

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1175

Introduced by Briese, 41.

Read first time January 23, 2020

Committee: Revenue

- 1 A BILL FOR AN ACT relating to the Mechanical Amusement Device Tax Act; to
- 2 amend section 77-3005, Reissue Revised Statutes of Nebraska, and
- 3 sections 77-3007 and 77-3011, Revised Statutes Supplement, 2019; to
- 4 impose and levy a tax on cash devices; to harmonize provisions; to
- 5 provide an operative date; and to repeal the original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-3005, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 77-3005 The occupation tax and cash device tax levied and imposed by
4 the Mechanical Amusement Device Tax Act shall be in addition to any and
5 all taxes or fees, of any form whatsoever, now imposed by the State of
6 Nebraska or any of its subdivisions, upon the business of operating or
7 distributing mechanical amusement devices and cash devices as defined in
8 section 77-3001, or otherwise defined by the subdivisions and
9 municipalities of the State of Nebraska, except that payment of the taxes
10 ~~tax~~ and license fees due and owing on or before the licensing date of
11 each year shall exempt any such mechanical amusement device or cash
12 device from the application of the sales tax which would or could
13 otherwise be imposed under the Nebraska Revenue Act of 1967. Nonpayment
14 of the taxes or fees due and owing on or before the licensing date of
15 each year shall render the exemption provided by this section
16 inapplicable and the particular machines or devices shall then be subject
17 to all the provisions of the Nebraska Revenue Act of 1967, including the
18 penalty provisions pertaining to the owner or operator of such machines
19 or devices.

20 Sec. 2. (1) A tax is hereby imposed and levied, in the amount and
21 in accordance with this section, upon the gross revenue of all cash
22 devices operating within the State of Nebraska for profit or gain either
23 directly or indirectly received. Every person who engages in the business
24 of operating such devices in the State of Nebraska shall pay such tax in
25 the amount and manner specified in this section.

26 (2) For taxable years beginning on and after the operative date of
27 this act, any operator of a cash device within the State of Nebraska
28 shall pay a tax for each device operated each quarter during the taxable
29 year. The tax shall be due and payable on January 1, April 1, July 1, and
30 October 1 of each year on each device in operation during the preceding
31 calendar quarter, except that it shall be unlawful to pay any such tax

1 unless the sales or use tax has been paid on such devices. For every
2 device put into operation on a date subsequent to a quarterly due date,
3 and which has not been included in computing the tax imposed and levied
4 by the Mechanical Amusement Device Tax Act, the tax shall be due and
5 payable on the immediately succeeding quarterly due date. All taxes
6 collected under this section shall be remitted to the State Treasurer for
7 credit to the Property Tax Credit Cash Fund.

8 (3) The amount of the tax imposed and levied under this section
9 shall be ten percent of the gross revenue for each cash device. The
10 operator shall submit the quarterly tax on a form prescribed by the
11 department documenting the total gross proceeds for that quarter.

12 Sec. 3. Section 77-3007, Revised Statutes Supplement, 2019, is
13 amended to read:

14 77-3007 (1) The payment of the occupation tax imposed by the
15 Mechanical Amusement Device Tax Act shall be evidenced by a separate
16 decal for each device signifying payment of such ~~the~~ tax, in a form
17 prescribed by the Tax Commissioner.

18 (2) Every operator shall place such decal in a conspicuous place on
19 each device to denote payment of the occupation tax for each device for
20 the current year.

21 Sec. 4. Section 77-3011, Revised Statutes Supplement, 2019, is
22 amended to read:

23 77-3011 Sections 77-3001 to 77-3011 and section 2 of this act shall
24 be known and may be cited as the Mechanical Amusement Device Tax Act.

25 Sec. 5. This act becomes operative on January 1, 2021.

26 Sec. 6. Original section 77-3005, Reissue Revised Statutes of
27 Nebraska, and sections 77-3007 and 77-3011, Revised Statutes Supplement,
28 2019, are repealed.