

AMENDMENTS TO LB 731

(Amendments to Standing Committee amendments, AM2151)

Introduced by Mello

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

3           Section 1. Sections 1 to 9 of this act shall be known and  
4 may be cited as the Remanufacturing Pilot Project Act.

5           Sec. 2. For purposes of the Remanufacturing Pilot Project  
6 Act:

7           (1) Base year means the calendar year immediately  
8 preceding the year during which the application was submitted;

9           (2) Construction and demolition waste means waste which  
10 results from land clearing and the demolition of buildings,  
11 roads, or other structures, including, but not limited to, fill  
12 materials, wood, including painted and treated wood, land clearing  
13 debris other than yard waste, wall coverings, including wallpaper,  
14 paneling, and tile, drywall, plaster, non-asbestos insulation,  
15 roofing shingles and other roof coverings, plumbing fixtures,  
16 glass, plastic, carpeting, electrical wiring, pipe, and metals.  
17 Such waste also includes the types of waste listed in this  
18 subdivision that result from construction projects. Construction  
19 and demolition waste does not include friable asbestos waste,  
20 special waste, liquid waste, hazardous waste and waste that  
21 contains polychlorinated biphenyl, pultrescible waste, household  
22 waste, industrial solid waste, corrugated cardboard, appliances,

1 tires, drums, and fuel tanks;

2 (3) Municipal solid waste means household waste or the  
3 combination of household waste with industrial or commercial solid  
4 wastes, except that it does not include construction and demolition  
5 waste;

6 (4) Recycle means separating, cleaning, treating, and  
7 reconstituting waste or other discarded materials for the purpose  
8 of recovering and reusing the resources contained therein; and

9 (5) Statewide average tipping fee means the average fee  
10 charged per ton for disposal of waste at a municipal solid waste  
11 disposal area in the state in the prior calendar year as determined  
12 by the Department of Environmental Quality.

13 Sec. 3. For taxable years beginning on or after January  
14 1, 2013, and before January 1, 2016, under the Internal Revenue  
15 Code of 1986, as amended, a taxpayer shall earn a recovered  
16 resource income tax credit for each ton of municipal solid waste  
17 recycled or composted in Nebraska during the tax year by the  
18 taxpayer in excess of the amount of the same type of municipal  
19 solid waste (1) recycled or composted in Nebraska during the base  
20 year by the taxpayer or (2) disposed in a solid waste disposal area  
21 in Nebraska during the base year by the taxpayer. The municipal  
22 solid waste recycled or composted shall be municipal solid waste  
23 which was generated by the taxpayer. The per-ton credit shall  
24 equal the statewide average tipping fee. The maximum tax credit  
25 earned by a taxpayer in a tax year shall be twenty-five thousand  
26 dollars. The tax credit shall be refundable. A taxpayer shall  
27 file an application for the recovered resource income tax credit

1 with the Department of Environmental Quality. Applications can be  
2 filed at any time on or after the beginning of the tax year  
3 for which the tentative tax credit is to be claimed. Applications  
4 for tax credits shall be considered in the order in which they  
5 are received, except that the department shall give priority to  
6 applications that include partnerships between the taxpayer and a  
7 nonprofit organization, school district, community college area,  
8 village, city, county, or natural resources district. No tax credit  
9 shall be allowed unless an application is filed and approved.

10           Sec. 4. If the Department of Environmental Quality  
11 determines that the application meets the requirements of the  
12 Remanufacturing Pilot Project Act, the department shall approve  
13 the application, determine the base-year tonnage amount, set the  
14 tax-year tonnage amount used to determine the tentative tax credit,  
15 authorize a tentative tax credit to the applicant within the limits  
16 set forth in sections 3 and 5 of this act, and certify to the  
17 applicant and the Department of Revenue the amount of tentative tax  
18 credit reserved for the applicant. No tax credit shall be allowed  
19 if the applicant fails to meet or exceed the tax-year tonnage  
20 amount established during the application process.

21           Sec. 5. The Department of Environmental Quality may  
22 approve applications for recovered resource income tax credits for  
23 up to the amount available in the Recovered Resource Income Tax  
24 Credit Fund for each calendar year. An application for a tax credit  
25 for a tax year other than a calendar year shall be applied against  
26 the limit for the calendar year during which the tax year of the  
27 applicant ends. After applications for tax credits totaling the

1 amount available in the fund have been approved for a calendar  
2 year, no further applications shall be approved for that calendar  
3 year. Tax credits shall be prorated among the approved applications  
4 filed on the day the limit is exceeded.

5           Sec. 6. Any recovered resource income tax credit  
6 allowable to a partnership, a limited liability company, a  
7 subchapter S corporation, a cooperative, including a cooperative  
8 exempt under section 521 of the Internal Revenue Code of 1986, as  
9 amended, a limited cooperative association, or an estate or trust  
10 may be distributed to the partners, members, shareholders, patrons,  
11 or beneficiaries in the same manner as income is distributed for  
12 use against their income tax liabilities.

13           Sec. 7. The Department of Revenue and the Environmental  
14 Quality Council may adopt and promulgate rules and regulations to  
15 carry out the Remanufacturing Pilot Project Act, including rules  
16 and regulations to permit verification of the validity of any  
17 recovered resource income tax credit claimed.

18           Sec. 8. The Recovered Resource Income Tax Credit Fund is  
19 created. The fund shall receive fees allocated in sections 81-1561  
20 and 81-15,165. The fund shall be used to reimburse the General  
21 Fund for recovered resource income tax credits, for the costs  
22 of administration of the Remanufacturing Pilot Project Act, and  
23 for one-time expenses relating to the act. The Tax Commissioner  
24 shall certify the amount of recovered resource income tax credits  
25 used each year to the State Treasurer. Within ten days after the  
26 certification, the State Treasurer shall transfer that amount of  
27 funds from the Recovered Resource Income Tax Credit Fund to the

1 General Fund. Any funds reserved for tentative tax credits that are  
2 not claimed shall be returned to the original fund source in the  
3 same proportion as they were originally remitted to the Recovered  
4 Resource Income Tax Credit Fund. The Director of Environmental  
5 Quality may accept grants, contributions, or other funds from any  
6 private, federal, state, or public source to be used for purposes  
7 of the act and to be credited to the fund. Any money in the  
8 Recovered Resource Income Tax Credit Fund available for investment  
9 shall be invested by the state investment officer pursuant to  
10 the Nebraska Capital Expansion Act and the Nebraska State Funds  
11 Investment Act.

12           Sec. 9. The Remanufacturing Pilot Project Act terminates  
13 on December 31, 2017.

14           Sec. 10. Section 77-2715.07, Revised Statutes Supplement,  
15 2011, is amended to read:

16           77-2715.07 (1) There shall be allowed to qualified  
17 resident individuals as a nonrefundable credit against the income  
18 tax imposed by the Nebraska Revenue Act of 1967:

19           (a) A credit equal to the federal credit allowed under  
20 section 22 of the Internal Revenue Code; and

21           (b) A credit for taxes paid to another state as provided  
22 in section 77-2730.

23           (2) There shall be allowed to qualified resident  
24 individuals against the income tax imposed by the Nebraska Revenue  
25 Act of 1967:

26           (a) For returns filed reporting federal adjusted  
27 gross incomes of greater than twenty-nine thousand dollars, a

1 nonrefundable credit equal to twenty-five percent of the federal  
2 credit allowed under section 21 of the Internal Revenue Code of  
3 1986, as amended;

4 (b) For returns filed reporting federal adjusted gross  
5 income of twenty-nine thousand dollars or less, a refundable credit  
6 equal to a percentage of the federal credit allowable under section  
7 21 of the Internal Revenue Code of 1986, as amended, whether or  
8 not the federal credit was limited by the federal tax liability.  
9 The percentage of the federal credit shall be one hundred percent  
10 for incomes not greater than twenty-two thousand dollars, and  
11 the percentage shall be reduced by ten percent for each one  
12 thousand dollars, or fraction thereof, by which the reported  
13 federal adjusted gross income exceeds twenty-two thousand dollars;

14 (c) A refundable credit as provided in section 77-5209.01  
15 for individuals who qualify for an income tax credit as a qualified  
16 beginning farmer or livestock producer under the Beginning Farmer  
17 Tax Credit Act for all taxable years beginning or deemed to begin  
18 on or after January 1, 2006, under the Internal Revenue Code of  
19 1986, as amended;

20 (d) A refundable credit for individuals who qualify for  
21 an income tax credit under the Angel Investment Tax Credit Act, the  
22 Nebraska Advantage Microenterprise Tax Credit Act, ~~or~~ the Nebraska  
23 Advantage Research and Development Act, or the Remanufacturing  
24 Pilot Project Act; and

25 (e) A refundable credit equal to ten percent of the  
26 federal credit allowed under section 32 of the Internal Revenue  
27 Code of 1986, as amended.

1           (3) There shall be allowed to all individuals as a  
2 nonrefundable credit against the income tax imposed by the Nebraska  
3 Revenue Act of 1967:

4           (a) A credit for personal exemptions allowed under  
5 section 77-2716.01;

6           (b) A credit for contributions to certified community  
7 betterment programs as provided in the Community Development  
8 Assistance Act. Each partner, each shareholder of an electing  
9 subchapter S corporation, each beneficiary of an estate or trust,  
10 or each member of a limited liability company shall report his or  
11 her share of the credit in the same manner and proportion as he  
12 or she reports the partnership, subchapter S corporation, estate,  
13 trust, or limited liability company income; and

14           (c) A credit for investment in a biodiesel facility as  
15 provided in section 77-27,236.

16           (4) There shall be allowed as a credit against the income  
17 tax imposed by the Nebraska Revenue Act of 1967:

18           (a) A credit to all resident estates and trusts for taxes  
19 paid to another state as provided in section 77-2730;

20           (b) A credit to all estates and trusts for contributions  
21 to certified community betterment programs as provided in the  
22 Community Development Assistance Act; and

23           (c) A refundable credit for individuals who qualify for  
24 an income tax credit as an owner of agricultural assets under the  
25 Beginning Farmer Tax Credit Act for all taxable years beginning  
26 or deemed to begin on or after January 1, 2009, under the  
27 Internal Revenue Code of 1986, as amended. The credit allowed

1 for each partner, shareholder, member, or beneficiary of a  
2 partnership, corporation, limited liability company, or estate  
3 or trust qualifying for an income tax credit as an owner of  
4 agricultural assets under the Beginning Farmer Tax Credit Act  
5 shall be equal to the partner's, shareholder's, member's, or  
6 beneficiary's portion of the amount of tax credit distributed  
7 pursuant to subsection (4) of section 77-5211.

8 (5) (a) For all taxable years beginning on or after  
9 January 1, 2007, and before January 1, 2009, under the Internal  
10 Revenue Code of 1986, as amended, there shall be allowed to each  
11 partner, shareholder, member, or beneficiary of a partnership,  
12 subchapter S corporation, limited liability company, or estate or  
13 trust a nonrefundable credit against the income tax imposed by  
14 the Nebraska Revenue Act of 1967 equal to fifty percent of the  
15 partner's, shareholder's, member's, or beneficiary's portion of the  
16 amount of franchise tax paid to the state under sections 77-3801 to  
17 77-3807 by a financial institution.

18 (b) For all taxable years beginning on or after January  
19 1, 2009, under the Internal Revenue Code of 1986, as amended,  
20 there shall be allowed to each partner, shareholder, member, or  
21 beneficiary of a partnership, subchapter S corporation, limited  
22 liability company, or estate or trust a nonrefundable credit  
23 against the income tax imposed by the Nebraska Revenue Act of 1967  
24 equal to the partner's, shareholder's, member's, or beneficiary's  
25 portion of the amount of franchise tax paid to the state under  
26 sections 77-3801 to 77-3807 by a financial institution.

27 (c) Each partner, shareholder, member, or beneficiary



1 shall report his or her share of the credit in the same manner  
2 and proportion as he or she reports the partnership, subchapter S  
3 corporation, limited liability company, or estate or trust income.  
4 If any partner, shareholder, member, or beneficiary cannot fully  
5 utilize the credit for that year, the credit may not be carried  
6 forward or back.

7           Sec. 11. Section 77-2717, Revised Statutes Supplement,  
8 2011, is amended to read:

9           77-2717 (1)(a) The tax imposed on all resident estates  
10 and trusts shall be a percentage of the federal taxable income  
11 of such estates and trusts as modified in section 77-2716, plus  
12 a percentage of the federal alternative minimum tax and the  
13 federal tax on premature or lump-sum distributions from qualified  
14 retirement plans. The additional taxes shall be recomputed by (i)  
15 substituting Nebraska taxable income for federal taxable income,  
16 (ii) calculating what the federal alternative minimum tax would  
17 be on Nebraska taxable income and adjusting such calculations for  
18 any items which are reflected differently in the determination of  
19 federal taxable income, and (iii) applying Nebraska rates to the  
20 result. The federal credit for prior year minimum tax, after the  
21 recomputations required by the Nebraska Revenue Act of 1967, and  
22 the credits provided in the Nebraska Advantage Microenterprise Tax  
23 Credit Act, ~~and the Nebraska Advantage Research and Development~~  
24 ~~Act, and the Remanufacturing Pilot Project Act~~ shall be allowed  
25 as a reduction in the income tax due. A refundable income tax  
26 credit shall be allowed for all resident estates and trusts  
27 under the Angel Investment Tax Credit Act, the Nebraska Advantage

1 Microenterprise Tax Credit Act, ~~and~~ the Nebraska Advantage Research  
2 and Development Act, and the Remanufacturing Pilot Project Act.

3 (b) The tax imposed on all nonresident estates and trusts  
4 shall be the portion of the tax imposed on resident estates and  
5 trusts which is attributable to the income derived from sources  
6 within this state. The tax which is attributable to income derived  
7 from sources within this state shall be determined by multiplying  
8 the liability to this state for a resident estate or trust with  
9 the same total income by a fraction, the numerator of which is  
10 the nonresident estate's or trust's Nebraska income as determined  
11 by sections 77-2724 and 77-2725 and the denominator of which is  
12 its total federal income after first adjusting each by the amounts  
13 provided in section 77-2716. The federal credit for prior year  
14 minimum tax, after the recomputations required by the Nebraska  
15 Revenue Act of 1967, reduced by the percentage of the total income  
16 which is attributable to income from sources outside this state,  
17 and the credits provided in the Nebraska Advantage Microenterprise  
18 Tax Credit Act, ~~and~~ the Nebraska Advantage Research and Development  
19 Act, and the Remanufacturing Pilot Project Act shall be allowed  
20 as a reduction in the income tax due. A refundable income tax  
21 credit shall be allowed for all nonresident estates and trusts  
22 under the Angel Investment Tax Credit Act, the Nebraska Advantage  
23 Microenterprise Tax Credit Act, ~~and~~ the Nebraska Advantage Research  
24 and Development Act, and the Remanufacturing Pilot Project Act.

25 (2) In all instances wherein a fiduciary income tax  
26 return is required under the provisions of the Internal Revenue  
27 Code, a Nebraska fiduciary return shall be filed, except that a

1 fiduciary return shall not be required to be filed regarding a  
2 simple trust if all of the trust's beneficiaries are residents of  
3 the State of Nebraska, all of the trust's income is derived from  
4 sources in this state, and the trust has no federal tax liability.  
5 The fiduciary shall be responsible for making the return for the  
6 estate or trust for which he or she acts, whether the income be  
7 taxable to the estate or trust or to the beneficiaries thereof.  
8 The fiduciary shall include in the return a statement of each  
9 beneficiary's distributive share of net income when such income is  
10 taxable to such beneficiaries.

11 (3) The beneficiaries of such estate or trust who are  
12 residents of this state shall include in their income their  
13 proportionate share of such estate's or trust's federal income and  
14 shall reduce their Nebraska tax liability by their proportionate  
15 share of the credits as provided in the Angel Investment Tax  
16 Credit Act, the Nebraska Advantage Microenterprise Tax Credit Act,  
17 ~~and the Nebraska Advantage Research and Development Act, and the~~  
18 Remanufacturing Pilot Project Act. There shall be allowed to a  
19 beneficiary a refundable income tax credit under the Beginning  
20 Farmer Tax Credit Act for all taxable years beginning or deemed to  
21 begin on or after January 1, 2001, under the Internal Revenue Code  
22 of 1986, as amended.

23 (4) If any beneficiary of such estate or trust is a  
24 nonresident during any part of the estate's or trust's taxable  
25 year, he or she shall file a Nebraska income tax return which shall  
26 include (a) in Nebraska adjusted gross income that portion of the  
27 estate's or trust's Nebraska income, as determined under sections

1 77-2724 and 77-2725, allocable to his or her interest in the estate  
2 or trust and (b) a reduction of the Nebraska tax liability by his  
3 or her proportionate share of the credits as provided in the Angel  
4 Investment Tax Credit Act, the Nebraska Advantage Microenterprise  
5 Tax Credit Act, ~~and the Nebraska Advantage Research and Development~~  
6 Act, and the Remanufacturing Pilot Project Act and shall execute  
7 and forward to the fiduciary, on or before the original due date  
8 of the Nebraska fiduciary return, an agreement which states that he  
9 or she will file a Nebraska income tax return and pay income tax  
10 on all income derived from or connected with sources in this state,  
11 and such agreement shall be attached to the Nebraska fiduciary  
12 return for such taxable year.

13 (5) In the absence of the nonresident beneficiary's  
14 executed agreement being attached to the Nebraska fiduciary return,  
15 the estate or trust shall remit a portion of such beneficiary's  
16 income which was derived from or attributable to Nebraska sources  
17 with its Nebraska return for the taxable year. The amount of  
18 remittance, in such instance, shall be the highest individual  
19 income tax rate determined under section 77-2715.02 multiplied by  
20 the nonresident beneficiary's share of the estate or trust income  
21 which was derived from or attributable to sources within this  
22 state. The amount remitted shall be allowed as a credit against the  
23 Nebraska income tax liability of the beneficiary.

24 (6) The Tax Commissioner may allow a nonresident  
25 beneficiary to not file a Nebraska income tax return if the  
26 nonresident beneficiary's only source of Nebraska income was his or  
27 her share of the estate's or trust's income which was derived from

1 or attributable to sources within this state, the nonresident did  
2 not file an agreement to file a Nebraska income tax return, and  
3 the estate or trust has remitted the amount required by subsection  
4 (5) of this section on behalf of such nonresident beneficiary. The  
5 amount remitted shall be retained in satisfaction of the Nebraska  
6 income tax liability of the nonresident beneficiary.

7 (7) For purposes of this section, unless the context  
8 otherwise requires, simple trust shall mean any trust instrument  
9 which (a) requires that all income shall be distributed currently  
10 to the beneficiaries, (b) does not allow amounts to be paid,  
11 permanently set aside, or used in the tax year for charitable  
12 purposes, and (c) does not distribute amounts allocated in the  
13 corpus of the trust. Any trust which does not qualify as a simple  
14 trust shall be deemed a complex trust.

15 (8) For purposes of this section, any beneficiary of an  
16 estate or trust that is a grantor trust of a nonresident shall be  
17 disregarded and this section shall apply as though the nonresident  
18 grantor was the beneficiary.

19 Sec. 12. Section 77-2734.03, Reissue Revised Statutes of  
20 Nebraska, is amended to read:

21 77-2734.03 (1)(a) For taxable years commencing prior to  
22 January 1, 1997, any (i) insurer paying a tax on premiums and  
23 assessments pursuant to section 77-908 or 81-523, (ii) electric  
24 cooperative organized under the Joint Public Power Authority Act,  
25 or (iii) credit union shall be credited, in the computation of  
26 the tax due under the Nebraska Revenue Act of 1967, with the  
27 amount paid during the taxable year as taxes on such premiums and

1 assessments and taxes in lieu of intangible tax.

2 (b) For taxable years commencing on or after January 1,  
3 1997, any insurer paying a tax on premiums and assessments pursuant  
4 to section 77-908 or 81-523, any electric cooperative organized  
5 under the Joint Public Power Authority Act, or any credit union  
6 shall be credited, in the computation of the tax due under the  
7 Nebraska Revenue Act of 1967, with the amount paid during the  
8 taxable year as (i) taxes on such premiums and assessments included  
9 as Nebraska premiums and assessments under section 77-2734.05 and  
10 (ii) taxes in lieu of intangible tax.

11 (c) For taxable years commencing or deemed to commence  
12 prior to, on, or after January 1, 1998, any insurer paying a tax on  
13 premiums and assessments pursuant to section 77-908 or 81-523 shall  
14 be credited, in the computation of the tax due under the Nebraska  
15 Revenue Act of 1967, with the amount paid during the taxable year  
16 as assessments allowed as an offset against premium and related  
17 retaliatory tax liability pursuant to section 44-4233.

18 (2) There shall be allowed to corporate taxpayers a  
19 tax credit for contributions to community betterment programs as  
20 provided in the Community Development Assistance Act.

21 (3) There shall be allowed to corporate taxpayers a  
22 refundable income tax credit under the Beginning Farmer Tax Credit  
23 Act for all taxable years beginning or deemed to begin on or  
24 after January 1, 2001, under the Internal Revenue Code of 1986, as  
25 amended.

26 (4) The changes made to this section by Laws 2004, LB  
27 983, apply to motor fuels purchased during any tax year ending

1 or deemed to end on or after January 1, 2005, under the Internal  
2 Revenue Code of 1986, as amended.

3 (5) There shall be allowed to corporate taxpayers  
4 refundable income tax credits under the Nebraska Advantage  
5 Microenterprise Tax Credit Act, ~~and the Nebraska Advantage Research~~  
6 ~~and Development Act, and the Remanufacturing Pilot Project Act.~~

7 (6) There shall be allowed to corporate taxpayers a  
8 nonrefundable income tax credit for investment in a biodiesel  
9 facility as provided in section 77-27,236.

10 Sec. 13. Section 81-1561, Reissue Revised Statutes of  
11 Nebraska, is amended to read:

12 81-1561 (1) The Tax Commissioner shall deduct and  
13 withhold from the litter fee collected a fee sufficient to  
14 reimburse himself or herself for the cost of collecting and  
15 administering the litter fee and shall deposit such collection fee  
16 in the Litter Fee Collection Fund which is hereby created. The  
17 Litter Fee Collection Fund shall be appropriated to the Department  
18 of Revenue. Any money in the Litter Fee Collection Fund available  
19 for investment shall be invested by the state investment officer  
20 pursuant to the Nebraska Capital Expansion Act and the Nebraska  
21 State Funds Investment Act.

22 (2) The Tax Commissioner shall remit the balance of  
23 the litter fee collections to the Department of Environmental  
24 Quality. The department shall allocate the balance of the litter  
25 fee collections in the following manner: (a) Ninety percent shall  
26 be deposited in the Nebraska Litter Reduction and Recycling Fund;  
27 and (b) ten percent shall be deposited in the Recovered Resource

1 Income Tax Credit Fund. After December 31, 2016, the department  
2 shall allocate the entire balance of litter fee collections to the  
3 Nebraska Litter Reduction and Recycling Fund.

4 (3) The department shall allocate and distribute funds  
5 from the Nebraska Litter Reduction and Recycling Fund in percentage  
6 amounts to be determined by the council on an annual basis, after a  
7 public hearing on a date to be determined by the council, for the  
8 following activities:

9 (a) Programs of public education, motivation, and  
10 participation aimed at creating an ethic conducive to the reduction  
11 of litter, establishing an attitude against littering and a desire  
12 for a clean environment, and securing greater awareness of and  
13 compliance with antilitter laws. Such programs shall include:

14 (i) The distribution of informative materials to  
15 elementary and secondary schools;

16 (ii) The purchase and erection of roadside signs;

17 (iii) The organization and operation of cleanup drives  
18 conducted by local agencies and organizations using volunteer help;

19 (iv) Grants to state and local government units and  
20 agencies and private organizations for developing and conducting  
21 antilitter programs; and

22 (v) Any other public information method selected by the  
23 department, including the use of media;

24 (b) Cleanup of public highways, waterways, recreation  
25 lands, urban areas, and public places within the state, including,  
26 but not limited to:

27 (i) Grants to cities and counties for payment of



1 personnel employed in the pickup of litter;

2 (ii) Grants for programs aimed at increasing the use  
3 of youth and unemployed persons in seasonal and part-time litter  
4 pickup programs and to establish work release and other programs  
5 to carry out the purposes of the Nebraska Litter Reduction and  
6 Recycling Act;

7 (iii) Grants to public and private agencies and persons  
8 to conduct surveys of amounts and composition of litter and rates  
9 of littering; and

10 (iv) Grants to public and private agencies and persons  
11 for research and development in the fields of litter reduction,  
12 removal, and disposal, including the evaluation of behavioral  
13 science techniques in litter control and the development of new  
14 equipment, and to implement such research and development when  
15 appropriate; and

16 (c) New or improved community recycling and source  
17 separation programs, including, but not limited to:

18 (i) Expansion of existing and creation of new community  
19 recycling centers;

20 (ii) Expansion of existing and creation of new source  
21 separation programs;

22 (iii) Research and evaluation of markets for the  
23 materials and products recovered in source separation and recycling  
24 programs; and

25 (iv) Providing advice and assistance on matters relating  
26 to recycling and source separation, including information and  
27 consultation on available technology, operating procedures,

1 organizational arrangements, markets for materials and products  
2 recovered in recycling and source separation, transportation  
3 alternatives, and publicity techniques.

4 Funds allocated to the Recovered Resource Income Tax  
5 Credit Fund pursuant to subdivision (2) (b) of this section shall be  
6 considered as being used for the purposes specified in subdivision  
7 (3) (c) of this section.

8 Sec. 14. Section 81-1565, Reissue Revised Statutes of  
9 Nebraska, is amended to read:

10 81-1565 The department shall adopt guidelines for the  
11 determination of eligibility of public and private agencies and  
12 persons to receive funds pursuant to the Nebraska Litter Reduction  
13 and Recycling Act and the determination of qualification and  
14 suitability of plans submitted by such agencies and persons  
15 consistent with the purposes of the act. A taxpayer who has  
16 applied for a tax credit under the Remanufacturing Pilot Project  
17 Act shall be ineligible to receive funds pursuant to the Nebraska  
18 Litter Reduction and Recycling Act for the year for which the tax  
19 credit application is approved.

20 Sec. 15. Section 81-15,161, Reissue Revised Statutes of  
21 Nebraska, is amended to read:

22 81-15,161 (1) Allocations from the Waste Reduction and  
23 Recycling Incentive Fund may be made as grants to a political  
24 subdivision or other entity or organization, public, private, or  
25 nonprofit, when it is found that the proposed program, project, or  
26 study appears to benefit the general public, to further the goals  
27 of waste reduction and recycling, and to be consistent with proper

1 waste management practices. Each application for a grant under the  
2 Waste Reduction and Recycling Incentive Act shall be filed with the  
3 department in a manner and form prescribed by the department.

4 (2) The council shall adopt guidelines for the  
5 determination of eligibility of public, private, and nonprofit  
6 entities, organizations, or persons to receive funds pursuant to  
7 the act and for the determination of qualification and suitability  
8 of plans submitted by such entities, organizations, and persons  
9 consistent with the act. A taxpayer who has applied for a tax  
10 credit under the Remanufacturing Pilot Project Act shall be  
11 ineligible to receive funds pursuant to the Waste Reduction and  
12 Recycling Incentive Act for the year for which the tax credit  
13 application is approved.

14 (3) An application for a grant shall: (a) Describe the  
15 nature and purpose of the proposed program, project, or study;  
16 (b) set forth or be accompanied by a plan for development of the  
17 proposed program, project, or study, together with engineering,  
18 economic, and financial feasibility data and information and  
19 such estimated costs of construction or implementation as may  
20 be required by the department; (c) state whether money other  
21 than that for which the application is made will be used to  
22 help in meeting program, project, or study costs and whether such  
23 money is available or has been sought for this purpose; (d) when  
24 appropriate, state that the applicant holds or can acquire title to  
25 all lands or has the necessary easements and rights-of-way for the  
26 project and related lands; (e) show that the applicant possesses  
27 all necessary authority to undertake or participate in the proposed

1 program, project, or study; and (f) demonstrate the probable  
2 environmental and ecological consequences that may result from  
3 the proposed program or project. Upon receipt of an application  
4 the director shall evaluate and investigate all aspects of the  
5 proposed program, project, or study and the proposed schedule for  
6 the development and completion of such program, project, or study  
7 and determine the eligibility of the program, project, or study  
8 for funding. As a part of his or her investigation, the director  
9 shall consider whether the plan for development of the program,  
10 project, or study is satisfactory. If the director determines  
11 that the plan is unsatisfactory or that the application does not  
12 contain adequate information upon which to make determinations, the  
13 director shall return the application to the applicant and may  
14 make recommendations to the applicant which the director considers  
15 necessary to make the plan or the application satisfactory.

16 (4) The director shall within a reasonable time, not to  
17 exceed six months, after receipt of such application approve or  
18 reject grant funding for the program, project, or study. The grant  
19 shall be for a specific dollar amount of funds, and the funds shall  
20 be used only for the purpose specified in the grant. The director  
21 may set any terms for the administration of the funds as he or she  
22 deems necessary and any penalties to be imposed upon the recipient  
23 if it fails to comply with any requirements of the grant.

24 (5) It is the intent of the Legislature that allocations  
25 from the Waste Reduction and Recycling Incentive Fund shall be made  
26 in an equitable manner which maximizes the benefits of the fund.  
27 When awarding grants, the director shall balance the needs of: (a)

1 All geographic areas of the state; (b) all sizes and classes of  
2 communities; and (c) all manner and scale of programs, projects,  
3 and studies. The director shall also give consideration to eligible  
4 programs, projects, and studies which would specifically employ  
5 disabled or handicapped persons.

6 (6) The director may deny any application which he or  
7 she determines (a) is not in conformance with this section, (b)  
8 does not reflect reasonable costs for the type of project proposed,  
9 (c) contains inaccurate, incomplete, or misleading information in  
10 the application, or (d) would require the expenditure of funds  
11 beyond the fund's unobligated balance or for any other reason which  
12 the director determines is necessary to properly administer this  
13 section.

14 (7) All disbursements made under this section shall be  
15 formalized by a written agreement between the department and all  
16 recipients of the disbursement. The agreement may include, but need  
17 not be limited to, the following conditions designed to protect  
18 the fund and ensure completion of the project: (a) Mechanics of  
19 funding disbursement; (b) any bidding requirements; (c) completion  
20 timelines for any deliverables; (d) record-keeping and reporting  
21 requirements; (e) security interest and insurance requirements on  
22 equipment; (f) forfeiture and repayment of funds; and (g) other  
23 conditions necessary or desirable to carry out this section.

24 (8) The council shall adopt and promulgate rules and  
25 regulations to carry out the Waste Reduction and Recycling  
26 Incentive Act.

27 Sec. 16. Section 81-15,165, Revised Statutes Cumulative

1 Supplement, 2010, is amended to read:

2           81-15,165 (1) The Tax Commissioner shall deduct and  
3 withhold from the fees collected pursuant to sections 81-15,159  
4 to 81-15,165 a fee sufficient to reimburse himself or herself  
5 for the actual cost of collecting and administering such fees  
6 and shall credit such collection fee to the Waste Reduction and  
7 Recycling Incentive Fees Collection Fund which is hereby created.  
8 The Legislature shall appropriate money from the fund to the  
9 Department of Revenue to cover the actual costs of the department  
10 in administering the Waste Reduction and Recycling Incentive Act.  
11 Transfers may be made from the fund to the General Fund at the  
12 direction of the Legislature. Any money in the Waste Reduction and  
13 Recycling Incentive Fees Collection Fund available for investment  
14 shall be invested by the state investment officer pursuant to  
15 the Nebraska Capital Expansion Act and the Nebraska State Funds  
16 Investment Act.

17           (2) The Tax Commissioner shall remit the balance of the  
18 fees collected pursuant to sections 81-15,159 to 81-15,165 to the  
19 Department of Environmental Quality. The department shall allocate  
20 the balance of the fee collections in the following manner: (a)  
21 Ninety percent shall be deposited in the Waste Reduction and  
22 Recycling Incentive Fund; and (b) ten percent shall be deposited  
23 in the Recovered Resource Income Tax Credit Fund, such ten-percent  
24 allocation to be made proportionately from the fees collected  
25 pursuant to sections 81-15,159 to 81-15,165. After December 31,  
26 2016, the department shall allocate the entire balance of the fees  
27 collected pursuant to sections 81-15,159 to 81-15,165 to the Waste

1 Reduction and Recycling Incentive Fund.

2           Sec. 17. Original sections 77-2734.03, 81-1561, 81-1565,  
3 and 81-15,161, Reissue Revised Statutes of Nebraska, section  
4 81-15,165, Revised Statutes Cumulative Supplement, 2010, and  
5 sections 77-2715.07 and 77-2717, Revised Statutes Supplement, 2011,  
6 are repealed.