

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SEVENTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 595**

FINAL READING

Introduced by Albrecht, 17; Murman, 38.

Read first time January 20, 2021

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections  
2 77-2701.41, 77-2704.36, 77-2713, 77-27,132, and 77-27,223, Reissue  
3 Revised Statutes of Nebraska, and sections 37-327.02, 77-2701,  
4 77-2701.04, 77-2701.16, and 77-2711, Revised Statutes Cumulative  
5 Supplement, 2020; to require a report on projects funded by the Game  
6 and Parks Commission Capital Maintenance Fund; to exclude certain  
7 income from the definition of gross receipts; to change a sales and  
8 use tax exemption relating to agricultural machinery and equipment;  
9 to provide a sales and use tax exemption for certain products used  
10 in the process of manufacturing ethyl alcohol; to change provisions  
11 relating to the distribution of certain sales and use tax revenue to  
12 the Game and Parks Commission Capital Maintenance Fund; to harmonize  
13 provisions; to provide operative dates; and to repeal the original  
14 sections.  
15 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 37-327.02, Revised Statutes Cumulative  
2 Supplement, 2020, is amended to read:

3 37-327.02 (1) The Game and Parks Commission Capital Maintenance  
4 Fund is created. The fund shall consist of money credited to the fund  
5 pursuant to section 77-27,132, transfers authorized by the Legislature,  
6 and any gifts, grants, bequests, or donations to the fund. The fund shall  
7 be administered by the commission and shall be used to build, repair,  
8 renovate, rehabilitate, restore, modify, or improve any infrastructure  
9 within the statutory authority and administration of the commission. Any  
10 money in the fund available for investment shall be invested by the state  
11 investment officer pursuant to the Nebraska Capital Expansion Act and the  
12 Nebraska State Funds Investment Act.

13 (2) On or before December 1, 2021, and on or before December 1 of  
14 each year thereafter through 2027, the commission shall electronically  
15 submit a report to the Clerk of the Legislature and the Revenue Committee  
16 of the Legislature. The report shall include (a) a list of each project  
17 that received funding from the Game and Parks Commission Capital  
18 Maintenance Fund under subsection (1) of this section during the most  
19 recently completed fiscal year and (b) a list of projects that will  
20 receive such funding during the current fiscal year.

21 (3) Transfers may be made from the Game and Parks Commission Capital  
22 Maintenance Fund to the General Fund at the direction of the Legislature  
23 through June 30, 2019. The State Treasurer shall transfer four million  
24 five hundred thousand dollars from the Game and Parks Commission Capital  
25 Maintenance Fund to the General Fund between June 1, 2018, and June 30,  
26 2018, on such date as directed by the budget administrator of the budget  
27 division of the Department of Administrative Services. The State  
28 Treasurer shall transfer eight million five hundred thousand dollars from  
29 the Game and Parks Commission Capital Maintenance Fund to the General  
30 Fund between June 1, 2019, and June 30, 2019, on such date as directed by  
31 the budget administrator of the budget division of the Department of

1 Administrative Services.

2 Sec. 2. Section 77-2701, Revised Statutes Cumulative Supplement,  
3 2020, is amended to read:

4 77-2701 Sections 77-2701 to 77-27,135.01, 77-27,222, 77-27,235,  
5 77-27,236, 77-27,238, and 77-27,239 and section 7 of this act shall be  
6 known and may be cited as the Nebraska Revenue Act of 1967.

7 Sec. 3. Section 77-2701.04, Revised Statutes Cumulative Supplement,  
8 2020, is amended to read:

9 77-2701.04 For purposes of sections 77-2701.04 to 77-2713 and  
10 77-27,239 and section 7 of this act, unless the context otherwise  
11 requires, the definitions found in sections 77-2701.05 to 77-2701.55  
12 shall be used.

13 Sec. 4. Section 77-2701.16, Revised Statutes Cumulative Supplement,  
14 2020, is amended to read:

15 77-2701.16 (1) Gross receipts means the total amount of the sale or  
16 lease or rental price, as the case may be, of the retail sales of  
17 retailers.

18 (2) Gross receipts of every person engaged as a public utility  
19 specified in this subsection, as a community antenna television service  
20 operator, or as a satellite service operator or any person involved in  
21 connecting and installing services defined in subdivision (2)(a), (b), or  
22 (d) of this section means:

23 (a)(i) In the furnishing of telephone communication service, other  
24 than mobile telecommunications service as described in section  
25 77-2703.04, the gross income received from furnishing ancillary services,  
26 except for conference bridging services, and intrastate  
27 telecommunications services, except for value-added, nonvoice data  
28 service.

29 (ii) In the furnishing of mobile telecommunications service as  
30 described in section 77-2703.04, the gross income received from  
31 furnishing mobile telecommunications service that originates and

1 terminates in the same state to a customer with a place of primary use in  
2 Nebraska;

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

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

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

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

18 (e) The gross income received from the provision, installation,  
19 construction, servicing, or removal of property used in conjunction with  
20 the furnishing, installing, or connecting of any public utility services  
21 specified in subdivision (2)(a) or (b) of this section or community  
22 antenna television service or satellite service specified in subdivision  
23 (2)(d) of this section, except when acting as a subcontractor for a  
24 public utility, this subdivision does not apply to the gross income  
25 received by a contractor electing to be treated as a consumer of building  
26 materials under subdivision (2) or (3) of section 77-2701.10 for any such  
27 services performed on the customer's side of the utility demarcation  
28 point. This subdivision also does not apply to:

29 (i) The ~~the~~ gross income received by a political subdivision of the  
30 state, an electric cooperative, or an electric membership association for  
31 the lease or use of, or by a contractor for the construction of or

1 services provided on, electric generation, transmission, distribution, or  
2 street lighting structures or facilities owned by a political subdivision  
3 of the state, an electric cooperative, or an electric membership  
4 association; or -

5 (ii) The gross income received for the lease or use of towers or  
6 other structures primarily used in conjunction with the furnishing of (A)  
7 Internet access services, (B) agricultural global positioning system  
8 locating services, or (C) over-the-air radio and television broadcasting  
9 licensed by the Federal Communications Commission, including antennas and  
10 studio transmitter link systems. For purposes of this subdivision, studio  
11 transmitter link system means a system which serves as a conduit to  
12 deliver audio from its origin in a studio to a broadcast transmitter.

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

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

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

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

24 (a) The gross income received for building cleaning and maintenance,  
25 pest control, and security;

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

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

29 (d) The gross income received for installing and applying tangible  
30 personal property if the sale of the property is subject to tax. If any  
31 or all of the charge for installation is free to the customer and is paid

1 by a third-party service provider to the installer, any tax due on that  
2 part of the activation commission, finder's fee, installation charge, or  
3 similar payment made by the third-party service provider shall be paid  
4 and remitted by the third-party service provider;

5 (e) The gross income received for services of recreational vehicle  
6 parks;

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

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

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

17 (5) Gross receipts includes the sale of admissions. When an  
18 admission to an activity or a membership constituting an admission is  
19 combined with the solicitation of a contribution, the portion or the  
20 amount charged representing the fair market price of the admission shall  
21 be considered a retail sale subject to the tax imposed by section  
22 77-2703. The organization conducting the activity shall determine the  
23 amount properly attributable to the purchase of the privilege, benefit,  
24 or other consideration in advance, and such amount shall be clearly  
25 indicated on any ticket, receipt, or other evidence issued in connection  
26 with the payment.

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

30 (7) Gross receipts includes the sale of any building materials  
31 annexed to real estate by a person electing to be taxed as a retailer

1 pursuant to subdivision (1) of section 77-2701.10.

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

4 (9) Gross receipts includes the retail sale of digital audio works,  
5 digital audiovisual works, digital codes, and digital books delivered  
6 electronically if the products are taxable when delivered on tangible  
7 storage media. A sale includes the transfer of a permanent right of use,  
8 the transfer of a right of use that terminates on some condition, and the  
9 transfer of a right of use conditioned upon the receipt of continued  
10 payments.

11 (10) Gross receipts includes any receipts from sales of tangible  
12 personal property made over a multivendor marketplace platform that acts  
13 as the intermediary by facilitating sales between a seller and the  
14 purchaser and that, either directly or indirectly through agreements or  
15 arrangements with third parties, collects payment from the purchaser and  
16 transmits payment to the seller.

17 (11) Gross receipts does not include:

18 (a) The amount of any rebate granted by a motor vehicle or motorboat  
19 manufacturer or dealer at the time of sale of the motor vehicle or  
20 motorboat, which rebate functions as a discount from the sales price of  
21 the motor vehicle or motorboat; or

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

24 Sec. 5. Section 77-2701.41, Reissue Revised Statutes of Nebraska, is  
25 amended to read:

26 77-2701.41 Taxpayer means any person subject to a tax imposed by  
27 sections 77-2701 to 77-2713 and section 7 of this act.

28 Sec. 6. Section 77-2704.36, Reissue Revised Statutes of Nebraska, is  
29 amended to read:

30 77-2704.36 (1) Sales and use tax shall not be imposed on the gross  
31 receipts from the sale, lease, or rental of depreciable agricultural

1 machinery and equipment purchased, leased, or rented on or after January  
2 1, 1993, for use in commercial agriculture.

3 (2) For purposes of this section: τ

4 (a) Agricultural machinery and equipment means tangible personal  
5 property that is used directly in (i) cultivating or harvesting a crop,  
6 (ii) raising or caring for animal life, (iii) protecting the health and  
7 welfare of animal life, including fans, curtains, and climate control  
8 equipment within livestock buildings, or (iv) collecting or processing an  
9 agricultural product on a farm or ranch, regardless of the degree of  
10 attachment to any real property; and

11 (b) Agricultural ~~agricultural~~ machinery and equipment includes, but  
12 is not limited to, header trailers, head haulers, header transports, and  
13 seed tender trailers and excludes any current tractor model as defined in  
14 section 2-2701.01 not permitted for sale in Nebraska pursuant to sections  
15 2-2701 to 2-2711.

16 Sec. 7. Sales and use taxes shall not be imposed on the gross  
17 receipts from the sale, lease, or rental of and the storage, use, or  
18 other consumption in this state of all catalysts, chemicals, and  
19 materials used in the process of manufacturing ethyl alcohol and the  
20 production of coproducts.

21 Sec. 8. Section 77-2711, Revised Statutes Cumulative Supplement,  
22 2020, is amended to read:

23 77-2711 (1)(a) The Tax Commissioner shall enforce sections  
24 77-2701.04 to 77-2713 and section 7 of this act and may prescribe, adopt,  
25 and enforce rules and regulations relating to the administration and  
26 enforcement of such sections.

27 (b) The Tax Commissioner may prescribe the extent to which any  
28 ruling or regulation shall be applied without retroactive effect.

29 (2) The Tax Commissioner may employ accountants, auditors,  
30 investigators, assistants, and clerks necessary for the efficient  
31 administration of the Nebraska Revenue Act of 1967 and may delegate



1 authority to his or her representatives to conduct hearings, prescribe  
2 regulations, or perform any other duties imposed by such act.

3 (3)(a) Every seller, every retailer, and every person storing,  
4 using, or otherwise consuming in this state property purchased from a  
5 retailer shall keep such records, receipts, invoices, and other pertinent  
6 papers in such form as the Tax Commissioner may reasonably require.

7 (b) Every such seller, retailer, or person shall keep such records  
8 for not less than three years from the making of such records unless the  
9 Tax Commissioner in writing sooner authorized their destruction.

10 (4) The Tax Commissioner or any person authorized in writing by him  
11 or her may examine the books, papers, records, and equipment of any  
12 person selling property and any person liable for the use tax and may  
13 investigate the character of the business of the person in order to  
14 verify the accuracy of any return made or, if no return is made by the  
15 person, to ascertain and determine the amount required to be paid. In the  
16 examination of any person selling property or of any person liable for  
17 the use tax, an inquiry shall be made as to the accuracy of the reporting  
18 of city and county sales and use taxes for which the person is liable  
19 under the Local Option Revenue Act or sections 13-319, 13-324, 13-2813,  
20 and 77-6403 and the accuracy of the allocation made between the various  
21 counties, cities, villages, and municipal counties of the tax due. The  
22 Tax Commissioner may make or cause to be made copies of resale or  
23 exemption certificates and may pay a reasonable amount to the person  
24 having custody of the records for providing such copies.

25 (5) The taxpayer shall have the right to keep or store his or her  
26 records at a point outside this state and shall make his or her records  
27 available to the Tax Commissioner at all times.

28 (6) In administration of the use tax, the Tax Commissioner may  
29 require the filing of reports by any person or class of persons having in  
30 his, her, or their possession or custody information relating to sales of  
31 property, the storage, use, or other consumption of which is subject to

1 the tax. The report shall be filed when the Tax Commissioner requires and  
2 shall set forth the names and addresses of purchasers of the property,  
3 the sales price of the property, the date of sale, and such other  
4 information as the Tax Commissioner may require.

5 (7) It shall be a Class I misdemeanor for the Tax Commissioner or  
6 any official or employee of the Tax Commissioner, the State Treasurer, or  
7 the Department of Administrative Services to make known in any manner  
8 whatever the business affairs, operations, or information obtained by an  
9 investigation of records and activities of any retailer or any other  
10 person visited or examined in the discharge of official duty or the  
11 amount or source of income, profits, losses, expenditures, or any  
12 particular thereof, set forth or disclosed in any return, or to permit  
13 any return or copy thereof, or any book containing any abstract or  
14 particulars thereof to be seen or examined by any person not connected  
15 with the Tax Commissioner. Nothing in this section shall be construed to  
16 prohibit (a) the delivery to a taxpayer, his or her duly authorized  
17 representative, or his or her successors, receivers, trustees, executors,  
18 administrators, assignees, or guarantors, if directly interested, of a  
19 certified copy of any return or report in connection with his or her tax,  
20 (b) the publication of statistics so classified as to prevent the  
21 identification of particular reports or returns and the items thereof,  
22 (c) the inspection by the Attorney General, other legal representative of  
23 the state, or county attorney of the reports or returns of any taxpayer  
24 when either (i) information on the reports or returns is considered by  
25 the Attorney General to be relevant to any action or proceeding  
26 instituted by the taxpayer or against whom an action or proceeding is  
27 being considered or has been commenced by any state agency or the county  
28 or (ii) the taxpayer has instituted an action to review the tax based  
29 thereon or an action or proceeding against the taxpayer for collection of  
30 tax or failure to comply with the Nebraska Revenue Act of 1967 is being  
31 considered or has been commenced, (d) the furnishing of any information

1 to the United States Government or to states allowing similar privileges  
2 to the Tax Commissioner, (e) the disclosure of information and records to  
3 a collection agency contracting with the Tax Commissioner pursuant to  
4 sections 77-377.01 to 77-377.04, (f) the disclosure to another party to a  
5 transaction of information and records concerning the transaction between  
6 the taxpayer and the other party, (g) the disclosure of information  
7 pursuant to section 77-27,195, 77-5731, 77-6837, or 77-6839, or (h) the  
8 disclosure of information to the Department of Labor necessary for the  
9 administration of the Employment Security Law, the Contractor  
10 Registration Act, or the Employee Classification Act.

11 (8) Notwithstanding the provisions of subsection (7) of this  
12 section, the Tax Commissioner may permit the Postal Inspector of the  
13 United States Postal Service or his or her delegates to inspect the  
14 reports or returns of any person filed pursuant to the Nebraska Revenue  
15 Act of 1967 when information on the reports or returns is relevant to any  
16 action or proceeding instituted or being considered by the United States  
17 Postal Service against such person for the fraudulent use of the mails to  
18 carry and deliver false and fraudulent tax returns to the Tax  
19 Commissioner with the intent to defraud the State of Nebraska or to evade  
20 the payment of Nebraska state taxes.

21 (9) Notwithstanding the provisions of subsection (7) of this  
22 section, the Tax Commissioner may permit other tax officials of this  
23 state to inspect the tax returns, reports, and applications filed under  
24 sections 77-2701.04 to 77-2713 and section 7 of this act, but such  
25 inspection shall be permitted only for purposes of enforcing a tax law  
26 and only to the extent and under the conditions prescribed by the rules  
27 and regulations of the Tax Commissioner.

28 (10) Notwithstanding the provisions of subsection (7) of this  
29 section, the Tax Commissioner may, upon request, provide the county board  
30 of any county which has exercised the authority granted by section  
31 81-3716 with a list of the names and addresses of the hotels located

1 within the county for which lodging sales tax returns have been filed or  
2 for which lodging sales taxes have been remitted for the county's County  
3 Visitors Promotion Fund under the Nebraska Visitors Development Act.

4 The information provided by the Tax Commissioner shall indicate only  
5 the names and addresses of the hotels located within the requesting  
6 county for which lodging sales tax returns have been filed for a  
7 specified period and the fact that lodging sales taxes remitted by or on  
8 behalf of the hotel have constituted a portion of the total sum remitted  
9 by the state to the county for a specified period under the provisions of  
10 the Nebraska Visitors Development Act. No additional information shall be  
11 revealed.

12 (11)(a) Notwithstanding the provisions of subsection (7) of this  
13 section, the Tax Commissioner shall, upon written request by the Auditor  
14 of Public Accounts or the office of Legislative Audit, make tax returns  
15 and tax return information open to inspection by or disclosure to the  
16 Auditor of Public Accounts or employees of the office of Legislative  
17 Audit for the purpose of and to the extent necessary in making an audit  
18 of the Department of Revenue pursuant to section 50-1205 or 84-304.  
19 Confidential tax returns and tax return information shall be audited only  
20 upon the premises of the Department of Revenue. All audit workpapers  
21 pertaining to the audit of the Department of Revenue shall be stored in a  
22 secure place in the Department of Revenue.

23 (b) No employee of the Auditor of Public Accounts or the office of  
24 Legislative Audit shall disclose to any person, other than another  
25 Auditor of Public Accounts or office employee whose official duties  
26 require such disclosure, any return or return information described in  
27 the Nebraska Revenue Act of 1967 in a form which can be associated with  
28 or otherwise identify, directly or indirectly, a particular taxpayer.

29 (c) Any person who violates the provisions of this subsection shall  
30 be guilty of a Class I misdemeanor. For purposes of this subsection,  
31 employee includes a former Auditor of Public Accounts or office of

1 Legislative Audit employee.

2 (12) For purposes of this subsection and subsections (11) and (14)  
3 of this section:

4 (a) Disclosure means the making known to any person in any manner a  
5 tax return or return information;

6 (b) Return information means:

7 (i) A taxpayer's identification number and (A) the nature, source,  
8 or amount of his or her income, payments, receipts, deductions,  
9 exemptions, credits, assets, liabilities, net worth, tax liability, tax  
10 withheld, deficiencies, overassessments, or tax payments, whether the  
11 taxpayer's return was, is being, or will be examined or subject to other  
12 investigation or processing or (B) any other data received by, recorded  
13 by, prepared by, furnished to, or collected by the Tax Commissioner with  
14 respect to a return or the determination of the existence or possible  
15 existence of liability or the amount of liability of any person for any  
16 tax, penalty, interest, fine, forfeiture, or other imposition or offense;  
17 and

18 (ii) Any part of any written determination or any background file  
19 document relating to such written determination; and

20 (c) Tax return or return means any tax or information return or  
21 claim for refund required by, provided for, or permitted under sections  
22 77-2701 to 77-2713 and section 7 of this act which is filed with the Tax  
23 Commissioner by, on behalf of, or with respect to any person and any  
24 amendment or supplement thereto, including supporting schedules,  
25 attachments, or lists which are supplemental to or part of the filed  
26 return.

27 (13) Notwithstanding the provisions of subsection (7) of this  
28 section, the Tax Commissioner shall, upon request, provide any  
29 municipality which has adopted the local option sales tax under the Local  
30 Option Revenue Act with a list of the names and addresses of the  
31 retailers which have collected the local option sales tax for the

1 municipality. The request may be made annually and shall be submitted to  
2 the Tax Commissioner on or before June 30 of each year. The information  
3 provided by the Tax Commissioner shall indicate only the names and  
4 addresses of the retailers. The Tax Commissioner may provide additional  
5 information to a municipality so long as the information does not include  
6 any data detailing the specific revenue, expenses, or operations of any  
7 particular business.

8 (14)(a) Notwithstanding the provisions of subsection (7) of this  
9 section, the Tax Commissioner shall, upon written request, provide an  
10 individual certified under subdivision (b) of this subsection  
11 representing a municipality which has adopted the local option sales and  
12 use tax under the Local Option Revenue Act with confidential sales and  
13 use tax returns and sales and use tax return information regarding  
14 taxpayers that possess a sales tax permit and the amounts remitted by  
15 such permitholders at locations within the boundaries of the requesting  
16 municipality or with confidential business use tax returns and business  
17 use tax return information regarding taxpayers that file a Nebraska and  
18 Local Business Use Tax Return and the amounts remitted by such taxpayers  
19 at locations within the boundaries of the requesting municipality. Any  
20 written request pursuant to this subsection shall provide the Department  
21 of Revenue with no less than ten business days to prepare the sales and  
22 use tax returns and sales and use tax return information requested. The  
23 individual certified under subdivision (b) of this subsection shall  
24 review such returns and return information only upon the premises of the  
25 department, except that such limitation shall not apply if the certifying  
26 municipality has an agreement in effect under the Nebraska Advantage  
27 Transformational Tourism and Redevelopment Act. In such case, the  
28 individual certified under subdivision (b) of this subsection may request  
29 that copies of such returns and return information be sent to him or her  
30 by electronic transmission, secured in a manner as determined by the Tax  
31 Commissioner.

1           (b) Each municipality that seeks to request information under  
2 subdivision (a) of this subsection shall certify to the Department of  
3 Revenue one individual who is authorized by such municipality to make  
4 such request and review the documents described in subdivision (a) of  
5 this subsection. The individual may be a municipal employee or an  
6 individual who contracts with the requesting municipality to provide  
7 financial, accounting, or other administrative services.

8           (c) No individual certified by a municipality pursuant to  
9 subdivision (b) of this subsection shall disclose to any person any  
10 information obtained pursuant to a review under this subsection. An  
11 individual certified by a municipality pursuant to subdivision (b) of  
12 this subsection shall remain subject to this subsection after he or she  
13 (i) is no longer certified or (ii) is no longer in the employment of or  
14 under contract with the certifying municipality.

15           (d) Any person who violates the provisions of this subsection shall  
16 be guilty of a Class I misdemeanor.

17           (e) The Department of Revenue shall not be held liable by any person  
18 for an impermissible disclosure by a municipality or any agent or  
19 employee thereof of any information obtained pursuant to a review under  
20 this subsection.

21           (15) In all proceedings under the Nebraska Revenue Act of 1967, the  
22 Tax Commissioner may act for and on behalf of the people of the State of  
23 Nebraska. The Tax Commissioner in his or her discretion may waive all or  
24 part of any penalties provided by the provisions of such act or interest  
25 on delinquent taxes specified in section 45-104.02, as such rate may from  
26 time to time be adjusted.

27           (16)(a) The purpose of this subsection is to set forth the state's  
28 policy for the protection of the confidentiality rights of all  
29 participants in the system operated pursuant to the streamlined sales and  
30 use tax agreement and of the privacy interests of consumers who deal with  
31 model 1 sellers.

1 (b) For purposes of this subsection:

2 (i) Anonymous data means information that does not identify a  
3 person;

4 (ii) Confidential taxpayer information means all information that is  
5 protected under a member state's laws, regulations, and privileges; and

6 (iii) Personally identifiable information means information that  
7 identifies a person.

8 (c) The state agrees that a fundamental precept for model 1 sellers  
9 is to preserve the privacy of consumers by protecting their anonymity.  
10 With very limited exceptions, a certified service provider shall perform  
11 its tax calculation, remittance, and reporting functions without  
12 retaining the personally identifiable information of consumers.

13 (d) The governing board of the member states in the streamlined  
14 sales and use tax agreement may certify a certified service provider only  
15 if that certified service provider certifies that:

16 (i) Its system has been designed and tested to ensure that the  
17 fundamental precept of anonymity is respected;

18 (ii) Personally identifiable information is only used and retained  
19 to the extent necessary for the administration of model 1 with respect to  
20 exempt purchasers;

21 (iii) It provides consumers clear and conspicuous notice of its  
22 information practices, including what information it collects, how it  
23 collects the information, how it uses the information, how long, if at  
24 all, it retains the information, and whether it discloses the information  
25 to member states. Such notice shall be satisfied by a written privacy  
26 policy statement accessible by the public on the web site of the  
27 certified service provider;

28 (iv) Its collection, use, and retention of personally identifiable  
29 information is limited to that required by the member states to ensure  
30 the validity of exemptions from taxation that are claimed by reason of a  
31 consumer's status or the intended use of the goods or services purchased;



1 and

2 (v) It provides adequate technical, physical, and administrative  
3 safeguards so as to protect personally identifiable information from  
4 unauthorized access and disclosure.

5 (e) The state shall provide public notification to consumers,  
6 including exempt purchasers, of the state's practices relating to the  
7 collection, use, and retention of personally identifiable information.

8 (f) When any personally identifiable information that has been  
9 collected and retained is no longer required for the purposes set forth  
10 in subdivision (16)(d)(iv) of this section, such information shall no  
11 longer be retained by the member states.

12 (g) When personally identifiable information regarding an individual  
13 is retained by or on behalf of the state, it shall provide reasonable  
14 access by such individual to his or her own information in the state's  
15 possession and a right to correct any inaccurately recorded information.

16 (h) If anyone other than a member state, or a person authorized by  
17 that state's law or the agreement, seeks to discover personally  
18 identifiable information, the state from whom the information is sought  
19 should make a reasonable and timely effort to notify the individual of  
20 such request.

21 (i) This privacy policy is subject to enforcement by the Attorney  
22 General.

23 (j) All other laws and regulations regarding the collection, use,  
24 and maintenance of confidential taxpayer information remain fully  
25 applicable and binding. Without limitation, this subsection does not  
26 enlarge or limit the state's authority to:

27 (i) Conduct audits or other reviews as provided under the agreement  
28 and state law;

29 (ii) Provide records pursuant to the federal Freedom of Information  
30 Act, disclosure laws with governmental agencies, or other regulations;

31 (iii) Prevent, consistent with state law, disclosure of confidential

1 taxpayer information;

2 (iv) Prevent, consistent with federal law, disclosure or misuse of  
3 federal return information obtained under a disclosure agreement with the  
4 Internal Revenue Service; and

5 (v) Collect, disclose, disseminate, or otherwise use anonymous data  
6 for governmental purposes.

7 Sec. 9. Section 77-2713, Reissue Revised Statutes of Nebraska, is  
8 amended to read:

9 77-2713 (1) Any person required under the provisions of sections  
10 77-2701.04 to 77-2713 and section 7 of this act to collect, account for,  
11 or pay over any tax imposed by the Nebraska Revenue Act of 1967 who  
12 willfully fails to collect or truthfully account for or pay over such tax  
13 and any person who willfully attempts in any manner to evade any tax  
14 imposed by such provisions of such act or the payment thereof shall, in  
15 addition to other penalties provided by law, be guilty of a Class IV  
16 felony.

17 (2) Any person who willfully aids or assists in, procures, counsels,  
18 or advises the preparation or presentation of a false or fraudulent  
19 return, affidavit, claim, or document under or in connection with any  
20 matter arising under sections 77-2701.04 to 77-2713 and section 7 of this  
21 act shall, whether or not such falsity or fraud is with the knowledge or  
22 consent of the person authorized or required to present such return,  
23 affidavit, claim, or document, be guilty of a Class IV felony.

24 (3) A person who engages in business as a retailer in this state  
25 without a permit or permits or after a permit has been suspended and each  
26 officer of any corporation which so engages in business shall be guilty  
27 of a Class IV misdemeanor. Each day of such operation shall constitute a  
28 separate offense.

29 (4) Any person who gives a resale certificate to the seller for  
30 property which he or she knows, at the time of purchase, is purchased for  
31 the purpose of use rather than for the purpose of resale, lease, or

1 rental by him or her in the regular course of business shall be guilty of  
2 a Class IV misdemeanor.

3 (5) Any violation of the provisions of sections 77-2701.04 to  
4 77-2713 and section 7 of this act, except as otherwise provided, shall be  
5 a Class IV misdemeanor.

6 (6) Any prosecution under sections 77-2701.04 to 77-2713 and section  
7 7 of this act shall be instituted within three years after the commission  
8 of the offense. If such offense is the failure to do an act required by  
9 any of such sections to be done before a certain date, a prosecution for  
10 such offense may be commenced not later than three years after such date.  
11 The failure to do any act required by sections 77-2701.04 to 77-2713 and  
12 section 7 of this act shall be deemed an act committed in part at the  
13 principal office of the Tax Commissioner. Any prosecution under the  
14 provisions of the Nebraska Revenue Act of 1967 may be conducted in any  
15 county where the person or corporation to whose liability the proceeding  
16 relates resides or has a place of business or in any county in which such  
17 criminal act is committed. The Attorney General shall have concurrent  
18 jurisdiction with the county attorney in the prosecution of any offenses  
19 under the provisions of the Nebraska Revenue Act of 1967.

20 Sec. 10. Section 77-27,132, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22 77-27,132 (1) There is hereby created a fund to be designated the  
23 Revenue Distribution Fund which shall be set apart and maintained by the  
24 Tax Commissioner. Revenue not required to be credited to the General Fund  
25 or any other specified fund may be credited to the Revenue Distribution  
26 Fund. Credits and refunds of such revenue shall be paid from the Revenue  
27 Distribution Fund. The balance of the amount credited, after credits and  
28 refunds, shall be allocated as provided by the statutes creating such  
29 revenue.

30 (2) The Tax Commissioner shall pay to a depository bank designated  
31 by the State Treasurer all amounts collected under the Nebraska Revenue

1 Act of 1967. The Tax Commissioner shall present to the State Treasurer  
2 bank receipts showing amounts so deposited in the bank, and of the  
3 amounts so deposited the State Treasurer shall:

4 (a) For transactions occurring on or after October 1, 2014, and  
5 before October 1, ~~2027~~ 2022, credit to the Game and Parks Commission  
6 Capital Maintenance Fund all of the proceeds of the sales and use taxes  
7 imposed pursuant to section 77-2703 on the sale or lease of motorboats as  
8 defined in section 37-1204, personal watercraft as defined in section  
9 37-1204.01, all-terrain vehicles as defined in section 60-103, and  
10 utility-type vehicles as defined in section 60-135.01;

11 (b) Credit to the Highway Trust Fund all of the proceeds of the  
12 sales and use taxes derived from the sale or lease for periods of more  
13 than thirty-one days of motor vehicles, trailers, and semitrailers,  
14 except that the proceeds equal to any sales tax rate provided for in  
15 section 77-2701.02 that is in excess of five percent derived from the  
16 sale or lease for periods of more than thirty-one days of motor vehicles,  
17 trailers, and semitrailers shall be credited to the Highway Allocation  
18 Fund;

19 (c) For transactions occurring on or after July 1, 2013, and before  
20 July 1, 2033, of the proceeds of the sales and use taxes derived from  
21 transactions other than those listed in subdivisions (2)(a) and (b) of  
22 this section from a sales tax rate of one-quarter of one percent, credit  
23 monthly eighty-five percent to the State Highway Capital Improvement Fund  
24 and fifteen percent to the Highway Allocation Fund; and

25 (d) Of the proceeds of the sales and use taxes derived from  
26 transactions other than those listed in subdivisions (2)(a) and (b) of  
27 this section, credit to the Property Tax Credit Cash Fund the amount  
28 certified under section 77-27,237, if any such certification is made.

29 The balance of all amounts collected under the Nebraska Revenue Act  
30 of 1967 shall be credited to the General Fund.

31 Sec. 11. Section 77-27,223, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2       77-27,223 A county may raise revenue by levying and collecting a  
3 license or occupation tax on any person, partnership, limited liability  
4 company, corporation, or business engaged in the sale of admissions to  
5 recreational, cultural, entertainment, or concert events that are subject  
6 to sales tax under sections 77-2701.04 to 77-2713 and section 7 of this  
7 act that occur outside any incorporated municipality, but within the  
8 boundary limits of the county. The tax shall be uniform in respect to the  
9 class upon which it is imposed. The tax shall be based upon a certain  
10 percentage of gross receipts from sales in the county of the person,  
11 partnership, limited liability company, corporation, or business, and may  
12 include sales of other goods and services at such locations and events,  
13 not to exceed one and one-half percent. A county may not impose the tax  
14 on sales that are within an incorporated city or village. No county shall  
15 levy and collect a license or occupation tax under this section unless  
16 approved by a majority of those voting on the question at a special,  
17 primary, or general election.

18       Sec. 12. Sections 2, 3, 4, 5, 6, 7, 8, 9, 11, and 14 of this act  
19 become operative on October 1, 2021. The other sections of this act  
20 become operative on their effective date.

21       Sec. 13. Original section 77-27,132, Reissue Revised Statutes of  
22 Nebraska, and section 37-327.02, Revised Statutes Cumulative Supplement,  
23 2020, are repealed.

24       Sec. 14. Original sections 77-2701.41, 77-2704.36, 77-2713, and  
25 77-27,223, Reissue Revised Statutes of Nebraska, and sections 77-2701,  
26 77-2701.04, 77-2701.16, and 77-2711, Revised Statutes Cumulative  
27 Supplement, 2020, are repealed.