

ONE HUNDRED SECOND LEGISLATURE - FIRST SESSION - 2011

COMMITTEE STATEMENT (CORRECTED)

LB81

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**Hearing Date:** Thursday January 20, 2011  
**Committee On:** Revenue  
**Introducer:** Cornett  
**One Liner:** Prohibit the levying of certain taxes on nonresidents of a municipality

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**

<b>Aye:</b>	7	Senators Adams, Cornett, Fischer, Loudon, Pankonin, Pirsch, Utter
<b>Nay:</b>		
<b>Absent:</b>	1	Senator Hadley
<b>Present Not Voting:</b>		

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**Proponents:**  
Senator Abbie Cornett  
Dacia Kruse  
Joe Kohout  
Darleen Tonack  
Gregory Boyle  
Val Nelson

**Representing:**  
Introducer  
Omaha Chamber of Commerce  
United Citizens of Sarpy County  
Nebraska Farm Bureau Federation  
Self  
Self

**Opponents:**  
Tom Mumgaard  
Pam Spaccarotella  
Robert Stubbe

**Representing:**  
City of Omaha  
City of Omaha  
City of Omaha

**Neutral:**

**Representing:**

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**Summary of purpose and/or changes:**

LB 81 was introduced to prohibit Nebraska municipalities from imposing a wheel tax on nonresidents of their cities and villages. The legislative intent of LB 81 is to regulate imposition of wheel taxes only. LB 81 is designed to restrict Nebraska cities and villages from using of their statutory authority to impose a wheel tax on nonresidents of such cities and villages. Imposition of municipal wheel taxes is not merely a matter of local concern. It is a matter of statewide concern, especially since Omaha enacted a city ordinance attempting to impose a wheel tax on residents and nonresidents of Omaha operative during 2011.

As introduced, LB 81 would have made a number of changes to various Nebraska statutes governing occupation and wheel taxes. However, an amendment - summarized below - that was adopted by the Revenue Committee makes a number of significant changes to the bill, which advanced to General File, as amended.

As introduced, LB 81 would have:

It would: (1) Rewrite the statute governing occupation taxes and wheel taxes imposed by a city of the metropolitan class (e.g., Omaha) to eliminate archaic language referring to, among other occupations, showmen and jugglers, and replace it with language that is currently used in the statute that governs occupation taxes levied by cities of the primary class; and (2) Provide, in that same statute, that "No registration fee shall be required of a nonresident of such city." [LB 81, sec. 1, amending Neb. Rev. Stat. sec. 14-109.]

It would amend the statute governing license and occupation taxes imposed by a city of the primary class by providing that "No license or occupation tax shall be levied on a nonresident of such city." [LB 81, sec. 2, amending Neb. Rev. Stat. sec. 15-203.]

It would amend the statute governing license and occupation taxes imposed by a city of the second class by providing that "No license or occupation tax shall be levied on a nonresident of such city." [LB 81, sec. 3, amending Neb. Rev. Stat. sec. 16-205.]

It would amend the statute governing license taxes imposed by a second class city or village by providing that "No license or occupation tax shall be levied on a nonresident of such city or village." [LB 81, sec. 4, amending Neb. Rev. Stat. sec. 17-525.]

It would amend the statute that currently authorizes all cities and villages in Nebraska to "Levy a tax on all motor vehicles owned or used in such city or village" by adding language prohibiting any such city or village from levying such a tax on nonresidents. [LB 81, sec. 5, amending Neb. Rev. Stat. sec. 18-1214.]

It would be operative January 1, 2011. [LB 81, sec. 6.]

It contains a severability clause. [LB 81, sec. 7.]

It would repeal the original statutes that it amends. [LB 81, sec. 8.]

It would enact the emergency clause. [LB 81, sec. 9.]

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**Explanation of amendments:**

The committee amendment to LB 81: (1) Strikes sections 2, 3, and 4 of the bill; (2) Strikes the new proposed language in section 1 of the bill that provides "No license or occupation tax shall be levied on a nonresident of such city."; (3) Strikes the new proposed phrase "license or occupation" tax in the two places in section 5 of the bill in which that phrase appears and substitutes the word "such" tax for the new proposed phrase in the second instance in which appears in section 5 of the bill; and (4) renumbers the remaining sections of the bill accordingly. The effect of those changes clarifies that the legislative intent of LB 81 is to regulate imposition of wheel taxes only, and not occupation taxes too.

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Abbie Cornett, Chairperson