

LEGISLATURE OF NEBRASKA
ONE HUNDREDTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 575

Introduced by Kruse, 13

Read first time January 17, 2007

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section
2 77-2704.12, Revised Statutes Cumulative Supplement, 2006;
3 to exempt assisted-living facilities from sales and use
4 taxes; and to repeal the original section.
5 Be it enacted by the people of the State of Nebraska,

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

3 77-2704.12 (1) Sales and use taxes shall not be imposed
4 on the gross receipts from the sale, lease, or rental of and the
5 storage, use, or other consumption in this state of purchases by
6 any organization created exclusively for religious purposes, any
7 nonprofit organization providing services exclusively to the blind,
8 any private educational institution established under sections
9 79-1601 to 79-1607, any private college or university established
10 under sections 85-1101 to 85-1111, any hospital, health clinic
11 when two or more hospitals or the parent corporations of the
12 hospitals own or control the health clinic for the purpose
13 of reducing the cost of health services or when the health
14 clinic receives federal funds through the United States Public
15 Health Service for the purpose of serving populations that are
16 medically underserved, skilled nursing facility, intermediate care
17 facility, assisted-living facility, intermediate care facility for
18 the mentally retarded, nursing facility, home health agency,
19 hospice or hospice service, or respite care service licensed
20 under the Health Care Facility Licensure Act and organized not
21 for profit, any licensed child-caring agency, any licensed child
22 placement agency, or any nonprofit organization certified by the
23 Department of Health and Human Services to provide community-based
24 services for persons with developmental disabilities.

25 (2) Any organization listed in subsection (1) of this

1 section shall apply for an exemption on forms provided by the
2 Tax Commissioner. The application shall be approved and a numbered
3 certificate of exemption received by the applicant organization in
4 order to be exempt from the sales and use tax.

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

18 (4) Any organization listed in subsection (1) of this
19 section which enters into a contract of construction, improvement,
20 or repair upon property annexed to real estate without first
21 issuing a purchasing agent authorization to a contractor or
22 repairperson prior to the building materials being annexed to
23 real estate in the project may apply to the Tax Commissioner for
24 a refund of any sales and use tax paid by the contractor or
25 repairperson on the building materials physically annexed to real

1 estate in the construction, improvement, or repair.

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

18 Sec. 2. Original section 77-2704.12, Revised Statutes
19 Cumulative Supplement, 2006, is repealed.