

AMENDMENTS TO LB 575

Introduced by Raikes, 25.

1           1. Strike original section 1 and insert the following new  
2 section:

3           Section 1. Section 77-2704.12, Revised Statutes  
4 Cumulative Supplement, 2006, is amended to read:

5           77-2704.12 (1) Sales and use taxes shall not be imposed  
6 on the gross receipts from the sale, lease, or rental of and the  
7 storage, use, or other consumption in this state of purchases by  
8 (a) any nonprofit organization created exclusively for religious  
9 purposes, (b) any nonprofit organization providing services  
10 exclusively to the blind, (c) any nonprofit private educational  
11 institution established under sections 79-1601 to 79-1607, (d) any  
12 nonprofit private college or university established under sections  
13 85-1101 to 85-1111, (e) any nonprofit (i) hospital, (ii) health  
14 clinic when two or more hospitals or the parent corporations of  
15 the hospitals own or control the health clinic for the purpose of  
16 reducing the cost of health services or when the health clinic  
17 receives federal funds through the United States Public Health  
18 Service for the purpose of serving populations that are medically  
19 underserved, (iii) skilled nursing facility, (iv) intermediate care  
20 facility, (v) assisted-living facility, (vi) intermediate care  
21 facility for the mentally retarded, (vii) nursing facility, (viii)  
22 home health agency, (ix) hospice or hospice service, or (x) respite  
23 care service licensed under the Health Care Facility Licensure

1 Act, (f) and ~~organized not for profit~~, any nonprofit licensed  
2 child-caring agency, (g) any nonprofit licensed child placement  
3 agency, or (h) any nonprofit organization certified by the  
4 Department of Health and Human Services to provide community-based  
5 services for persons with developmental disabilities.

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

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

24 (4) Any organization listed in subsection (1) of this  
25 section which enters into a contract of construction, improvement,  
26 or repair upon property annexed to real estate without first  
27 issuing a purchasing agent authorization to a contractor or

1 repairperson prior to the building materials being annexed to  
2 real estate in the project may apply to the Tax Commissioner for  
3 a refund of any sales and use tax paid by the contractor or  
4 repairperson on the building materials physically annexed to real  
5 estate in the construction, improvement, or repair.

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