

LEGISLATURE OF NEBRASKA  
ONE HUNDREDTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 949**

Introduced by Christensen, 44.

Read first time January 14, 2008

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 change a sales tax exemption for health clinics; to  
4 provide an operative date; and to repeal the original  
5 section.  
6 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~~ one or more hospitals or the parent corporations of  
12 the 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  
17 care facility, intermediate care facility for the mentally  
18 retarded, nursing facility, home health agency, hospice or hospice  
19 service, or respite care service licensed under the Health Care  
20 Facility Licensure Act and organized not for profit, any licensed  
21 child-caring agency, any licensed child placement agency, or any  
22 nonprofit organization certified by the Department of Health and  
23 Human Services to provide community-based services for persons with  
24 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. This act becomes operative on October 1, 2008.

19 Sec. 3. Original section 77-2704.12, Revised Statutes  
20 Cumulative Supplement, 2006, is repealed.