

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SIXTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 456**

Introduced by Lathrop, 12.

Read first time January 18, 2019

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend section
- 2 77-2701.47, Reissue Revised Statutes of Nebraska; to redefine a
- 3 term; to provide a sales and use tax exemption for certain machinery
- 4 and equipment used to produce electricity; to provide an operative
- 5 date; and to repeal the original section.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2701.47, Reissue Revised Statutes of Nebraska,  
2 is amended to read:

3 77-2701.47 (1) Manufacturing machinery and equipment means any  
4 machinery or equipment purchased, leased, or rented by a person engaged  
5 in the business of manufacturing for use in manufacturing, including, but  
6 not limited to:

7 (a) Machinery or equipment for use in manufacturing to produce,  
8 fabricate, assemble, process, finish, refine, or package tangible  
9 personal property;

10 (b) Machinery or equipment for use in transporting, conveying,  
11 handling, or storing by the manufacturer the raw materials or components  
12 to be used in manufacturing or the products produced by the manufacturer;

13 (c) Molds and dies and the materials necessary to create molds and  
14 dies for use in manufacturing that determine the physical characteristics  
15 of the finished product or its packaging material, whether or not such  
16 molds or dies are permanent or temporary in nature, and including any  
17 chemicals, solutions, or catalysts utilized in the mold or die process  
18 even if such items are consumed during the course of the mold or die  
19 process;

20 (d) Machinery or equipment for use in manufacturing to maintain the  
21 integrity of the product or to maintain unique environmental conditions  
22 required for either the product or the machinery and equipment used in  
23 manufacturing by a manufacturer;

24 (e) Testing equipment for use in manufacturing to measure the  
25 quality of the finished product;

26 (f) Computers, software, and related peripheral equipment for use in  
27 manufacturing to guide, control, operate, or measure the manufacturing  
28 process;

29 (g) Machinery or equipment for use in manufacturing to produce  
30 steam, electricity, or chemical catalysts and solutions that are  
31 essential to the manufacturing process even if such produced items are

1 consumed during the course of the manufacturing process or do not become  
2 necessary or integral parts of the finished product; ~~and~~

3 (h) Machinery or equipment for use in the production of electricity  
4 by using one or more sources of renewable energy to produce electricity  
5 for sale, including machinery or equipment used to store such  
6 electricity. For purposes of this subdivision, source of renewable energy  
7 includes, but is not limited to, wind, solar, geothermal, hydroelectric,  
8 biomass, and transmutation of elements; and

9 (i) ~~(h)~~ A repair or replacement part or accessory purchased for use  
10 in maintaining, repairing, or refurbishing machinery and equipment used  
11 in manufacturing.

12 (2) Manufacturing machinery and equipment does not include: Vehicles  
13 required to be registered for operation on the roads and highways of this  
14 state; hand tools; office equipment; and computers, software, and related  
15 peripheral equipment not used in guiding, controlling, operating, or  
16 measuring of the manufacturing process. Machinery or equipment does not  
17 need to come into direct physical contact with any of the raw materials,  
18 components, or products that are part of the manufacturing process to be  
19 considered manufacturing machinery or equipment.

20 Sec. 2. This act becomes operative on October 1, 2019.

21 Sec. 3. Original section 77-2701.47, Reissue Revised Statutes of  
22 Nebraska, is repealed.