

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

**LEGISLATIVE BILL 336**

Introduced by Friend, 10.

Read first time January 15, 2009

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section  
2 77-2704.13, Reissue Revised Statutes of Nebraska; to  
3 exempt municipal water from sales and use taxes; 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 77-2704.13, Reissue Revised Statutes  
2 of Nebraska, is amended to read:

3           77-2704.13 Sales and use taxes shall not be imposed on  
4 the gross receipts from the sale, lease, or rental of and the  
5 storage, use, or other consumption in this state of:

6           (1) Sales and purchases of electricity, coal, gas, fuel  
7 oil, diesel fuel, tractor fuel, propane, gasoline, coke, nuclear  
8 fuel, and butane when more than fifty percent of the amount  
9 purchased is for use directly in irrigation or farming;

10           (2) Sales and purchases of such energy sources or fuels  
11 made before April 1, 1993, or after March 31, 1994, when more  
12 than fifty percent of the amount purchased is for use directly  
13 in processing, manufacturing, or refining, in the generation of  
14 electricity, or by any hospital. The state tax paid on purchases  
15 of such energy sources or fuels during the period beginning  
16 April 1, 1993, and ending March 31, 1994, shall not exceed one  
17 hundred thousand dollars for any one location when more than fifty  
18 percent of the amount purchased is for use directly in processing,  
19 manufacturing, or refining or by any hospital. All purchases  
20 of such energy sources or fuels for use in the generation of  
21 electricity during the period beginning April 1, 1993, and ending  
22 March 31, 1994, shall be taxable. Any taxpayer who has paid the  
23 limit of state tax on such energy sources or fuels at one location  
24 shall be exempt on all other qualifying purchases at such location.  
25 Such taxpayer shall be entitled to a refund of any amount of

1 state or local option tax paid on an energy source or fuel exempt  
2 under this subdivision. A refund shall be made pursuant to section  
3 77-2708; and

4 (3) Sales and purchases of water (a) used for irrigation  
5 of agricultural lands, (b) used for ~~and~~ manufacturing purposes, or  
6 (c) supplied by a municipal water supplier.

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

8 Sec. 3. Original section 77-2704.13, Reissue Revised  
9 Statutes of Nebraska, is repealed.