

AMENDMENTS TO LB512

(Amendments to Standing Committee amendments, AM423)

Introduced by Erdman, 47.

1           1. Strike amendments 1, 2, and 3 and insert the following new  
2 amendment:

3           1. Strike the original sections and insert the following new  
4 sections:

5           Section 1. Section 3-150, Reissue Revised Statutes of Nebraska, is  
6 amended to read:

7           3-150 Any person, firm, partnership, limited liability company,  
8 company, agency, corporation, body politic, municipality, or National  
9 Guard or reserve officer of the United States Army who buys and uses  
10 aircraft fuel meeting the specifications set by the ~~Motor Fuel Tax~~  
11 ~~Enforcement and Collection Division of the~~ Department of Revenue, bought  
12 for and used only in aircraft in connection with any air school approved  
13 by the federal government, on which the tax has been paid or which is  
14 chargeable under section 3-148 and who consumes the same for purposes of  
15 operating or propelling aircraft used strictly for air school purposes  
16 shall be reimbursed the amount of tax so paid in the manner and subject  
17 to the conditions provided in this section and section 3-151.

18           Sec. 2. Section 39-2215, Revised Statutes Cumulative Supplement,  
19 2018, is amended to read:

20           39-2215 (1) There is hereby created in the state treasury a special  
21 fund to be known as the Highway Trust Fund.

22           (2) All funds credited to the Highway Trust Fund pursuant to  
23 sections 66-489.02, 66-499, 66-4,140, 66-4,147, 66-6,108, and  
24 66-6,109.02, and related penalties and interest, shall be allocated as  
25 provided in such sections.

26           (3) All other motor vehicle fuel taxes, diesel fuel taxes,

1 compressed fuel taxes, and alternative fuel fees related to highway use  
2 retained by the state, all motor vehicle registration fees retained by  
3 the state other than those fees credited to the State Recreation Road  
4 Fund pursuant to subdivision (3) of section 60-3,156, and other highway-  
5 user taxes imposed by state law and allocated to the Highway Trust Fund,  
6 except for the proceeds of the sales and use taxes derived from motor  
7 vehicles, trailers, and semitrailers credited to the fund pursuant to  
8 section 77-27,132, are hereby irrevocably pledged for the terms of the  
9 bonds issued prior to January 1, 1988, to the payment of the principal,  
10 interest, and redemption premium, if any, of such bonds as they mature  
11 and become due at maturity or prior redemption and for any reserves  
12 therefor and shall, as received by the State Treasurer, be deposited in  
13 the fund for such purpose.

14 (4) Of the money in the fund specified in subsection (3) of this  
15 section which is not required for the use specified in such subsection,  
16 (a) an amount to be determined annually by the Legislature through the  
17 appropriations process may be transferred to the Motor Fuel Tax  
18 Enforcement and Collection Cash Fund for use as provided in section  
19 66-739 ~~66-738~~ on a monthly or other less frequent basis as determined by  
20 the appropriation language, (b) an amount to be determined annually by  
21 the Legislature through the appropriations process shall be transferred  
22 to the License Plate Cash Fund as certified by the Director of Motor  
23 Vehicles, and (c) the remaining money may be used for the purchase for  
24 retirement of the bonds issued prior to January 1, 1988, in the open  
25 market.

26 (5) The State Treasurer shall monthly transfer, from the proceeds of  
27 the sales and use taxes credited to the Highway Trust Fund and any money  
28 remaining in the fund after the requirements of subsections (2) through  
29 (4) of this section are satisfied, thirty thousand dollars to the Grade  
30 Crossing Protection Fund.

31 (6) Except as provided in subsection (7) of this section, the

1 balance of the Highway Trust Fund shall be allocated fifty-three and one-  
2 third percent, less the amount provided for in section 39-847.01, to the  
3 Department of Transportation, twenty-three and one-third percent, less  
4 the amount provided for in section 39-847.01, to the various counties for  
5 road purposes, and twenty-three and one-third percent to the various  
6 municipalities for street purposes. If bonds are issued pursuant to  
7 subsection (2) of section 39-2223, the portion allocated to the  
8 department shall be credited monthly to the Highway Restoration and  
9 Improvement Bond Fund, and if no bonds are issued pursuant to such  
10 subsection, the portion allocated to the department shall be credited  
11 monthly to the Highway Cash Fund. The portions allocated to the counties  
12 and municipalities shall be credited monthly to the Highway Allocation  
13 Fund and distributed monthly as provided by law. Vehicles accorded  
14 prorated registration pursuant to section 60-3,198 shall not be included  
15 in any formula involving motor vehicle registrations used to determine  
16 the allocation and distribution of state funds for highway purposes to  
17 political subdivisions.

18 (7) If it is determined by December 20 of any year that a county  
19 will receive from its allocation of state-collected highway revenue and  
20 from any funds relinquished to it by municipalities within its boundaries  
21 an amount in such year which is less than such county received in state-  
22 collected highway revenue in calendar year 1969, based upon the 1976 tax  
23 rates for highway-user fuels and registration fees, the department shall  
24 notify the State Treasurer that an amount equal to the sum necessary to  
25 provide such county with funds equal to such county's 1969 highway  
26 allocation for such year shall be transferred to such county from the  
27 Highway Trust Fund. Such makeup funds shall be matched by the county as  
28 provided in sections 39-2501 to 39-2510. The balance remaining in the  
29 fund after such transfer shall then be reallocated as provided in  
30 subsection (6) of this section.

31 (8) The State Treasurer shall disburse the money in the Highway

1 Trust Fund as directed by resolution of the commission. All disbursements  
2 from the fund shall be made upon warrants drawn by the Director of  
3 Administrative Services. Any money in the fund available for investment  
4 shall be invested by the state investment officer pursuant to the  
5 Nebraska Capital Expansion Act and the Nebraska State Funds Investment  
6 Act and the earnings, if any, credited to the fund.

7 Sec. 3. Section 66-482, Reissue Revised Statutes of Nebraska, is  
8 amended to read:

9 66-482 For purposes of sections 66-482 to 66-4,149:

10 (1) Motor vehicle shall have the same definition as in section  
11 60-339;

12 (2) Motor vehicle fuel shall include all products and fuel commonly  
13 or commercially known as gasoline, including casing head or natural  
14 gasoline, and shall include any other liquid and such other volatile and  
15 inflammable liquids as may be produced, compounded, or used for the  
16 purpose of operating or propelling motor vehicles, motorboats, or  
17 aircraft or as an ingredient in the manufacture of such fuel.  
18 Agricultural ethyl alcohol produced for use as a motor vehicle fuel shall  
19 be considered a motor vehicle fuel. Motor vehicle fuel shall not include  
20 the products commonly known as methanol, kerosene oil, kerosene  
21 distillate, crude petroleum, naphtha, and benzine with a boiling point  
22 over two hundred degrees Fahrenheit, residuum gas oil, smudge oil, leaded  
23 automotive racing fuel with an American Society of Testing Materials  
24 research method octane number in excess of one hundred five, and any  
25 petroleum product with an initial boiling point under two hundred degrees  
26 Fahrenheit, a ninety-five percent distillation (recovery) temperature in  
27 excess of four hundred sixty-four degrees Fahrenheit, an American Society  
28 of Testing Materials research method octane number less than seventy, and  
29 an end or dry point of distillation of five hundred seventy degrees  
30 Fahrenheit maximum;

31 (3) Agricultural ethyl alcohol shall mean ethyl alcohol produced

1 from cereal grains or agricultural commodities grown within the  
2 continental United States and which is a finished product that is a  
3 nominally anhydrous ethyl alcohol meeting American Society for Testing  
4 and Materials D4806 standards. For the purpose of sections 66-482 to  
5 66-4,149, the purity of the ethyl alcohol shall be determined excluding  
6 denaturant and the volume of alcohol blended with gasoline for motor  
7 vehicle fuel shall include the volume of any denaturant required pursuant  
8 to law;

9 (4) Alcohol blend shall mean a blend of agricultural ethyl alcohol  
10 in gasoline or other motor vehicle fuel, such blend to contain not less  
11 than five percent by volume of alcohol;

12 (5) Supplier shall mean any person who owns motor fuels imported by  
13 barge, barge line, or pipeline and stored at a barge, barge line, or  
14 pipeline terminal in this state;

15 (6) Distributor shall mean any person who acquires ownership of  
16 motor fuels directly from a producer or supplier at or from a barge,  
17 barge line, pipeline terminal, or ethanol or biodiesel facility in this  
18 state;

19 (7) Wholesaler shall mean any person, other than a producer,  
20 supplier, distributor, or importer, who acquires motor fuels for resale;

21 (8) Retailer shall mean any person who acquires motor fuels from a  
22 producer, supplier, distributor, wholesaler, or importer for resale to  
23 consumers of such fuel;

24 (9) Importer shall mean any person who owns motor fuels at the time  
25 such fuels enter the State of Nebraska by any means other than barge,  
26 barge line, or pipeline. Importer shall not include a person who imports  
27 motor fuels in a tank directly connected to the engine of a motor  
28 vehicle, train, watercraft, or airplane for purposes of providing fuel to  
29 the engine to which the tank is connected;

30 (10) Exporter shall mean any person who acquires ownership of motor  
31 fuels from any licensed producer, supplier, distributor, wholesaler, or

1 importer exclusively for use or resale in another state;

2 (11) Gross gallons shall mean measured gallons without adjustment or  
3 correction for temperature or barometric pressure;

4 (12) Diesel fuel shall mean all combustible liquids and biodiesel  
5 which are suitable for the generation of power for diesel-powered  
6 vehicles, except that diesel fuel shall not include kerosene;

7 (13) Compressed fuel shall mean any fuel defined as compressed fuel  
8 in section 66-6,100;

9 (14) Person shall mean any individual, firm, partnership, limited  
10 liability company, company, agency, association, corporation, state,  
11 county, municipality, or other political subdivision. Whenever a fine or  
12 imprisonment is prescribed or imposed in sections 66-482 to 66-4,149, the  
13 word person as applied to a partnership, a limited liability company, or  
14 an association shall mean the partners or members thereof;

15 (15) Department shall mean the ~~Motor Fuel Tax Enforcement and~~  
16 ~~Collection Division of the~~ Department of Revenue;

17 (16) Semiannual period shall mean either the period which begins on  
18 January 1 and ends on June 30 of each year or the period which begins on  
19 July 1 and ends on December 31 of each year;

20 (17) Producer shall mean any person who manufactures agricultural  
21 ethyl alcohol or biodiesel at an ethanol or biodiesel facility in this  
22 state;

23 (18) Highway shall mean every way or place generally open to the use  
24 of the public for the purpose of vehicular travel, even though such way  
25 or place may be temporarily closed or travel thereon restricted for the  
26 purpose of construction, maintenance, repair, or reconstruction;

27 (19) Kerosene shall mean kerosene meeting the specifications as  
28 found in the American Society for Testing and Materials publication D3699  
29 entitled Standard Specifications for Kerosene;

30 (20) Biodiesel shall mean mono-alkyl esters of long chain fatty  
31 acids derived from vegetable oils or animal fats which conform to

1 American Society for Testing and Materials D6751 specifications for use  
2 in diesel engines. Biodiesel refers to the pure fuel before blending with  
3 diesel fuel;

4 (21) Motor fuels shall mean motor vehicle fuel, diesel fuel,  
5 aircraft fuel, or compressed fuel;

6 (22) Ethanol facility shall mean a plant which produces agricultural  
7 ethyl alcohol; and

8 (23) Biodiesel facility shall mean a plant which produces biodiesel.

9 Sec. 4. Section 66-4,143, Reissue Revised Statutes of Nebraska, is  
10 amended to read:

11 66-4,143 (1) The materiel administrator of the Department of  
12 Administrative Services shall on or before the tenth day of the fifth  
13 calendar month following the end of a semiannual period submit to the  
14 ~~Motor Fuel Tax Enforcement and Collection Division of the~~ Department of  
15 Revenue a report providing the total cost and number of gallons of motor  
16 fuels purchased by the State of Nebraska during the preceding month. In  
17 providing such information, the materiel administrator shall total only  
18 those purchases which were fifty or more gallons and shall separately  
19 identify the amount of any state or federal tax which was included in the  
20 price paid.

21 (2) The Department of Revenue ~~department~~ shall provide any  
22 assistance the materiel administrator may need in performing his or her  
23 duties under this section.

24 Sec. 5. Section 66-6,101, Reissue Revised Statutes of Nebraska, is  
25 amended to read:

26 66-6,101 Department means the ~~Motor Fuel Tax Enforcement and~~  
27 ~~Collection Division of the~~ Department of Revenue.

28 Sec. 6. Section 66-712, Reissue Revised Statutes of Nebraska, is  
29 amended to read:

30 66-712 For purposes of the Compressed Fuel Tax Act and sections  
31 66-482 to 66-4,149, 66-501 to 66-531, and 66-712 to 66-736:

1 (1) Department means the ~~Motor Fuel Tax Enforcement and Collection~~  
2 ~~Division of the~~ Department of Revenue;

3 (2) Motor fuel means any fuel defined as motor vehicle fuel in  
4 section 66-482, any fuel defined as diesel fuel in section 66-482, and  
5 any fuel defined as compressed fuel in section 66-6,100;

6 (3) Motor fuel laws means the Compressed Fuel Tax Act and sections  
7 66-482 to 66-4,149, 66-501 to 66-531, and 66-712 to 66-736; and

8 (4) Person means any individual, firm, partnership, limited  
9 liability company, company, agency, association, corporation, state,  
10 county, municipality, or other political subdivision. Whenever a fine,  
11 imprisonment, or both are prescribed or imposed in sections 66-712 to  
12 66-736, the word person as applied to a partnership, a limited liability  
13 company, or an association means the partners or members thereof.

14 Sec. 7. Section 66-718, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 66-718 (1) The department may require such other information as it  
17 deems necessary on any report, return, or other statement under the motor  
18 fuel laws.

19 (2) The Tax Commissioner may require any of the reports, returns, or  
20 other filings due from any motor fuels licensees to be filed  
21 electronically.

22 (3) The department shall prescribe the formats or procedures for  
23 electronic filing. To the extent not inconsistent with requirements of  
24 the motor fuel laws, the department shall adopt formats and procedures  
25 that are consistent with other states requiring electronic reporting of  
26 motor fuel information.

27 (4) Any person who does not file electronically when required or who  
28 fails to use the prescribed formats and procedures shall be considered to  
29 have not filed the return, report, or other filing.

30 (5) For purposes of the electronic funds transfer requirements  
31 contained in section 77-1784, motor vehicle fuel tax, diesel fuel tax,



1 compressed fuel tax, and all other fuel-related tax programs administered  
2 by the department ~~Motor Fuel Tax Enforcement and Collection Division~~  
3 shall be considered as comprising one tax program.

4 Sec. 8. Section 66-739, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6 66-739 There is hereby created the Motor Fuel Tax Enforcement and  
7 Collection Cash Fund. Such fund shall consist of appropriations to the  
8 fund and money transferred to it pursuant to section 39-2215. The fund  
9 shall be used exclusively for the costs of the Department of Revenue in  
10 carrying out its duties under the Compressed Fuel Tax Act, the Petroleum  
11 Release Remedial Action Act, the State Aeronautics Act, and sections  
12 66-482 to 66-4,149, 66-501 to 66-531, and 66-712 to 66-736 ~~Motor Fuel Tax~~  
13 ~~Enforcement and Collection Division created by section 66-738~~ and other  
14 related costs for the Department of Agriculture, and the Nebraska State  
15 Patrol, ~~and functional areas of the Department of Revenue as provided by~~  
16 ~~such section,~~ except that transfers may be made from the fund to the  
17 General Fund at the direction of the Legislature. Any money in the Motor  
18 Fuel Tax Enforcement and Collection Cash Fund available for investment  
19 shall be invested by the state investment officer pursuant to the  
20 Nebraska Capital Expansion Act and the Nebraska State Funds Investment  
21 Act.

22 Sec. 9. Section 66-1521, Reissue Revised Statutes of Nebraska, is  
23 amended to read:

24 66-1521 (1) A petroleum release remedial action fee is hereby  
25 imposed upon the producer, refiner, importer, distributor, wholesaler, or  
26 supplier who engages in the sale, distribution, delivery, and use of  
27 petroleum within this state, except that the fee shall not be imposed on  
28 petroleum that is exported. The fee shall also be imposed on diesel fuel  
29 which is indelibly dyed. The amount of the fee shall be nine-tenths of  
30 one cent per gallon on motor vehicle fuel as defined in section 66-482  
31 and three-tenths of one cent per gallon on diesel fuel as defined in

1 section 66-482. The amount of the fee shall be used first for payment of  
2 claims approved by the State Claims Board pursuant to section 66-1531;  
3 second, up to three million dollars of the fee per year shall be used for  
4 reimbursement of owners and operators under the Petroleum Release  
5 Remedial Action Act for investigations of releases ordered pursuant to  
6 section 81-15,124; and third, the remainder of the fee shall be used for  
7 any other purpose authorized by section 66-1519. The fee shall be paid by  
8 all producers, refiners, importers, distributors, wholesalers, and  
9 suppliers subject to the fee by filing a monthly return on or before the  
10 twentieth day of the calendar month following the monthly period to which  
11 it relates. The pertinent provisions, specifically including penalty  
12 provisions, of the motor fuel laws as defined in section 66-712 shall  
13 apply to the administration and collection of the fee except for the  
14 treatment given refunds. There shall be a refund allowed on any fee paid  
15 on petroleum which was taxed and then exported, destroyed, or purchased  
16 for use by the United States Government or its agencies. The department  
17 may also adjust for all errors in the payment of the fee. In each  
18 calendar year, no claim for refund related to the fee can be for an  
19 amount less than ten dollars.

20 (2) No producer, refiner, importer, distributor, wholesaler, or  
21 supplier shall engage in the sale, distribution, delivery, or use of  
22 petroleum in this state without having first obtained a petroleum release  
23 remedial action license. Application for a license shall be made to the  
24 ~~Motor Fuel Tax Enforcement and Collection Division~~ of the Department of  
25 Revenue upon a form prepared and furnished by the Department of Revenue  
26 ~~division~~. If the applicant is an individual, the application shall  
27 include the applicant's social security number. Failure to obtain a  
28 license prior to engaging in the sale, distribution, delivery, or use of  
29 petroleum shall be a Class IV misdemeanor. The Department of Revenue  
30 ~~division~~ may suspend or cancel the license of any producer, refiner,  
31 importer, distributor, wholesaler, or supplier who fails to pay the fee

1 imposed by subsection (1) of this section in the same manner as licenses  
2 are suspended or canceled pursuant to section 66-720.

3 (3) The Department of Revenue ~~division~~ may adopt and promulgate  
4 rules and regulations necessary to carry out this section.

5 (4) The Department of Revenue ~~division~~ shall deduct and withhold  
6 from the petroleum release remedial action fee collected pursuant to this  
7 section an amount sufficient to reimburse the direct costs of collecting  
8 and administering the petroleum release remedial action fee. Such costs  
9 shall not exceed one hundred fifty thousand dollars for each fiscal year.  
10 The one hundred fifty thousand dollars shall be prorated, based on the  
11 number of months the fee is collected, whenever the fee is collected for  
12 only a portion of a year. The amount deducted and withheld for costs  
13 shall be deposited in the Petroleum Release Remedial Action Collection  
14 Fund which is hereby created. The Petroleum Release Remedial Action  
15 Collection Fund shall be appropriated to the Department of Revenue,  
16 except that transfers may be made from the fund to the General Fund at  
17 the direction of the Legislature. Any money in the Petroleum Release  
18 Remedial Action Collection Fund available for investment shall be  
19 invested by the state investment officer pursuant to the Nebraska Capital  
20 Expansion Act and the Nebraska State Funds Investment Act.

21 (5) The Department of Revenue ~~division~~ shall collect the fee imposed  
22 by subsection (1) of this section.

23 Sec. 10. Section 77-101, Reissue Revised Statutes of Nebraska, is  
24 amended to read:

25 77-101 For purposes of Chapter 77 and any statutes dealing with  
26 taxation, unless the context otherwise requires, the definitions found in  
27 sections 77-102 to 77-132 and section 11 of this act shall be used.

28 Sec. 11. Destroyed real property means real property that is  
29 destroyed by fire or other natural disaster after January 1 and before  
30 October 1 of any year.

31 Sec. 12. It shall be the duty of the county assessor to report to

1 the county board of equalization all real property in his or her county  
2 that becomes destroyed real property during any year. The assessment of  
3 the destroyed real property shall be made by the county board of  
4 equalization in accordance with section 13 of this act. After county  
5 board of equalization action pursuant to section 13 of this act, the  
6 county assessor shall correct the assessment and tax rolls as provided in  
7 section 77-1613.02.

8       Sec. 13. (1) If the county board of equalization receives a report  
9 of destroyed real property pursuant to section 12 of this act, the county  
10 board of equalization shall adjust the assessed value of the destroyed  
11 real property to an amount equal to the sum of the following three  
12 numbers:

13       (a) The assessed value of the real property before it became  
14 destroyed real property multiplied by a percentage representing the  
15 portion of the year during which the property was intact and had not yet  
16 been destroyed;

17       (b) The assessed value of the destroyed real property, as of the  
18 date of its destruction, multiplied by a percentage representing the  
19 portion of the year during which the property was destroyed and no  
20 replacement property had yet been completed; and

21       (c) The assessed value of any replacement property, as of the date  
22 of completion of construction of such replacement property, multiplied by  
23 a percentage representing the portion of the year during which  
24 construction of such replacement property was complete.

25       (2) The county board of equalization may meet at any time for the  
26 purpose of adjusting the assessed value of destroyed real property  
27 pursuant to this section. Action of the county board of equalization  
28 pursuant to this section shall be for the current assessment year only.

29       (3) The county board of equalization shall give notice of the  
30 assessed value of the destroyed real property to the record owner or  
31 agent at his or her last-known address. Protests of the assessed value

1 proposed for destroyed real property pursuant to this section shall be  
2 filed with the county board of equalization within thirty days after the  
3 mailing of the notice. All provisions of section 77-1502 except dates for  
4 filing a protest, the period for hearing protests, and the date for  
5 mailing notice of the county board of equalization's decision are  
6 applicable to any protest filed pursuant to this section. The county  
7 board of equalization shall issue its decision on the protest within  
8 thirty days after the filing of the protest. Within seven days after the  
9 county board of equalization's final decision, the county clerk shall  
10 mail to the protester written notice of the decision. The notice shall  
11 contain a statement advising the protester that a report of the decision  
12 is available at the county clerk's or county assessor's office, whichever  
13 is appropriate.

14 (4) The action of the county board of equalization upon a protest  
15 filed pursuant to this section may be appealed to the Tax Equalization  
16 and Review Commission within thirty days after the board's final  
17 decision.

18 Sec. 14. Section 77-202.03, Reissue Revised Statutes of Nebraska, is  
19 amended to read:

20 77-202.03 (1) A properly granted exemption of real or tangible  
21 personal property, except real property used for cemetery purposes,  
22 provided for in subdivisions (1)(c) and (d) of section 77-202 shall  
23 continue for a period of four years if the statement of reaffirmation of  
24 exemption required by subsection (2) of this section is filed when due.  
25 The four-year period shall begin with years evenly divisible by four.

26 (2) In each intervening year occurring between application years,  
27 the organization or society which filed the granted exemption application  
28 for the real or tangible personal property, except real property used for  
29 cemetery purposes, shall file a statement of reaffirmation of exemption  
30 with the county assessor on or before December 31 of the year preceding  
31 the year for which the exemption is sought, on forms prescribed by the

1 Tax Commissioner, certifying that the ownership and use of the exempted  
2 property has not changed during the year. Any organization or society  
3 which misses the December 31 deadline for filing the statement of  
4 reaffirmation of exemption may file the statement of reaffirmation of  
5 exemption by June 30. Such filing shall maintain the tax-exempt status of  
6 the property without further action by the county and regardless of any  
7 previous action by the county board of equalization to deny the exemption  
8 due to late filing of the statement of reaffirmation of exemption. Upon  
9 any such late filing, the county assessor shall assess a penalty against  
10 the property of ten percent of the tax that would have been assessed had  
11 the statement of reaffirmation of exemption not been filed or one hundred  
12 dollars, whichever is less, for each calendar month or fraction thereof  
13 for which the filing of the statement of reaffirmation of exemption is  
14 late. The penalty shall be collected and distributed in the same manner  
15 as a tax on the property and interest shall be assessed at the rate  
16 specified in section 45-104.01, as such rate may from time to time be  
17 adjusted by the Legislature, from the date the tax would have been  
18 delinquent until paid. The penalty shall also become a lien in the same  
19 manner as a tax pursuant to section 77-203.

20 (3)(a) If any organization or society seeks a tax exemption for any  
21 real or tangible personal property acquired on or after January 1 of any  
22 year or converted to exempt use on or after January 1 of any year, the  
23 organization or society shall make application for exemption on or before  
24 July 1 of that year as provided in subsection (1) of section 77-202.01.  
25 The procedure for reviewing the application shall be as in sections  
26 77-202.01 to 77-202.05, except that the exempt use shall be determined as  
27 of the date of application and the review by the county board of  
28 equalization shall be completed by August 15.

29 (b) If an organization as described in subdivision (1)(c) or (d) of  
30 section 77-202 purchases, between July 1 and the levy date, property that  
31 has been granted tax exemption and the property continues to be qualified

1 for a property tax exemption, the purchaser shall on or before November  
2 15 make application for exemption as provided in section 77-202.01. The  
3 procedure for reviewing the application shall be as in sections 77-202.01  
4 to 77-202.05, and the review by the county board of equalization shall be  
5 completed by December 15.

6 (4) In any year, the county assessor or the county board of  
7 equalization may cause a review of any exemption to determine whether the  
8 exemption is proper. Such a review may be taken even if the ownership or  
9 use of the property has not changed from the date of the allowance of the  
10 exemption. If it is determined that a change in an exemption is  
11 warranted, the procedure for hearing set out in section 77-202.02 shall  
12 be followed, except that the published notice shall state that the list  
13 provided in the county assessor's office only includes those properties  
14 being reviewed. If an exemption is denied, the county board of  
15 equalization shall place the property on the tax rolls retroactive to  
16 January 1 of that year if on the date of the decision of the county board  
17 of equalization the property no longer qualifies for an exemption.

18 The county board of equalization shall give notice of the assessed  
19 value of the real property in the same manner as outlined in section  
20 77-1507, and the procedures for filing a protest shall be the same as  
21 those in section 77-1502.

22 When personal property which was exempt becomes taxable because of  
23 lost exemption status, the owner or his or her agent has thirty days  
24 after the date of denial to file a personal property return with the  
25 county assessor. Upon the expiration of the thirty days for filing a  
26 personal property return pursuant to this subsection, the county assessor  
27 shall proceed to list and value the personal property and apply the  
28 penalty pursuant to section 77-1233.04.

29 (5) During the month of September of each year, the county board of  
30 equalization shall cause to be published in a paper of general  
31 circulation in the county a list of all real estate in the county exempt

1 from taxation for that year pursuant to subdivisions (1)(c) and (d) of  
2 section 77-202. Such list shall be grouped into categories as provided by  
3 the Property Tax Administrator. An electronic A copy of the list of real  
4 property exemptions and a copy of the proof of publication shall be  
5 forwarded to the Property Tax Administrator on or before November 1 of  
6 each year.

7 Sec. 15. Section 77-377.02, Reissue Revised Statutes of Nebraska, is  
8 amended to read:

9 77-377.02 (1) Fees for services, reimbursements, or other  
10 remuneration to such collection agency shall be based on the amount of  
11 tax, penalty, and interest actually collected and shall not be subject to  
12 the requirements of section 73-203 or 73-204. Each contract entered into  
13 between the Tax Commissioner and the collection agency shall provide for  
14 the payment of fees for such services, reimbursements, or other  
15 remuneration not in excess of fifty percent of the total amount of  
16 delinquent taxes, penalties, and interest actually collected.

17 (2) All funds collected, less the fees for collection services as  
18 provided in the contract, shall be remitted to the Tax Commissioner  
19 within forty-five days from the date of collection from a taxpayer. Forms  
20 to be used for such remittances shall be prescribed by the Tax  
21 Commissioner.

22 Sec. 16. Section 77-702, Reissue Revised Statutes of Nebraska, is  
23 amended to read:

24 77-702 (1) The Governor shall appoint a Property Tax Administrator  
25 with the approval of a majority of the members of the Legislature. The  
26 Property Tax Administrator shall have experience and training in the  
27 fields of taxation and property appraisal and shall meet all the  
28 qualifications required for members of the Tax Equalization and Review  
29 Commission under subsections (1) and (2) of section 77-5004. ~~The Property~~  
30 ~~Tax Administrator shall adopt and promulgate rules and regulations to~~  
31 ~~carry out his or her duties through June 30, 2007. Rules, regulations,~~



1 ~~and forms of the Property Tax Administrator in effect on July 1, 2007,~~  
2 ~~shall be valid rules, regulations, and forms of the Department of Revenue~~  
3 ~~beginning on July 1, 2007.~~

4 (2) In addition to any duties, powers, or responsibilities otherwise  
5 conferred upon the Property Tax Administrator, he or she shall administer  
6 and enforce all laws related to the state supervision of local property  
7 tax administration and the central assessment of property subject to  
8 property taxation. The Property Tax Administrator shall also advise  
9 county assessors regarding the administration and assessment of taxable  
10 property within the state and measure assessment performance in order to  
11 determine the accuracy and uniformity of assessments.

12 Sec. 17. Section 77-1239, Reissue Revised Statutes of Nebraska, is  
13 amended to read:

14 77-1239 (1) Reimbursement to taxing subdivisions for tax revenue  
15 that will be lost because of the personal property tax exemptions allowed  
16 in subsection (1) of section 77-1238 shall be as provided in this  
17 subsection. The county assessor and county treasurer shall, on or before  
18 November 30 of each year, certify to the Tax Commissioner, on forms  
19 prescribed by the Tax Commissioner, the total tax revenue that will be  
20 lost to all taxing subdivisions within his or her county from taxes  
21 levied and assessed in that year because of the personal property tax  
22 exemptions allowed in subsection (1) of section 77-1238. The county  
23 assessor and county treasurer may amend the certification to show any  
24 change or correction in the total tax revenue that will be lost until May  
25 30 of the next succeeding year. The Tax Commissioner shall, on or before  
26 January 1 next following the certification, notify the Director of  
27 Administrative Services of the amount so certified to be reimbursed by  
28 the state. Reimbursement of the tax revenue lost shall be made to each  
29 county according to the certification and shall be distributed in two  
30 approximately equal installments on the last business day of February and  
31 the last business day of June. The State Treasurer shall, on the business

1 day preceding the last business day of February and the last business day  
2 of June, notify the Director of Administrative Services of the amount of  
3 funds available in the General Fund to pay the reimbursement. The  
4 Director of Administrative Services shall, on the last business day of  
5 February and the last business day of June, draw warrants against funds  
6 appropriated. Out of the amount received, the county treasurer shall  
7 distribute to each of the taxing subdivisions within his or her county  
8 the full tax revenue lost by each subdivision, except that one percent of  
9 such amount shall be deposited in the county general fund.

10 (2) Reimbursement to taxing subdivisions for tax revenue that will  
11 be lost because of the compensating exemption factor in subsection (2) of  
12 section 77-1238 shall be as provided in this subsection. The Property Tax  
13 Administrator shall establish the average tax rate that will be used for  
14 purposes of reimbursing taxing subdivisions pursuant to this subsection.  
15 The average tax rate shall be equal to the total property taxes levied in  
16 the state divided by the total taxable value of all taxable property in  
17 the state as certified pursuant to section 77-1613.01. The ~~Tax~~  
18 ~~Commissioner shall certify, on or before January 30 of each year, to the~~  
19 ~~Director of Administrative Services~~ the total valuation that will be lost  
20 to all taxing subdivisions within each county because of the compensating  
21 exemption factor in subsection (2) of section 77-1238. ~~Such amount,~~  
22 multiplied by the average tax rate calculated pursuant to this  
23 subsection, shall be the tax revenue to be reimbursed to the taxing  
24 subdivisions by the state. Reimbursement of the tax revenue lost for  
25 public service entities shall be made to each county according to the  
26 certification and shall be distributed among the taxing subdivisions  
27 within each county in the same proportion as all public service entity  
28 taxes levied by the taxing subdivisions. Reimbursement of the tax revenue  
29 lost for railroads shall be made to each county according to the  
30 certification and shall be distributed among the taxing subdivisions  
31 within each county in the same proportion as all railroad taxes levied by

1 taxing subdivisions. Reimbursement of the tax revenue lost for car line  
2 companies shall be distributed in the same manner as the taxes collected  
3 pursuant to section 77-684. Reimbursement of the tax revenue lost for air  
4 carriers shall be distributed in the same manner as the taxes collected  
5 pursuant to section 77-1250.

6 (3) Each taxing subdivision shall, in preparing its annual or  
7 biennial budget, take into account the amounts to be received under this  
8 section.

9 Sec. 18. Section 77-2716.01, Reissue Revised Statutes of Nebraska,  
10 is amended to read:

11 77-2716.01 (1)(a) Through tax year 2017, every individual shall be  
12 allowed to subtract from his or her income tax liability an amount for  
13 personal exemptions. The amount allowed to be subtracted shall be the  
14 credit amount for the year as provided in this subdivision multiplied by  
15 the number of exemptions allowed on the federal return. For tax year  
16 1993, the credit amount shall be sixty-five dollars; for tax year 1994,  
17 the credit amount shall be sixty-nine dollars; for tax year 1995, the  
18 credit amount shall be sixty-nine dollars; for tax year 1996, the credit  
19 amount shall be seventy-two dollars; for tax year 1997, the credit amount  
20 shall be eighty-six dollars; for tax year 1998, the credit amount shall  
21 be eighty-eight dollars; for tax year 1999, and each year thereafter  
22 through tax year 2017, the credit amount shall be adjusted for inflation  
23 by the method provided in section 151 of the Internal Revenue Code of  
24 1986, as it existed prior to December 22, 2017. The eighty-eight-dollar  
25 credit amount shall be adjusted for cumulative inflation since 1998. If  
26 any credit amount is not an even dollar amount, the amount shall be  
27 rounded to the nearest dollar. For nonresident individuals and partial-  
28 year resident individuals, the personal exemption credit shall be  
29 subtracted as specified in subsection (3) of section 77-2715.

30 (b) Beginning with tax year 2018, every individual, except an  
31 individual that can be claimed for a child credit or dependent credit on

1 the federal return of another taxpayer, shall be allowed to subtract from  
2 his or her income tax liability an amount for personal exemptions. The  
3 amount allowed to be subtracted shall be the credit amount for the year  
4 as provided in this subdivision multiplied by the sum of the number of  
5 child credits and dependent credits taken on the federal return, plus two  
6 for a married filing jointly return or plus one for any other ~~a single or~~  
7 ~~head of household~~ return. For tax year 2018, the credit amount shall be  
8 one hundred thirty-four dollars. For tax year 2019 and each tax year  
9 thereafter, the credit amount shall be adjusted for inflation based on  
10 the percentage change in the Consumer Price Index for All Urban Consumers  
11 published by the federal Bureau of Labor Statistics from the twelve  
12 months ending on August 31, 2017, to the twelve months ending on August  
13 31 of the year preceding the taxable year. If any credit amount is not an  
14 even dollar amount, the amount shall be rounded to the nearest dollar.  
15 For nonresident individuals and partial-year resident individuals, the  
16 personal exemption credit shall be subtracted as specified in subsection  
17 (3) of section 77-2715.

18 (2)(a) For tax years beginning or deemed to begin on or after  
19 January 1, 2003, and before January 1, 2004, under the Internal Revenue  
20 Code of 1986, as amended, every individual who did not itemize deductions  
21 on his or her federal return shall be allowed to subtract from federal  
22 adjusted gross income a standard deduction based on the filing status  
23 used on the federal return except as the amount is adjusted under section  
24 77-2716.03. The standard deduction shall be the smaller of the federal  
25 standard deduction actually allowed or (i) for single taxpayers four  
26 thousand seven hundred fifty dollars, (ii) for head of household  
27 taxpayers seven thousand dollars, (iii) for married filing jointly  
28 taxpayers seven thousand nine hundred fifty dollars, and (iv) for married  
29 filing separately taxpayers three thousand nine hundred seventy-five  
30 dollars. Taxpayers who are allowed additional federal standard deduction  
31 amounts because of age or blindness shall be allowed an increase in the

1 Nebraska standard deduction for each additional amount allowed on the  
2 federal return. The additional amounts shall be for married taxpayers,  
3 nine hundred fifty dollars, and for single or head of household  
4 taxpayers, one thousand one hundred fifty dollars.

5 (b) For tax years beginning or deemed to begin on or after January  
6 1, 2007, and before January 1, 2018, under the Internal Revenue Code of  
7 1986, as amended, every individual who did not itemize deductions on his  
8 or her federal return shall be allowed to subtract from federal adjusted  
9 gross income a standard deduction based on the filing status used on the  
10 federal return. The standard deduction shall be the smaller of the  
11 federal standard deduction actually allowed or (i) for single taxpayers  
12 three thousand dollars and (ii) for head of household taxpayers four  
13 thousand four hundred dollars. The standard deduction for married filing  
14 jointly taxpayers shall be double the standard deduction for single  
15 taxpayers, and for married filing separately taxpayers, the standard  
16 deduction shall be the same as single taxpayers. Taxpayers who are  
17 allowed additional federal standard deduction amounts because of age or  
18 blindness shall be allowed an increase in the Nebraska standard deduction  
19 for each additional amount allowed on the federal return. The additional  
20 amounts shall be for married taxpayers six hundred dollars and for single  
21 or head of household taxpayers seven hundred fifty dollars. The amounts  
22 in this subdivision will be indexed using 1987 as the base year.

23 (c) For tax years beginning or deemed to begin on or after January  
24 1, 2007, and before January 1, 2018, the standard deduction amounts,  
25 including the additional standard deduction amounts, in this subsection  
26 shall be adjusted for inflation by the method provided in section 151 of  
27 the Internal Revenue Code of 1986, as it existed prior to December 22,  
28 2017. If any amount is not a multiple of fifty dollars, the amount shall  
29 be rounded to the next lowest multiple of fifty dollars.

30 (3)(a) For tax years beginning or deemed to begin on or after  
31 January 1, 2018, every individual who did not itemize deductions on his

1 or her federal return shall be allowed to subtract from federal adjusted  
2 gross income a standard deduction based on the filing status used on the  
3 federal return. The standard deduction shall be the smaller of the  
4 federal standard deduction actually allowed or (i) six thousand seven  
5 hundred fifty dollars for single taxpayers and (ii) nine thousand nine  
6 hundred dollars for head of household taxpayers. The standard deduction  
7 for married filing jointly taxpayers or qualifying widows or widowers  
8 shall be double the standard deduction for single taxpayers, and the  
9 standard deduction for married filing separately taxpayers shall be the  
10 same as the standard deduction for single taxpayers. Taxpayers who are  
11 allowed additional federal standard deduction amounts because of age or  
12 blindness shall be allowed an increase in the Nebraska standard deduction  
13 for each additional amount allowed on the federal return. The additional  
14 amounts shall be one thousand three hundred dollars for married taxpayers  
15 and one thousand six hundred dollars for single or head of household  
16 taxpayers.

17 (b) For tax years beginning or deemed to begin on or after January  
18 1, 2019, the standard deduction amounts, including the additional  
19 standard deduction amounts, in this subsection shall be adjusted for  
20 inflation based on the percentage change in the Consumer Price Index for  
21 All Urban Consumers published by the federal Bureau of Labor Statistics  
22 from the twelve months ending on August 31, 2017, to the twelve months  
23 ending on August 31 of the year preceding the taxable year. If any amount  
24 is not a multiple of fifty dollars, the amount shall be rounded to the  
25 next lowest multiple of fifty dollars.

26 (4) Every individual who itemized deductions on his or her federal  
27 return shall be allowed to subtract from federal adjusted gross income  
28 the greater of either the standard deduction allowed in this section or  
29 his or her federal itemized deductions as defined in section 63(d) of the  
30 Internal Revenue Code of 1986, as amended, except for the amount for  
31 state or local income taxes included in federal itemized deductions

1 before any federal disallowance.

2 Sec. 19. Section 77-2734.01, Reissue Revised Statutes of Nebraska,  
3 is amended to read:

4 77-2734.01 (1) Residents of Nebraska who are shareholders of a small  
5 business corporation having an election in effect under subchapter S of  
6 the Internal Revenue Code or who are members of a limited liability  
7 company organized pursuant to the Nebraska Uniform Limited Liability  
8 Company Act shall include in their Nebraska taxable income, to the extent  
9 includable in federal gross income, their proportionate share of such  
10 corporation's or limited liability company's federal income adjusted  
11 pursuant to this section. Income or loss from such corporation or limited  
12 liability company conducting a business, trade, profession, or occupation  
13 shall be included in the Nebraska taxable income of a shareholder or  
14 member who is a resident of this state to the extent of such  
15 shareholder's or member's proportionate share of the net income or loss  
16 from the conduct of such business, trade, profession, or occupation  
17 within this state, determined under subsection (2) of this section. A  
18 resident of Nebraska shall include in Nebraska taxable income fair  
19 compensation for services rendered to such corporation or limited  
20 liability company. Compensation actually paid shall be presumed to be  
21 fair unless it is apparent to the Tax Commissioner that such compensation  
22 is materially different from fair value for the services rendered or has  
23 been manipulated for tax avoidance purposes.

24 (2) The income of any small business corporation having an election  
25 in effect under subchapter S of the Internal Revenue Code or limited  
26 liability company organized pursuant to the Nebraska Uniform Limited  
27 Liability Company Act that is derived from or connected with Nebraska  
28 sources shall be determined in the following manner:

29 (a) If the small business corporation is a member of a unitary  
30 group, the small business corporation shall be deemed to be doing  
31 business within this state if any part of its income is derived from

1 transactions with other members of the unitary group doing business  
2 within this state, and such corporation shall apportion its income by  
3 using the apportionment factor determined for the entire unitary group,  
4 including the small business corporation, under sections 77-2734.05 to  
5 77-2734.15;

6 (b) If the small business corporation or limited liability company  
7 is not a member of a unitary group and is subject to tax in another  
8 state, it shall apportion its income under sections 77-2734.05 to  
9 77-2734.15; and

10 (c) If the small business corporation or limited liability company  
11 is not subject to tax in another state, all of its income is derived from  
12 or connected with Nebraska sources.

13 (3) Nonresidents of Nebraska who are shareholders of such  
14 corporations or members of such limited liability companies shall file a  
15 Nebraska income tax return and shall include in Nebraska adjusted gross  
16 income their proportionate share of the corporation's or limited  
17 liability company's Nebraska income as determined under subsection (2) of  
18 this section.

19 (4) The nonresident shareholder or member shall execute and forward  
20 to the corporation or limited liability company before the filing of the  
21 corporation's or limited liability company's return an agreement which  
22 states he or she will file a Nebraska income tax return and pay the tax  
23 on the income derived from or connected with sources in this state, and  
24 such agreement shall be attached to the corporation's or limited  
25 liability company's Nebraska return for such taxable year.

26 (5) For taxable years beginning or deemed to begin before January 1,  
27 2013, in the absence of the nonresident shareholder's or member's  
28 executed agreement being attached to the Nebraska return, the corporation  
29 or limited liability company shall remit with the return an amount equal  
30 to the highest individual income tax rate determined under section  
31 77-2715.02 multiplied by the nonresident shareholder's or member's share



1 of the corporation's or limited liability company's income which was  
2 derived from or attributable to this state. For taxable years beginning  
3 or deemed to begin on or after January 1, 2013, in the absence of the  
4 nonresident shareholder's or member's executed agreement being attached  
5 to the Nebraska return, the corporation or limited liability company  
6 shall remit with the return an amount equal to the highest individual  
7 income tax rate determined under section 77-2715.03 multiplied by the  
8 nonresident shareholder's or member's share of the corporation's or  
9 limited liability company's income which was derived from or attributable  
10 to this state. The amount remitted shall be allowed as a credit against  
11 the Nebraska income tax liability of the shareholder or member.

12 (6) The Tax Commissioner may allow a nonresident individual  
13 shareholder or member to not file a Nebraska income tax return if the  
14 nonresident individual shareholder's or member's only source of Nebraska  
15 income was his or her share of the small business corporation's or  
16 limited liability company's income which was derived from or attributable  
17 to sources within this state, the nonresident did not file an agreement  
18 to file a Nebraska income tax return, and the small business corporation  
19 or limited liability company has remitted the amount required by  
20 subsection (5) of this section on behalf of such nonresident individual  
21 shareholder or member. The amount remitted shall be retained in  
22 satisfaction of the Nebraska income tax liability of the nonresident  
23 individual shareholder or member.

24 (7) A small business corporation or limited liability company return  
25 shall be filed ~~only if the small business corporation or limited~~  
26 ~~liability company has income derived from Nebraska sources one or more of~~  
27 ~~the shareholders of the corporation or members of the limited liability~~  
28 ~~company are not residents of the State of Nebraska or if such corporation~~  
29 ~~or limited liability company has income derived from sources outside this~~  
30 ~~state.~~

31 (8) For purposes of this section, any shareholder or member of the

1 corporation or limited liability company that is a grantor trust of a  
2 nonresident shall be disregarded and this section shall apply as though  
3 the nonresident grantor was the shareholder or member.

4 Sec. 20. Section 77-2761, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6 77-2761 An income tax return with respect to the income tax imposed  
7 by the provisions of the Nebraska Revenue Act of 1967 shall be made by  
8 the following:

9 (1) Every resident individual who is required to file a federal  
10 income tax return for the taxable year;

11 (2) Every nonresident individual who has income from Nebraska  
12 ~~sources in this state;~~

13 (3) Every resident estate or trust which is required to file a  
14 federal income tax return except a simple trust not required to file  
15 under subsection (2) of section 77-2717;

16 (4) Every nonresident estate or trust which has taxable income from  
17 Nebraska ~~sources within this state;~~

18 (5) Every corporation or any other entity taxed as a corporation  
19 under the Internal Revenue Code which is required to file a federal  
20 income tax return except the small business corporations not required to  
21 file under subsection (7) of section 77-2734.01;

22 (6) Every limited liability company having ~~one or more nonresident~~  
23 ~~members or with taxable income derived from Nebraska sources outside the~~  
24 ~~state except the limited liability companies not required to file under~~  
25 ~~subsection (7) of section 77-2734.01; and~~

26 (7) Every partnership having ~~one or more nonresident partners or~~  
27 ~~with taxable income derived from Nebraska sources outside the state.~~

28 Sec. 21. Section 77-2773, Reissue Revised Statutes of Nebraska, is  
29 amended to read:

30 77-2773 Every partnership having a ~~nonresident partner or having~~  
31 ~~part of its income derived from Nebraska sources outside the State of~~

1 ~~Nebraska~~, determined in accordance with the applicable rules of section  
2 77-2733 as in the case of a nonresident individual, shall make a return  
3 for the taxable year setting forth such pertinent information as the Tax  
4 Commissioner by rule and regulation may prescribe. Such information may  
5 include, but shall not be limited to, all items of income, gain, loss,  
6 and deduction, the names and addresses of the individuals whether  
7 residents or nonresidents who would be entitled to share in the net  
8 income if distributed, and the amount of the distributive share of each  
9 individual. Such return shall be filed on or before the date prescribed  
10 for filing a federal partnership return. For purposes of this section,  
11 taxable year shall mean a year or period which would be a taxable year of  
12 the partnership if it were subject to tax under the provisions of the  
13 Nebraska Revenue Act of 1967.

14       Sec. 22. Section 77-2776, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16       77-2776 (1) As soon as practical after an income tax return is  
17 filed, the Tax Commissioner shall examine it to determine the correct  
18 amount of tax. If the Tax Commissioner finds that the amount of tax shown  
19 on the return is less than the correct amount, he or she shall notify the  
20 taxpayer of the amount of the deficiency proposed to be assessed. If the  
21 Tax Commissioner finds that the tax paid is more than the correct amount,  
22 he or she shall credit the overpayment against any taxes due by the  
23 taxpayer and refund the difference. The Tax Commissioner shall, upon  
24 request, make prompt assessment of taxes due as provided by the laws of  
25 the United States for federal income tax purposes.

26       (2) If the taxpayer fails to file an income tax return, the Tax  
27 Commissioner shall estimate the taxpayer's tax liability from any  
28 available information and notify the taxpayer of the amount proposed to  
29 be assessed as in the case of a deficiency.

30       (3) A notice of deficiency shall set forth the reason for the  
31 proposed assessment or for the change in the amount of credit or loss to

1 be carried over to another year. The notice may be mailed to the taxpayer  
2 at his or her last-known address. In the case of a joint return, the  
3 notice of deficiency may be a single joint notice, except that if the Tax  
4 Commissioner is notified by either spouse that separate residences have  
5 been established, the Tax Commissioner shall mail joint notices to each  
6 spouse. If the taxpayer is deceased or under a legal disability, a notice  
7 of deficiency may be mailed to his or her last-known address unless the  
8 Tax Commissioner has received notice of the existence of a fiduciary  
9 relationship with respect to such taxpayer.

10 (4) A notice of deficiency regarding an item of entity income may be  
11 mailed to the entity at its last-known address or to the address of the  
12 entity's tax matters person for federal income tax purposes. Such notice  
13 shall be deemed to have been received by each partner, shareholder, or  
14 member of such entity, but only for items of entity income reported by  
15 the partner, shareholder, or member. The actions taken thereon on behalf  
16 of the partnership, limited liability company, small business  
17 corporation, estate, or trust are binding on the partners, members,  
18 shareholders, or beneficiaries.

19 Sec. 23. Section 77-3506, Reissue Revised Statutes of Nebraska, is  
20 amended to read:

21 77-3506 (1) All homesteads in this state shall be assessed for  
22 taxation the same as other property, except that there shall be exempt  
23 from taxation, on any homestead described in subsection (2) of this  
24 section, one hundred percent of the exempt amount.

25 (2) The exemption described in subsection (1) of this section shall  
26 apply to homesteads of:

27 (a) A veteran who was discharged or otherwise separated with a  
28 characterization of honorable or general (under honorable conditions),  
29 who is drawing compensation from the United States Department of Veterans  
30 Affairs because of one hundred percent service-connected disability, and  
31 who is not eligible for total exemption under sections 77-3526 to

1 77-3528, an unremarried surviving spouse of such a veteran, or a  
2 surviving spouse of such a veteran who remarries after attaining the age  
3 of fifty-seven years;

4 (b) An unremarried surviving spouse of any veteran, including a  
5 veteran other than a veteran described in section 80-401.01, who was  
6 discharged or otherwise separated with a characterization of honorable or  
7 general (under honorable conditions) and who died because of a service-  
8 connected disability or a surviving spouse of such a veteran who  
9 remarries after attaining the age of fifty-seven years;

10 (c) An unremarried surviving spouse of a serviceman or servicewoman,  
11 including a veteran other than a veteran described in section 80-401.01,  
12 whose death while on active duty was service-connected or a surviving  
13 spouse of such a serviceman or servicewoman who remarries after attaining  
14 the age of fifty-seven years; and

15 (d) An unremarried surviving spouse of a serviceman or servicewoman  
16 who died while on active duty during the periods described in section  
17 80-401.01 or a surviving spouse of such a serviceman or servicewoman who  
18 remarries after attaining the age of fifty-seven years.

19 (3) Application for exemption under this section shall include  
20 certification of the status set forth in subsection (2) of this section  
21 from the United States Department of Veterans Affairs. Such certification  
22 shall not be required in succeeding years if no change in status has  
23 occurred, except that the county assessor or the Tax Commissioner may  
24 request such certification to verify that no change in status has  
25 occurred.

26 Sec. 24. Section 77-3508, Reissue Revised Statutes of Nebraska, is  
27 amended to read:

28 77-3508 (1)(a) All homesteads in this state shall be assessed for  
29 taxation the same as other property, except that there shall be exempt  
30 from taxation, on any homestead described in subdivision (b) of this  
31 subsection, a percentage of the exempt amount as limited by section

1 77-3506.03. The exemption shall be based on the household income of a  
2 claimant pursuant to subsections (2) through (4) of this section.

3 (b) The exemption described in subdivision (a) of this subsection  
4 shall apply to homesteads of:

5 (i) Veterans as defined in section 80-401.01 who were discharged or  
6 otherwise separated with a characterization of honorable or general  
7 (under honorable conditions) and who are totally disabled by a non-  
8 service-connected accident or illness;

9 (ii) Individuals who have a permanent physical disability and have  
10 lost all mobility so as to preclude locomotion without the use of a  
11 mechanical aid or a prosthetic device as defined in section 77-2704.09  
12 ~~prostheses~~;

13 (iii) Individuals who have undergone amputation of both arms above  
14 the elbow or who have a permanent partial disability of both arms in  
15 excess of seventy-five percent; and

16 (iv) Beginning January 1, 2015, individuals who have a developmental  
17 disability as defined in section 83-1205.

18 (c) Application for the exemption described in subdivision (a) of  
19 this subsection shall include certification from a qualified medical  
20 physician, physician assistant, or advanced practice registered nurse for  
21 subdivisions (b)(i) through (b)(iii) of this subsection, certification  
22 from the United States Department of Veterans Affairs affirming that the  
23 homeowner is totally disabled due to non-service-connected accident or  
24 illness for subdivision (b)(i) of this subsection, or certification from  
25 the Department of Health and Human Services for subdivision (b)(iv) of  
26 this subsection. Such certification from a qualified medical physician,  
27 physician assistant, or advanced practice registered nurse or from the  
28 Department of Health and Human Services shall be made on forms prescribed  
29 by the Department of Revenue. If an individual described in subdivision  
30 (b)(i), (ii), (iii), or (iv) of this subsection is granted a homestead  
31 exemption pursuant to this section for any year, such individual shall

1 not be required to submit the certification required under this  
2 subdivision in succeeding years if no change in medical condition has  
3 occurred, except that the county assessor or the Tax Commissioner may  
4 request such certification to verify that no change in medical condition  
5 has occurred.

6 (2) For 2014, for a married or closely related claimant as described  
7 in subsection (1) of this section, the percentage of the exempt amount  
8 for which the claimant shall be eligible shall be the percentage in  
9 Column B which corresponds with the claimant's household income in Column  
10 A in the table found in this subsection.

11	Column A	Column B
12	Household Income	Percentage
13	In Dollars	Of Relief
14	0 through 34,700	100
15	34,701 through 36,400	90
16	36,401 through 38,100	80
17	38,101 through 39,800	70
18	39,801 through 41,500	60
19	41,501 through 43,200	50
20	43,201 through 44,900	40
21	44,901 through 46,600	30
22	46,601 through 48,300	20
23	48,301 through 50,000	10
24	50,001 and over	0

25 (3) For 2014, for a single claimant as described in subsection (1)  
26 of this section, the percentage of the exempt amount for which the  
27 claimant shall be eligible shall be the percentage in Column B which  
28 corresponds with the claimant's household income in Column A in the table  
29 found in this subsection.

30	Column A	Column B
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1	Household Income	Percentage
2	In Dollars	Of Relief
3	0 through 30,300	100
4	30,301 through 31,700	90
5	31,701 through 33,100	80
6	33,101 through 34,500	70
7	34,501 through 35,900	60
8	35,901 through 37,300	50
9	37,301 through 38,700	40
10	38,701 through 40,100	30
11	40,101 through 41,500	20
12	41,501 through 42,900	10
13	42,901 and over	0

14 (4) For exemption applications filed in calendar years 2015 through  
15 2017, the income eligibility amounts in subsections (2) and (3) of this  
16 section shall be adjusted by the percentage determined pursuant to the  
17 provisions of section 1(f) of the Internal Revenue Code of 1986, as it  
18 existed prior to December 22, 2017. For exemption applications filed in  
19 calendar year 2018 and each calendar year thereafter, the income  
20 eligibility amounts in subsections (2) and (3) of this section shall be  
21 adjusted by the percentage change in the Consumer Price Index for All  
22 Urban Consumers published by the federal Bureau of Labor Statistics from  
23 the twelve months ending on August 31, 2016, to the twelve months ending  
24 on August 31 of the year preceding the applicable calendar year. The  
25 income eligibility amounts shall be adjusted for cumulative inflation  
26 since 2014. If any amount is not a multiple of one hundred dollars, the  
27 amount shall be rounded to the next lower multiple of one hundred  
28 dollars.

29 Sec. 25. Section 77-3519, Reissue Revised Statutes of Nebraska, is  
30 amended to read:



1           77-3519 In any case when the county assessor rejects an application  
2 for homestead exemption, such applicant may obtain a hearing before the  
3 county board of equalization by filing a written complaint with the  
4 county clerk. If the application for homestead exemption was rejected on  
5 the basis of value, the complaint must be filed by June 30. The county  
6 board of equalization may, by majority vote, extend such deadline to July  
7 20. If the application for homestead exemption was rejected on any other  
8 basis, the complaint must be filed within thirty days from receipt of the  
9 notice from the county assessor showing such rejection. Such complaint  
10 shall specify his or her grievances and the pertinent facts in relation  
11 thereto, in ordinary and concise language and without repetition, and in  
12 such manner as to enable a person of common understanding to know what is  
13 intended. The board may take evidence pertinent to such complaint, and  
14 for that purpose may compel the attendance of witnesses and the  
15 production of books, records, and papers by subpoena. The board shall  
16 issue its decision on the complaint within thirty days after the filing  
17 of the complaint. Notice of the board's decision shall be mailed by the  
18 county clerk to the applicant within seven days after the decision. The  
19 taxpayer shall have the right to appeal from the board's decision with  
20 reference to the application for homestead exemption to the Tax  
21 Equalization and Review Commission in accordance with section 77-5013  
22 within thirty days after the decision.

23           Sec. 26. Section 77-4111, Reissue Revised Statutes of Nebraska, is  
24 amended to read:

25           77-4111 The Tax Commissioner ~~may~~ shall adopt and promulgate all  
26 rules and regulations necessary to carry out the purposes of the  
27 Employment and Investment Growth Act.

28           Sec. 27. Section 77-6203, Reissue Revised Statutes of Nebraska, is  
29 amended to read:

30           77-6203 (1) The owner of a renewable energy generation facility  
31 annually shall pay a nameplate capacity tax equal to the total nameplate

1 capacity of the commissioned renewable energy generation facility  
2 multiplied by a tax rate of three thousand five hundred eighteen dollars  
3 per megawatt.

4 (2) No tax shall be imposed on a renewable energy generation  
5 facility:

6 (a) Owned or operated by the federal government, the State of  
7 Nebraska, a public power district, a public power and irrigation  
8 district, an individual municipality, a registered group of  
9 municipalities, an electric membership association, or a cooperative; or

10 (b) That is a customer-generator as defined in section 70-2002.

11 (3) No tax levied pursuant to this section shall be construed to  
12 constitute restricted funds as defined in section 13-518 for the first  
13 five years after the renewable energy generation facility is  
14 commissioned.

15 (4) The presence of one or more renewable energy generation  
16 facilities or supporting infrastructure shall not be a factor in the  
17 assessment, determination of actual value, or classification under  
18 section 77-201 of the real property underlying or adjacent to such  
19 facilities or infrastructure.

20 (5)(a) The Department of Revenue shall collect the tax due under  
21 this section.

22 (b) The tax shall be imposed beginning the first calendar year the  
23 renewable energy generation facility is commissioned. A renewable energy  
24 generation facility that uses wind as the fuel source which was  
25 commissioned prior to July 15, 2010, shall be subject to the tax levied  
26 pursuant to sections 77-6201 to 77-6204 on and after January 1, 2010. The  
27 amount of property tax on depreciable tangible personal property  
28 previously paid on a renewable energy generation facility that uses wind  
29 as the fuel source which was commissioned prior to July 15, 2010, which  
30 is greater than the amount that would have been paid pursuant to sections  
31 77-6201 to 77-6204 from the date of commissioning until January 1, 2010,

1 shall be credited against any tax due under Chapter 77, and any amount so  
2 credited that is unused in any tax year shall be carried over to  
3 subsequent tax years until fully utilized.

4 (c)(i) The tax for the first calendar year shall be prorated based  
5 upon the number of days remaining in the calendar year after the  
6 renewable energy generation facility is commissioned.

7 (ii) In the first year in which a renewable energy generation  
8 facility is taxed or in any year in which additional commissioned  
9 nameplate capacity is added to a renewable energy generation facility,  
10 the taxes on the initial or additional nameplate capacity shall be  
11 prorated for the number of days remaining in the calendar year.

12 (iii) When a renewable energy generation facility is decommissioned  
13 or made nonoperational by a change in law during a tax year, the taxes  
14 shall be prorated for the number of days during which the renewable  
15 energy generation facility was not decommissioned or was operational.

16 (iv) When the capacity of a renewable energy generation facility to  
17 produce electricity is reduced but the renewable energy generation  
18 facility is not decommissioned, the nameplate capacity of the renewable  
19 energy generation facility is deemed to be unchanged.

20 (6)(a) On March 1 of each year, the owner of a renewable energy  
21 generation facility shall file with the Department of Revenue a report on  
22 the nameplate capacity of the facility for the previous year from January  
23 1 through December 31. All taxes shall be due on April 1 and shall be  
24 delinquent if not paid on a quarterly basis on April 1 and each quarter  
25 thereafter. Delinquent quarterly payments shall draw interest at the rate  
26 provided for in section 45-104.02, as such rate may from time to time be  
27 adjusted.

28 (b) The owner of a renewable energy generation facility is liable  
29 for the taxes under this section with respect to the facility, whether or  
30 not the owner of the facility is the owner of the land on which the  
31 facility is situated.

1 (7) Failure to file a report required by subsection (6) of this  
2 section, filing such report late, failure to pay taxes due, or  
3 underpayment of such taxes shall result in a penalty of five percent of  
4 the amount due being imposed for each quarter the report is overdue or  
5 the payment is delinquent, except that the penalty shall not exceed ten  
6 thousand dollars.

7 (8) The Department of Revenue shall enforce the provisions of this  
8 section. The department may ~~shall~~ adopt and promulgate rules and  
9 regulations necessary for the implementation and enforcement of this  
10 section.

11 (9) The Department of Revenue shall separately identify the proceeds  
12 from the tax imposed by this section and shall pay all such proceeds over  
13 to the county treasurer of the county where the renewable energy  
14 generation facility is located within thirty days after receipt of such  
15 proceeds.

16 Sec. 28. Sections 18 and 30 of this act become operative for all  
17 taxable years beginning or deemed to begin on or after January 1, 2018,  
18 under the Internal Revenue Code of 1986, as amended. Sections 19, 20, 21,  
19 and 31 of this act become operative for all taxable years beginning or  
20 deemed to begin on or after January 1, 2019, under the Internal Revenue  
21 Code of 1986, as amended. The other sections of this act become operative  
22 on their effective date.

23 Sec. 29. Original sections 3-150, 66-482, 66-4,143, 66-6,101,  
24 66-712, 66-718, 66-739, 66-1521, 77-101, 77-202.03, 77-377.02, 77-702,  
25 77-1239, 77-2776, 77-3506, 77-3508, 77-3519, 77-4111, and 77-6203,  
26 Reissue Revised Statutes of Nebraska, and section 39-2215, Revised  
27 Statutes Cumulative Supplement, 2018, are repealed.

28 Sec. 30. Original section 77-2716.01, Reissue Revised Statutes of  
29 Nebraska, is repealed.

30 Sec. 31. Original sections 77-2734.01, 77-2761, and 77-2773,  
31 Reissue Revised Statutes of Nebraska, are repealed.

1           Sec. 32.    The following section is outright repealed: Section  
2   66-738, Reissue Revised Statutes of Nebraska.

3           Sec. 33.    Since an emergency exists, this act takes effect when  
4   passed and approved according to law.