

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SIXTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 989**

Introduced by Wayne, 13.

Read first time January 14, 2020

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
- 2 77-2701.16 and 77-2703, Revised Statutes Supplement, 2019; to impose
- 3 sales and use taxes on digital advertisements as prescribed; to
- 4 harmonize provisions; to provide an operative date; and to repeal
- 5 the original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2701.16, Revised Statutes Supplement, 2019, is  
2 amended to read:

3 77-2701.16 (1) Gross receipts means the total amount of the sale or  
4 lease or rental price, as the case may be, of the retail sales of  
5 retailers.

6 (2) Gross receipts of every person engaged as a public utility  
7 specified in this subsection, as a community antenna television service  
8 operator, or as a satellite service operator or any person involved in  
9 connecting and installing services defined in subdivision (2)(a), (b), or  
10 (d) of this section means:

11 (a)(i) In the furnishing of telephone communication service, other  
12 than mobile telecommunications service as described in section  
13 77-2703.04, the gross income received from furnishing ancillary services,  
14 except for conference bridging services, and intrastate  
15 telecommunications services, except for value-added, nonvoice data  
16 service.

17 (ii) In the furnishing of mobile telecommunications service as  
18 described in section 77-2703.04, the gross income received from  
19 furnishing mobile telecommunications service that originates and  
20 terminates in the same state to a customer with a place of primary use in  
21 Nebraska;

22 (b) In the furnishing of telegraph service, the gross income  
23 received from the furnishing of intrastate telegraph services;

24 (c)(i) In the furnishing of gas, sewer, water, and electricity  
25 service, other than electricity service to a customer-generator as  
26 defined in section 70-2002, the gross income received from the furnishing  
27 of such services upon billings or statements rendered to consumers for  
28 such utility services.

29 (ii) In the furnishing of electricity service to a customer-  
30 generator as defined in section 70-2002, the net energy use upon billings  
31 or statements rendered to customer-generators for such electricity

1 service;

2 (d) In the furnishing of community antenna television service or  
3 satellite service, the gross income received from the furnishing of such  
4 community antenna television service as regulated under sections 18-2201  
5 to 18-2205 or 23-383 to 23-388 or satellite service; and

6 (e) The gross income received from the provision, installation,  
7 construction, servicing, or removal of property used in conjunction with  
8 the furnishing, installing, or connecting of any public utility services  
9 specified in subdivision (2)(a) or (b) of this section or community  
10 antenna television service or satellite service specified in subdivision  
11 (2)(d) of this section, except when acting as a subcontractor for a  
12 public utility, this subdivision does not apply to the gross income  
13 received by a contractor electing to be treated as a consumer of building  
14 materials under subdivision (2) or (3) of section 77-2701.10 for any such  
15 services performed on the customer's side of the utility demarcation  
16 point. This subdivision also does not apply to the gross income received  
17 by a political subdivision of the state for the lease or use of electric  
18 generation, transmission, distribution, or street lighting structures or  
19 facilities owned by a political subdivision of the state.

20 (3) Gross receipts of every person engaged in selling, leasing, or  
21 otherwise providing intellectual or entertainment property means:

22 (a) In the furnishing of computer software, the gross income  
23 received, including the charges for coding, punching, or otherwise  
24 producing any computer software and the charges for the tapes, disks,  
25 punched cards, or other properties furnished by the seller; and

26 (b) In the furnishing of videotapes, movie film, satellite  
27 programming, satellite programming service, and satellite television  
28 signal descrambling or decoding devices, the gross income received from  
29 the license, franchise, or other method establishing the charge.

30 (4) Gross receipts for providing a service means:

31 (a) The gross income received for building cleaning and maintenance,

1 pest control, and security;

2 (b) The gross income received for motor vehicle washing, waxing,  
3 towing, and painting;

4 (c) The gross income received for computer software training;

5 (d) The gross income received for installing and applying tangible  
6 personal property if the sale of the property is subject to tax. If any  
7 or all of the charge for installation is free to the customer and is paid  
8 by a third-party service provider to the installer, any tax due on that  
9 part of the activation commission, finder's fee, installation charge, or  
10 similar payment made by the third-party service provider shall be paid  
11 and remitted by the third-party service provider;

12 (e) The gross income received for services of recreational vehicle  
13 parks;

14 (f) The gross income received for labor for repair or maintenance  
15 services performed with regard to tangible personal property the sale of  
16 which would be subject to sales and use taxes, excluding motor vehicles,  
17 except as otherwise provided in section 77-2704.26 or 77-2704.50;

18 (g) The gross income received for animal specialty services except  
19 (i) veterinary services, (ii) specialty services performed on livestock  
20 as defined in section 54-183, and (iii) animal grooming performed by a  
21 licensed veterinarian or a licensed veterinary technician in conjunction  
22 with medical treatment; and

23 (h) The gross income received for detective services.

24 (5) Gross receipts includes the sale of admissions. When an  
25 admission to an activity or a membership constituting an admission is  
26 combined with the solicitation of a contribution, the portion or the  
27 amount charged representing the fair market price of the admission shall  
28 be considered a retail sale subject to the tax imposed by section  
29 77-2703. The organization conducting the activity shall determine the  
30 amount properly attributable to the purchase of the privilege, benefit,  
31 or other consideration in advance, and such amount shall be clearly

1 indicated on any ticket, receipt, or other evidence issued in connection  
2 with the payment.

3 (6) Gross receipts includes the sale of live plants incorporated  
4 into real estate except when such incorporation is incidental to the  
5 transfer of an improvement upon real estate or the real estate.

6 (7) Gross receipts includes the sale of any building materials  
7 annexed to real estate by a person electing to be taxed as a retailer  
8 pursuant to subdivision (1) of section 77-2701.10.

9 (8) Gross receipts includes the sale of and recharge of prepaid  
10 calling service and prepaid wireless calling service.

11 (9) Gross receipts includes the retail sale of digital audio works,  
12 digital audiovisual works, digital codes, and digital books delivered  
13 electronically if the products are taxable when delivered on tangible  
14 storage media. A sale includes the transfer of a permanent right of use,  
15 the transfer of a right of use that terminates on some condition, and the  
16 transfer of a right of use conditioned upon the receipt of continued  
17 payments.

18 (10) Gross receipts includes any receipts from sales of tangible  
19 personal property made over a multivendor marketplace platform that acts  
20 as the intermediary by facilitating sales between a seller and the  
21 purchaser and that, either directly or indirectly through agreements or  
22 arrangements with third parties, collects payment from the purchaser and  
23 transmits payment to the seller.

24 (11) Gross receipts includes the retail sale of digital  
25 advertisements. For purposes of this subsection, digital advertisement  
26 means an advertising message delivered over the Internet that markets or  
27 promotes a particular good, service, or political candidate or message.

28 (12) (11) Gross receipts does not include:

29 (a) The amount of any rebate granted by a motor vehicle or motorboat  
30 manufacturer or dealer at the time of sale of the motor vehicle or  
31 motorboat, which rebate functions as a discount from the sales price of

1 the motor vehicle or motorboat; or

2 (b) The price of property or services returned or rejected by  
3 customers when the full sales price is refunded either in cash or credit.

4 Sec. 2. Section 77-2703, Revised Statutes Supplement, 2019, is  
5 amended to read:

6 77-2703 (1) There is hereby imposed a tax at the rate provided in  
7 section 77-2701.02 upon the gross receipts from all sales of tangible  
8 personal property sold at retail in this state; the gross receipts of  
9 every person engaged as a public utility, as a community antenna  
10 television service operator, or as a satellite service operator, any  
11 person involved in the connecting and installing of the services defined  
12 in subdivision (2)(a), (b), (d), or (e) of section 77-2701.16, or every  
13 person engaged as a retailer of intellectual or entertainment properties  
14 referred to in subsection (3) of section 77-2701.16; the gross receipts  
15 from the sale of admissions in this state; the gross receipts from the  
16 sale of warranties, guarantees, service agreements, or maintenance  
17 agreements when the items covered are subject to tax under this section;  
18 beginning January 1, 2008, the gross receipts from the sale of bundled  
19 transactions when one or more of the products included in the bundle are  
20 taxable; the gross receipts from the provision of services defined in  
21 subsection (4) of section 77-2701.16; ~~and~~ the gross receipts from the  
22 sale of products delivered electronically as described in subsection (9)  
23 of section 77-2701.16; and the gross receipts from the sale of digital  
24 advertisements as defined in subsection (11) of section 77-2701.16.

25 Except as provided in section 77-2701.03, when there is a sale, the tax  
26 shall be imposed at the rate in effect at the time the gross receipts are  
27 realized under the accounting basis used by the retailer to maintain his  
28 or her books and records.

29 (a) The tax imposed by this section shall be collected by the  
30 retailer from the consumer. It shall constitute a part of the purchase  
31 price and until collected shall be a debt from the consumer to the

1 retailer and shall be recoverable at law in the same manner as other  
2 debts. The tax required to be collected by the retailer from the consumer  
3 constitutes a debt owed by the retailer to this state.

4 (b) It is unlawful for any retailer to advertise, hold out, or state  
5 to the public or to any customer, directly or indirectly, that the tax or  
6 part thereof will be assumed or absorbed by the retailer, that it will  
7 not be added to the selling, renting, or leasing price of the property  
8 sold, rented, or leased, or that, if added, it or any part thereof will  
9 be refunded. The provisions of this subdivision shall not apply to a  
10 public utility.

11 (c) The tax required to be collected by the retailer from the  
12 purchaser, unless otherwise provided by statute or by rule and regulation  
13 of the Tax Commissioner, shall be displayed separately from the list  
14 price, the price advertised in the premises, the marked price, or other  
15 price on the sales check or other proof of sales, rentals, or leases.

16 (d) For the purpose of more efficiently securing the payment,  
17 collection, and accounting for the sales tax and for the convenience of  
18 the retailer in collecting the sales tax, it shall be the duty of the Tax  
19 Commissioner to provide a schedule or schedules of the amounts to be  
20 collected from the consumer or user to effectuate the computation and  
21 collection of the tax imposed by the Nebraska Revenue Act of 1967. Such  
22 schedule or schedules shall provide that the tax shall be collected from  
23 the consumer or user uniformly on sales according to brackets based on  
24 sales prices of the item or items. Retailers may compute the tax due on  
25 any transaction on an item or an invoice basis. The rounding rule  
26 provided in section 77-3,117 applies.

27 (e) The use of tokens or stamps for the purpose of collecting or  
28 enforcing the collection of the taxes imposed in the Nebraska Revenue Act  
29 of 1967 or for any other purpose in connection with such taxes is  
30 prohibited.

31 (f) For the purpose of the proper administration of the provisions

1 of the Nebraska Revenue Act of 1967 and to prevent evasion of the retail  
2 sales tax, it shall be presumed that all gross receipts are subject to  
3 the tax until the contrary is established. The burden of proving that a  
4 sale of property is not a sale at retail is upon the person who makes the  
5 sale unless he or she takes from the purchaser (i) a resale certificate  
6 to the effect that the property is purchased for the purpose of  
7 reselling, leasing, or renting it, (ii) an exemption certificate pursuant  
8 to subsection (7) of section 77-2705, or (iii) a direct payment permit  
9 pursuant to sections 77-2705.01 to 77-2705.03. Receipt of a resale  
10 certificate, exemption certificate, or direct payment permit shall be  
11 conclusive proof for the seller that the sale was made for resale or was  
12 exempt or that the tax will be paid directly to the state.

13 (g) In the rental or lease of automobiles, trucks, trailers,  
14 semitrailers, and truck-tractors as defined in the Motor Vehicle  
15 Registration Act, the tax shall be collected by the lessor on the rental  
16 or lease price, except as otherwise provided within this section.

17 (h) In the rental or lease of automobiles, trucks, trailers,  
18 semitrailers, and truck-tractors as defined in the act, for periods of  
19 one year or more, the lessor may elect not to collect and remit the sales  
20 tax on the gross receipts and instead pay a sales tax on the cost of such  
21 vehicle. If such election is made, it shall be made pursuant to the  
22 following conditions:

23 (i) Notice of the desire to make such election shall be filed with  
24 the Tax Commissioner and shall not become effective until the Tax  
25 Commissioner is satisfied that the taxpayer has complied with all  
26 conditions of this subsection and all rules and regulations of the Tax  
27 Commissioner;

28 (ii) Such election when made shall continue in force and effect for  
29 a period of not less than two years and thereafter until such time as the  
30 lessor elects to terminate the election;

31 (iii) When such election is made, it shall apply to all vehicles of



1 the lessor rented or leased for periods of one year or more except  
2 vehicles to be leased to common or contract carriers who provide to the  
3 lessor a valid common or contract carrier exemption certificate. If the  
4 lessor rents or leases other vehicles for periods of less than one year,  
5 such lessor shall maintain his or her books and records and his or her  
6 accounting procedure as the Tax Commissioner prescribes; and

7 (iv) The Tax Commissioner by rule and regulation shall prescribe the  
8 contents and form of the notice of election, a procedure for the  
9 determination of the tax base of vehicles which are under an existing  
10 lease at the time such election becomes effective, the method and manner  
11 for terminating such election, and such other rules and regulations as  
12 may be necessary for the proper administration of this subdivision.

13 (i) The tax imposed by this section on the sales of motor vehicles,  
14 semitrailers, and trailers as defined in sections 60-339, 60-348, and  
15 60-354 shall be the liability of the purchaser and, with the exception of  
16 motor vehicles, semitrailers, and trailers registered pursuant to section  
17 60-3,198, the tax shall be collected by the county treasurer as provided  
18 in the Motor Vehicle Registration Act or by an approved licensed dealer  
19 participating in the electronic dealer services system pursuant to  
20 section 60-1507 at the time the purchaser makes application for the  
21 registration of the motor vehicle, semitrailer, or trailer for operation  
22 upon the highways of this state. The tax imposed by this section on motor  
23 vehicles, semitrailers, and trailers registered pursuant to section  
24 60-3,198 shall be collected by the Department of Motor Vehicles at the  
25 time the purchaser makes application for the registration of the motor  
26 vehicle, semitrailer, or trailer for operation upon the highways of this  
27 state. At the time of the sale of any motor vehicle, semitrailer, or  
28 trailer, the seller shall (i) state on the sales invoice the dollar  
29 amount of the tax imposed under this section and (ii) furnish to the  
30 purchaser a certified statement of the transaction, in such form as the  
31 Tax Commissioner prescribes, setting forth as a minimum the total sales

1 price, the allowance for any trade-in, and the difference between the  
2 two. The sales tax due shall be computed on the difference between the  
3 total sales price and the allowance for any trade-in as disclosed by such  
4 certified statement. Any seller who willfully understates the amount upon  
5 which the sales tax is due shall be subject to a penalty of one thousand  
6 dollars. A copy of such certified statement shall also be furnished to  
7 the Tax Commissioner. Any seller who fails or refuses to furnish such  
8 certified statement shall be guilty of a misdemeanor and shall, upon  
9 conviction thereof, be punished by a fine of not less than twenty-five  
10 dollars nor more than one hundred dollars. If the purchaser does not  
11 register such motor vehicle, semitrailer, or trailer for operation on the  
12 highways of this state within thirty days of the purchase thereof, the  
13 tax imposed by this section shall immediately thereafter be paid by the  
14 purchaser to the county treasurer or the Department of Motor Vehicles. If  
15 the tax is not paid on or before the thirtieth day after its purchase,  
16 the county treasurer or Department of Motor Vehicles shall also collect  
17 from the purchaser interest from the thirtieth day through the date of  
18 payment and sales tax penalties as provided in the Nebraska Revenue Act  
19 of 1967. The county treasurer or Department of Motor Vehicles shall  
20 report and remit the tax so collected to the Tax Commissioner by the  
21 fifteenth day of the following month. The county treasurer, for his or  
22 her collection fee, shall deduct and withhold, from all amounts required  
23 to be collected under this subsection, the collection fee permitted to be  
24 deducted by any retailer collecting the sales tax, all of which shall be  
25 deposited in the county general fund, plus an additional amount equal to  
26 one-half of one percent of all amounts in excess of six thousand dollars  
27 remitted each month. Prior to January 1, 2023, fifty percent of such  
28 additional amount shall be deposited in the county general fund and fifty  
29 percent of such additional amount shall be deposited in the county road  
30 fund. On and after January 1, 2023, seventy-five percent of such  
31 additional amount shall be deposited in the county general fund and

1 twenty-five percent of such additional amount shall be deposited in the  
2 county road fund. In any county with a population of one hundred fifty  
3 thousand inhabitants or more, the county treasurer shall remit one dollar  
4 of his or her collection fee for each of the first five thousand motor  
5 vehicles, semitrailers, or trailers registered with such county treasurer  
6 on or after January 1, 2020, to the State Treasurer for credit to the  
7 Department of Revenue Enforcement Fund. The Department of Motor Vehicles,  
8 for its collection fee, shall deduct, withhold, and deposit in the Motor  
9 Carrier Division Cash Fund the collection fee permitted to be deducted by  
10 any retailer collecting the sales tax. The collection fee for the county  
11 treasurer or the Department of Motor Vehicles shall be forfeited if the  
12 county treasurer or department violates any rule or regulation pertaining  
13 to the collection of the use tax.

14 (j)(i) The tax imposed by this section on the sale of a motorboat as  
15 defined in section 37-1204 shall be the liability of the purchaser. The  
16 tax shall be collected by the county treasurer at the time the purchaser  
17 makes application for the registration of the motorboat. At the time of  
18 the sale of a motorboat, the seller shall (A) state on the sales invoice  
19 the dollar amount of the tax imposed under this section and (B) furnish  
20 to the purchaser a certified statement of the transaction, in such form  
21 as the Tax Commissioner prescribes, setting forth as a minimum the total  
22 sales price, the allowance for any trade-in, and the difference between  
23 the two. The sales tax due shall be computed on the difference between  
24 the total sales price and the allowance for any trade-in as disclosed by  
25 such certified statement. Any seller who willfully understates the amount  
26 upon which the sales tax is due shall be subject to a penalty of one  
27 thousand dollars. A copy of such certified statement shall also be  
28 furnished to the Tax Commissioner. Any seller who fails or refuses to  
29 furnish such certified statement shall be guilty of a misdemeanor and  
30 shall, upon conviction thereof, be punished by a fine of not less than  
31 twenty-five dollars nor more than one hundred dollars. If the purchaser

1 does not register such motorboat within thirty days of the purchase  
2 thereof, the tax imposed by this section shall immediately thereafter be  
3 paid by the purchaser to the county treasurer. If the tax is not paid on  
4 or before the thirtieth day after its purchase, the county treasurer  
5 shall also collect from the purchaser interest from the thirtieth day  
6 through the date of payment and sales tax penalties as provided in the  
7 Nebraska Revenue Act of 1967. The county treasurer shall report and remit  
8 the tax so collected to the Tax Commissioner by the fifteenth day of the  
9 following month. The county treasurer, for his or her collection fee,  
10 shall deduct and withhold for the use of the county general fund, from  
11 all amounts required to be collected under this subsection, the  
12 collection fee permitted to be deducted by any retailer collecting the  
13 sales tax. The collection fee shall be forfeited if the county treasurer  
14 violates any rule or regulation pertaining to the collection of the use  
15 tax.

16 (ii) In the rental or lease of motorboats, the tax shall be  
17 collected by the lessor on the rental or lease price.

18 (k)(i) The tax imposed by this section on the sale of an all-terrain  
19 vehicle as defined in section 60-103 or a utility-type vehicle as defined  
20 in section 60-135.01 shall be the liability of the purchaser. The tax  
21 shall be collected by the county treasurer or by an approved licensed  
22 dealer participating in the electronic dealer services system pursuant to  
23 section 60-1507 at the time the purchaser makes application for the  
24 certificate of title for the all-terrain vehicle or utility-type vehicle.  
25 At the time of the sale of an all-terrain vehicle or a utility-type  
26 vehicle, the seller shall (A) state on the sales invoice the dollar  
27 amount of the tax imposed under this section and (B) furnish to the  
28 purchaser a certified statement of the transaction, in such form as the  
29 Tax Commissioner prescribes, setting forth as a minimum the total sales  
30 price, the allowance for any trade-in, and the difference between the  
31 two. The sales tax due shall be computed on the difference between the

1 total sales price and the allowance for any trade-in as disclosed by such  
2 certified statement. Any seller who willfully understates the amount upon  
3 which the sales tax is due shall be subject to a penalty of one thousand  
4 dollars. A copy of such certified statement shall also be furnished to  
5 the Tax Commissioner. Any seller who fails or refuses to furnish such  
6 certified statement shall be guilty of a misdemeanor and shall, upon  
7 conviction thereof, be punished by a fine of not less than twenty-five  
8 dollars nor more than one hundred dollars. If the purchaser does not  
9 obtain a certificate of title for such all-terrain vehicle or utility-  
10 type vehicle within thirty days of the purchase thereof, the tax imposed  
11 by this section shall immediately thereafter be paid by the purchaser to  
12 the county treasurer. If the tax is not paid on or before the thirtieth  
13 day after its purchase, the county treasurer shall also collect from the  
14 purchaser interest from the thirtieth day through the date of payment and  
15 sales tax penalties as provided in the Nebraska Revenue Act of 1967. The  
16 county treasurer shall report and remit the tax so collected to the Tax  
17 Commissioner by the fifteenth day of the following month. The county  
18 treasurer, for his or her collection fee, shall deduct and withhold for  
19 the use of the county general fund, from all amounts required to be  
20 collected under this subsection, the collection fee permitted to be  
21 deducted by any retailer collecting the sales tax. The collection fee  
22 shall be forfeited if the county treasurer violates any rule or  
23 regulation pertaining to the collection of the use tax.

24 (ii) In the rental or lease of an all-terrain vehicle or a utility-  
25 type vehicle, the tax shall be collected by the lessor on the rental or  
26 lease price.

27 (iii) County treasurers are appointed as sales and use tax  
28 collectors for all sales of all-terrain vehicles or utility-type vehicles  
29 made outside of this state to purchasers or users of all-terrain vehicles  
30 or utility-type vehicles which are required to have a certificate of  
31 title in this state. The county treasurer shall collect the applicable

1 use tax from the purchaser of an all-terrain vehicle or a utility-type  
2 vehicle purchased outside of this state at the time application for a  
3 certificate of title is made. The full use tax on the purchase price  
4 shall be collected by the county treasurer if a sales or occupation tax  
5 was not paid by the purchaser in the state of purchase. If a sales or  
6 occupation tax was lawfully paid in the state of purchase at a rate less  
7 than the tax imposed in this state, use tax must be collected on the  
8 difference as a condition for obtaining a certificate of title in this  
9 state.

10 (1) The Tax Commissioner shall adopt and promulgate necessary rules  
11 and regulations for determining the amount subject to the taxes imposed  
12 by this section so as to insure that the full amount of any applicable  
13 tax is paid in cases in which a sale is made of which a part is subject  
14 to the taxes imposed by this section and a part of which is not so  
15 subject and a separate accounting is not practical or economical.

16 (2) A use tax is hereby imposed on the storage, use, or other  
17 consumption in this state of property purchased, leased, or rented from  
18 any retailer and on any transaction the gross receipts of which are  
19 subject to tax under subsection (1) of this section on or after June 1,  
20 1967, for storage, use, or other consumption in this state at the rate  
21 set as provided in subsection (1) of this section on the sales price of  
22 the property or, in the case of leases or rentals, of the lease or rental  
23 prices.

24 (a) Every person storing, using, or otherwise consuming in this  
25 state property purchased from a retailer or leased or rented from another  
26 person for such purpose shall be liable for the use tax at the rate in  
27 effect when his or her liability for the use tax becomes certain under  
28 the accounting basis used to maintain his or her books and records. His  
29 or her liability shall not be extinguished until the use tax has been  
30 paid to this state, except that a receipt from a retailer engaged in  
31 business in this state or from a retailer who is authorized by the Tax

1 Commissioner, under such rules and regulations as he or she may  
2 prescribe, to collect the sales tax and who is, for the purposes of the  
3 Nebraska Revenue Act of 1967 relating to the sales tax, regarded as a  
4 retailer engaged in business in this state, which receipt is given to the  
5 purchaser pursuant to subdivision (b) of this subsection, shall be  
6 sufficient to relieve the purchaser from further liability for the tax to  
7 which the receipt refers.

8 (b) Every retailer engaged in business in this state and selling,  
9 leasing, or renting property for storage, use, or other consumption in  
10 this state shall, at the time of making any sale, collect any tax which  
11 may be due from the purchaser and shall give to the purchaser, upon  
12 request, a receipt therefor in the manner and form prescribed by the Tax  
13 Commissioner.

14 (c) The Tax Commissioner, in order to facilitate the proper  
15 administration of the use tax, may designate such person or persons as he  
16 or she may deem necessary to be use tax collectors and delegate to such  
17 persons such authority as is necessary to collect any use tax which is  
18 due and payable to the State of Nebraska. The Tax Commissioner may  
19 require of all persons so designated a surety bond in favor of the State  
20 of Nebraska to insure against any misappropriation of state funds so  
21 collected. The Tax Commissioner may require any tax official, city,  
22 county, or state, to collect the use tax on behalf of the state. All  
23 persons designated to or required to collect the use tax shall account  
24 for such collections in the manner prescribed by the Tax Commissioner.  
25 Nothing in this subdivision shall be so construed as to prevent the Tax  
26 Commissioner or his or her employees from collecting any use taxes due  
27 and payable to the State of Nebraska.

28 (d) All persons designated to collect the use tax and all persons  
29 required to collect the use tax shall forward the total of such  
30 collections to the Tax Commissioner at such time and in such manner as  
31 the Tax Commissioner may prescribe. For all use taxes collected prior to

1 October 1, 2002, such collectors of the use tax shall deduct and withhold  
2 from the amount of taxes collected two and one-half percent of the first  
3 three thousand dollars remitted each month and one-half of one percent of  
4 all amounts in excess of three thousand dollars remitted each month as  
5 reimbursement for the cost of collecting the tax. For use taxes collected  
6 on and after October 1, 2002, such collectors of the use tax shall deduct  
7 and withhold from the amount of taxes collected two and one-half percent  
8 of the first three thousand dollars remitted each month as reimbursement  
9 for the cost of collecting the tax. Any such deduction shall be forfeited  
10 to the State of Nebraska if such collector violates any rule, regulation,  
11 or directive of the Tax Commissioner.

12 (e) For the purpose of the proper administration of the Nebraska  
13 Revenue Act of 1967 and to prevent evasion of the use tax, it shall be  
14 presumed that property sold, leased, or rented by any person for delivery  
15 in this state is sold, leased, or rented for storage, use, or other  
16 consumption in this state until the contrary is established. The burden  
17 of proving the contrary is upon the person who purchases, leases, or  
18 rents the property.

19 (f) For the purpose of the proper administration of the Nebraska  
20 Revenue Act of 1967 and to prevent evasion of the use tax, for the sale  
21 of property to an advertising agency which purchases the property as an  
22 agent for a disclosed or undisclosed principal, the advertising agency is  
23 and remains liable for the sales and use tax on the purchase the same as  
24 if the principal had made the purchase directly.

25 Sec. 3. This act becomes operative on October 1, 2020.

26 Sec. 4. Original sections 77-2701.16 and 77-2703, Revised Statutes  
27 Supplement, 2019, are repealed.