes an excise tax identical to the tax imposed under the act with
6 respect to the same consumer.

7 (4) Business entities that are part of a controlled group of
8 corporations as defined in section 1563(a) of the Internal Revenue Code
9 shall be treated as a single entity for purposes of meeting the
10 definition of a social media platform business under the Social Media
11 Collection of Consumer Data Tax Act.

12 (5) The single member of a single member limited liability company
13 shall be treated as a consumer under this section.

14 **Sec. 5.** A social media platform business must report the tax on a
15 return prescribed by the Tax Commissioner and must remit the tax in a
16 form and manner prescribed by the Tax Commissioner. The return and the
17 tax must be filed and paid using the filing cycle and due dates provided
18 for sales and use taxes imposed under the Nebraska Revenue Act of 1967.

19 **Sec. 6.** (1) The provisions of sections 77-2714 to 77-27,135
20 relating to deficiencies, penalties, interest, the collection of
21 delinquent amounts, confidentiality, refunds, and appeal procedures for
22 the tax imposed by section 77-2734.02 shall also apply to the tax imposed
23 by section 3 of this act.

24 (2) A social media platform business shall maintain records as
25 required by the Tax Commissioner.

26 **Sec. 7.** The Juvenile Mental Health Support Fund is hereby created.
27 The fund shall be administered by the Department of Health and Human
28 Services and shall consist of money transferred pursuant to subsection
29 (3) of section 3 of this act. Any money in the Juvenile Mental Health
30 Support Fund available for investment shall be invested by the state
31 investment officer pursuant to the Nebraska Capital Expansion Act and the

1 Nebraska State Funds Investment Act. The fund shall be used by the
2 department for the programming and facilities associated with providing
3 juvenile mental health services.

4 **Sec. 8.** The Tax Commissioner may adopt and promulgate rules and
5 regulations necessary to carry out the Social Media Collection of
6 Consumer Data Tax Act.