

AMENDMENTS TO LB 420

Introduced by Revenue.

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

3 Section 1. Section 77-2704.12, Revised Statutes
4 Cumulative Supplement, 2008, 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
7 and the storage, use, or other consumption in this state of
8 purchases by (a) any nonprofit organization created exclusively
9 for religious purposes, (b) any nonprofit organization providing
10 services exclusively to the blind, (c) any nonprofit private
11 educational institution established under sections 79-1601 to
12 79-1607, or (d) any nonprofit private college or university
13 established under sections 85-1101 to 85-1111. 7 ~~(e) any nonprofit~~
14 ~~(i) hospital, (ii) health clinic when two or more hospitals or~~
15 ~~the parent corporations of the hospitals own or control the health~~
16 ~~clinic for the purpose of reducing the cost of health services or~~
17 ~~when the health clinic receives federal funds through the United~~
18 ~~States Public Health Service for the purpose of serving populations~~
19 ~~that are medically underserved, (iii) skilled nursing facility,~~
20 ~~(iv) intermediate care facility, (v) assisted-living facility, (vi)~~
21 ~~intermediate care facility for the mentally retarded, (vii) nursing~~
22 ~~facility, (viii) home health agency, (ix) hospice or hospice~~
23 ~~service, or (x) respite care service licensed under the Health Care~~

1 ~~Facility Licensure Act, (f)~~

2 (2) Sales and use taxes shall not be imposed on the
3 gross receipts from the sale, lease, or rental of and the
4 storage, use, or other consumption in this state of purchases
5 by (a) any nonprofit licensed child-caring agency, (g) (b) any
6 nonprofit licensed child placement agency, or (h) (c) any nonprofit
7 organization certified by the Department of Health and Human
8 Services to provide community-based services for persons with
9 developmental disabilities. The exemptions in this subsection are
10 limited to purchases made for use in the exempt health care
11 activities or services that are licensed or certified by the
12 Department of Health and Human Services.

13 (3) Sales and use taxes shall not be imposed on the gross
14 receipts from the sale, lease, or rental of and the storage, use,
15 or other consumption in this state of purchases by any nonprofit
16 licensed hospital. The exemption in this subsection is limited to
17 purchases made for use at the facility or the portion of a facility
18 that is licensed under the Health Care Facility Licensure Act,
19 for use in the exempt health care activities or services that are
20 licensed under this act, or for use at a nonprofit health clinic
21 exempt under subsection (4) of this section.

22 (4) (a) Sales and use taxes shall not be imposed on the
23 gross receipts from the sale, lease, or rental of and the storage,
24 use, or other consumption in this state of purchases by any
25 nonprofit health clinic if one or more nonprofit hospitals or the
26 parent corporations of the nonprofit hospitals own or control the
27 nonprofit health clinic for the purpose of reducing the cost of

1 health services or if the nonprofit health clinic receives federal
2 funds through the United States Public Health Service for the
3 purpose of serving populations that are medically underserved.

4 (b) For the purposes of this subsection, nonprofit health
5 clinic means:

6 (i) Rural health clinic as defined by 42 U.S.C. 1395x,
7 as such section existed on January 1, 2009, and organized not for
8 profit; or

9 (ii) Health clinic as defined in section 71-416 and
10 organized not for profit.

11 (c) The exemptions in this subsection are limited to
12 purchases made by a nonprofit health clinic for use at the
13 nonprofit health clinic.

14 (5) Sales and use taxes shall not be imposed on the gross
15 receipts from the sale, lease, or rental of and the storage, use,
16 or other consumption in this state of purchases by any nonprofit
17 licensed (a) nursing facility, (b) skilled nursing facility, (c)
18 assisted-living facility, (d) intermediate care facility, (e)
19 intermediate care facility for the mentally retarded, (f) home
20 health agency, (g) hospice or hospice service, or (h) respite care
21 service. The exemptions in this subsection are limited to purchases
22 made for use at the facility or the portion of a facility that is
23 licensed under the Health Care Facility Licensure Act or for use
24 in the exempt health care activities or services licensed under the
25 act.

26 ~~(2)~~ (6) Any organization listed in subsection ~~(1)~~
27 subsections (1) through (5) of this section shall apply for

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

5 ~~(3)~~ (7) The appointment of purchasing agents shall
6 be 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)~~ (8) Any organization listed in ~~subsection (1)~~
19 subsections (1) through (5) of this section which enters into a
20 contract of construction, improvement, or repair upon property
21 annexed to real estate without first issuing a purchasing agent
22 authorization to a contractor or repairperson prior to the building
23 materials being annexed to real estate in the project may apply to
24 the Tax Commissioner for a refund of any sales and use tax paid by
25 the contractor or repairperson on the building materials physically
26 annexed to real estate in the construction, improvement, or repair.

27 ~~(5)~~ (9) Any person purchasing, storing, using, or

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

16 Sec. 2. This act becomes operative on October 1, 2009.

17 Sec. 3. Original section 77-2704.12, Revised Statutes
18 Cumulative Supplement, 2008, is repealed.