

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SEVENTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 133**

Introduced by Erdman, 47; Albrecht, 17; Brewer, 43; Briese, 41; Clements, 2; Halloran, 33; Lowe, 37; McDonnell, 5; Murman, 38.

Read first time January 07, 2021

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections  
2 13-501, 13-2813, 77-201, 77-2004, 77-2005, 77-2006, 77-27,148,  
3 77-3507, and 85-2231, Reissue Revised Statutes of Nebraska, and  
4 sections 13-319, 18-2147, 77-2701, 77-3506, 77-3508, 77-6406,  
5 77-6827, 79-1001, and 84-612, Revised Statutes Cumulative  
6 Supplement, 2020; to adopt the Nebraska EPIC Consumption Tax Act; to  
7 terminate the Nebraska Budget Act, tax-increment financing, the  
8 property tax, the inheritance tax, sales and use taxes, the income  
9 tax, the homestead exemption, the Tax Equity and Educational  
10 Opportunities Support Act, and the Community College Aid Act as  
11 prescribed; to change an application deadline under the Imagine  
12 Nebraska Act; to transfer funds from the Cash Reserve Fund; and to  
13 repeal the original sections.

14 Be it enacted by the people of the State of Nebraska,

1           Section 1. Sections 1 to 43 of this act shall be known and may be  
2 cited as the Nebraska EPIC Consumption Tax Act, where the acronym EPIC  
3 stands for the elimination of property, income, and corporate taxes.

4           Sec. 2. For purposes of the Nebraska EPIC Consumption Tax Act:

5           (1) Affiliated firms means two or more firms that are affiliated  
6 with each other. A firm is affiliated with another if one firm owns fifty  
7 percent or more of:

8           (a) The voting shares in a corporation; or

9           (b) The capital interests of a business firm that is not a  
10 corporation;

11           (2) Consumption tax means the tax imposed pursuant to the Nebraska  
12 EPIC Consumption Tax Act;

13           (3) Designated commercial private courier service means a firm  
14 designated as such by the Tax Commissioner, upon application of the firm,  
15 if the firm:

16           (a) Provides its services to the general public; and

17           (b) Records electronically to its data base kept in the regular  
18 course of its business the date on which an item was given to such firm  
19 for delivery;

20           (4) Education and training means tuition for primary, secondary, or  
21 postsecondary level education and job-related training courses. Such term  
22 does not include room, board, sports activities, recreational activities,  
23 hobbies, games, arts or crafts, or cultural activities;

24           (5) Gross payments means payments for taxable property or services,  
25 including taxes imposed in the Nebraska EPIC Consumption Tax Act;

26           (6)(a) Intangible property includes copyrights, trademarks, patents,  
27 goodwill, financial instruments, securities, commercial paper, debts,  
28 notes and bonds, and other property deemed intangible by common law.

29           (b) Intangible property does not include tangible personal property  
30 or rents or leaseholds of any term thereon, real property or rents or  
31 leaseholds of any term thereon, or computer software;

1       (7) Person means any individual, association, estate, trust,  
2 partnership, corporation, or other entity of any kind;

3       (8)(a) Produce, provide, render, or sell taxable property or  
4 services shall have the following meaning: A taxable property or service  
5 is something used to produce, provide, render, or sell a taxable property  
6 or service if such property or service is purchased by a person engaged  
7 in a trade or business for the purpose of employing or using such taxable  
8 property or service in the production, provision, rendering, or sale of  
9 other taxable property or services in the ordinary course of that trade  
10 or business.

11       (b) Taxable property or services used in a trade or business for the  
12 purposes of research, experimentation, testing, and development shall be  
13 treated as used to produce, provide, render, or sell taxable property or  
14 services.

15       (c) Taxable property or services purchased by an insurer on behalf  
16 of an insured shall be treated as used to produce, provide, render, or  
17 sell taxable property or services if the premium for the insurance  
18 contract giving rise to the insurer's obligation was subject to tax  
19 pursuant to section 29 of this act.

20       (d) Education and training shall be treated as services used to  
21 produce, provide, render, or sell taxable property or services;

22       (9) Registered seller means a person registered pursuant to section  
23 12 of this act;

24       (10) Responsible officers and partners means:

25       (a) In the case of a corporation, any officer who is the president,  
26 the chief executive officer, a vice-president, the secretary, the  
27 treasurer, or the chief financial officer or who serves a similar  
28 function for the corporation;

29       (b) In the case of a partnership, any partner other than limited  
30 partners; or

31       (c) In the case of a limited liability company, any officer serving

1 the function of a corporate president or chief executive officer,  
2 treasurer or chief financial officer, or secretary and any member  
3 actively engaged in the management of the company;

4 (11) Tax Commissioner means the Tax Commissioner of the State of  
5 Nebraska;

6 (12) Tax inclusive fair market value means the fair market value of  
7 taxable property or services plus the tax imposed by the Nebraska EPIC  
8 Consumption Tax Act;

9 (13) Taxable employer includes:

10 (a) Any household employing domestic servants; and

11 (b) Any government except for government enterprises as defined in  
12 section 27 of this act;

13 (14)(a) Taxable property or service means:

14 (i) Any property, including leaseholds of any term or rents with  
15 respect to such property, but excluding:

16 (A) Intangible property; and

17 (B) Used property; and

18 (ii) Any service, including any financial intermediation services as  
19 defined in section 29 of this act.

20 (b) For purposes of subdivision (14)(a) of this section, the term  
21 service:

22 (i) Shall include any service performed by an employee for which the  
23 employee is paid wages or a salary by a taxable employer; and

24 (ii) Shall not include any service performed by an employee for  
25 which the employee is paid wages or a salary:

26 (A) By an employer in the regular course of the employer's trade or  
27 business;

28 (B) By an employer that is a not-for-profit organization as defined  
29 in section 28 of this act;

30 (C) By an employer that is a government enterprise as defined in  
31 section 27 of this act; or

1        (D) By taxable employers to employees directly providing education  
2 and training;

3        (15) Used property means:

4        (a) Property on which the tax imposed by the Nebraska EPIC  
5 Consumption Tax Act has already been collected and for which no credit  
6 has been allowed;

7        (b) Property that was held other than for a business purpose in a  
8 trade or business, as defined in subdivision (2)(b) of section 8 of this  
9 act, on December 31, 2023;

10       (c) Property that a business has been using but intends to dispose  
11 of; or

12       (d) Property owned by a private citizen prior to January 1, 2024;  
13 and

14       (16) Wage or salary means all compensation paid for employment  
15 service, including cash compensation, employee benefits, disability  
16 insurance, wage replacement insurance payments, unemployment compensation  
17 insurance, workers' compensation insurance, and the fair market value of  
18 any other consideration paid by an employer to an employee in  
19 consideration for employment services rendered.

20       Sec. 3. (1) The state income tax imposed pursuant to the Nebraska  
21 Revenue Act of 1967 is hereby repealed effective at the end of the day on  
22 December 31, 2024. The Department of Revenue may collect taxes due from  
23 2023 during calendar year 2024, but income earned in 2024 shall not be  
24 subject to the income tax.

25       (2) The state sales and use tax imposed pursuant to the Nebraska  
26 Revenue Act of 1967 and all local sales and use taxes imposed pursuant to  
27 the Local Option Revenue Act, the Qualified Judgment Payment Act, and  
28 sections 13-319 and 13-2813 are hereby repealed effective at the end of  
29 the day on December 31, 2024. The Department of Revenue may collect sales  
30 and use taxes due from 2023 during calendar year 2024, but no sales and  
31 use taxes shall be imposed on purchases of goods and services beginning

1 January 1, 2024.

2 Sec. 4. The property tax imposed pursuant to Chapter 77 is hereby  
3 repealed effective at the end of the day on December 31, 2024. Property  
4 taxes due from 2023 may be collected during calendar year 2024, but no  
5 property taxes shall be imposed on real or personal property beginning  
6 January 1, 2024.

7 Sec. 5. The inheritance tax imposed pursuant to sections 77-2001 to  
8 77-2040 is hereby repealed effective at the end of the day on December  
9 31, 2024. Inheritance taxes due from 2023 may be collected during  
10 calendar year 2024, but no inheritance taxes shall be imposed on a  
11 deceased person's estate beginning January 1, 2024.

12 Sec. 6. This section establishes the Nebraska Taxpayer's Bill of  
13 Rights, which shall include the following:

14 (1) The citizens of Nebraska are entitled to a fair and just tax  
15 system, one which favors neither the poor nor the rich, neither rural  
16 dwellers nor urban dwellers, neither business owners nor laborers, and  
17 that is no respecter of race, religion, creed, or sex;

18 (2) The State of Nebraska shall never impose or collect a tax on the  
19 income of its citizens, whether such income tax be of a personal nature  
20 or of a corporate nature;

21 (3) The State of Nebraska shall never impose or collect a tax on the  
22 property already owned by its citizens, regardless of whether such  
23 property is real or personal, tangible or intangible;

24 (4) The State of Nebraska shall never impose or collect a tax on the  
25 estate of a deceased person or the inheritance of the heirs of a deceased  
26 person;

27 (5) Because the consumption tax manifests a security against  
28 government excess, it shall be preferred above all other tax systems in  
29 the State of Nebraska;

30 (6) The State of Nebraska shall respect, protect, and secure the  
31 confidentiality of each person's personal tax reports and personal tax

1 information, unless such rights are waived in writing by the person;

2 (7) The Department of Revenue shall be subject to the citizens of  
3 the State of Nebraska by readily correcting errors of taxation and  
4 granting temporary relief to registered sellers suffering hardship due to  
5 the burden of paying taxes;

6 (8) Those citizens and legal residents of the State of Nebraska  
7 living at or below the federal poverty rate shall be absolved of making  
8 any positive net contribution to the consumption tax revenue of this  
9 state;

10 (9) The State of Nebraska shall never impose or collect a tax on  
11 services or materials used to manufacture products, including  
12 agricultural products, for sale to the general public or to enhance  
13 services for sale to the general public; and

14 (10) The State of Nebraska shall live within its revenue means in  
15 the same way that a citizen lives within his or her revenue means.

16 Sec. 7. (1) Beginning January 1, 2024, there is hereby imposed a  
17 tax on the use or consumption in the State of Nebraska of taxable  
18 property or services.

19 (2) The rate of the consumption tax shall be ten and sixty-four  
20 hundredths percent.

21 (3) The person purchasing taxable property or services in the State  
22 of Nebraska shall be liable for the tax.

23 (4) Except as otherwise provided in this section, the tax shall be  
24 collected by the registered seller. The tax shall constitute a part of  
25 the purchase price and until collected shall be a debt from the purchaser  
26 to the registered seller. The tax required to be collected by the  
27 registered seller from the purchaser constitutes a debt owed by the  
28 registered seller to the State of Nebraska.

29 (5) The registered seller shall, at the time of making the sale,  
30 collect any tax which may be due from the purchaser and shall give to the  
31 purchaser, upon request, a receipt therefor in the manner and form

1 prescribed by the Nebraska EPIC Consumption Tax Act.

2 (6) In order to prevent evasion of the consumption tax, it shall be  
3 presumed that all gross payments from sales by registered sellers are  
4 subject to the tax until the contrary is established. The burden of  
5 proving that a sale is not a taxable sale is upon the registered seller  
6 who makes the sale unless he or she takes and records from the purchaser  
7 a tax-exempt certificate identification number.

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

22 (8) In the sale of new automobiles, trucks, trailers, semitrailers,  
23 and truck-tractors as defined in the Motor Vehicle Registration Act, the  
24 consumption tax shall be paid to the county treasurer of the county where  
25 the transaction took place. In the rental or lease of automobiles,  
26 trucks, trailers, semitrailers, and truck-tractors as defined in the  
27 Motor Vehicle Registration Act, the consumption tax shall be collected by  
28 the lessor on the rental or lease price.

29 (9) In the case of taxable property or services purchased outside of  
30 the State of Nebraska and brought into the State of Nebraska for use or  
31 consumption in the State of Nebraska, the purchaser shall remit the



1 consumption tax on a form prescribed by the Tax Commissioner. Such form  
2 shall be made available on the Department of Revenue's web site. The tax  
3 shall be due the month following the purchase date of the taxable  
4 property or services.

5 (10) In the case of wages or salary paid by a taxable employer which  
6 are taxable services, the employer shall remit the consumption tax in the  
7 month following the date that the wages were paid.

8 (11) Property or services purchased for a business purpose in a  
9 trade or business or for sale outside of the State of Nebraska and sold  
10 untaxed that are subsequently converted to personal use in the State of  
11 Nebraska shall be deemed purchased at the time of conversion and shall be  
12 subject to the consumption tax at the fair market value of the converted  
13 property as of the date of conversion. The tax shall be due as if the  
14 property had been sold at the fair market value during the month of  
15 conversion. The person using or consuming the converted property is  
16 liable for and shall remit the tax on a form prescribed by the Tax  
17 Commissioner.

18 (12) If gross payment for taxable property or services is made in  
19 other than money, then the person responsible for collecting and  
20 remitting the tax shall remit the tax in money as if gross payment had  
21 been made in money at the tax inclusive fair market value of the taxable  
22 property or services purchased. This subsection shall not apply if the  
23 tax inclusive fair market value of the property or services being  
24 exchanged is less than twenty-five dollars.

25 (13) Real estate shall be taxed in the following way:

26 (a) The building and sale of a new structure, such as a dwelling, a  
27 barn, a warehouse, or other building, shall be subject to the consumption  
28 tax;

29 (b) The building and sale of an addition to a structure, such as a  
30 dwelling, a barn, a warehouse, or other building, shall be subject to the  
31 consumption tax;

1       (c) The remodeling and sale of an already existing structure, such  
2 as a dwelling, a barn, a warehouse, or other building, shall be subject  
3 to the consumption tax;

4       (d) The sale of an already existing structure, such as a dwelling, a  
5 barn, a warehouse, or other building, by any agent other than the seller  
6 or purchaser of the real property shall be considered a taxable service  
7 subject to the consumption tax in the following way:

8       (i) Any commission or fee imposed by an agent representing the  
9 seller of the real property shall be subject to the consumption tax; and

10       (ii) Any commission or fee imposed by an agent representing the  
11 purchaser of the real property shall be subject to the consumption tax;  
12 and

13       (e) Land shall not be subject to the consumption tax.

14       (14) Medical and dental services shall be taxed in the following  
15 way:

16       (a) Whenever the person receiving the medical or dental services is  
17 covered by a medical insurance policy or a dental insurance policy, the  
18 tax shall be imposed upon the premium paid to the insurance provider by  
19 the insured person for such policy and shall be collected and remitted by  
20 the insurance provider;

21       (b) Whenever the person receiving the medical or dental services is  
22 not covered by a medical insurance policy or dental insurance policy, the  
23 tax shall be imposed upon the fair market value of the services provided  
24 to the person receiving such services and shall be collected and remitted  
25 by the office, hospital, or clinic which administered such services; and

26       (c) If the person receiving the medical or dental service is under  
27 eighteen years of age, the parent or legal guardian of such person shall  
28 be the responsible party liable to pay the tax. If the person receiving  
29 the medical or dental service is a ward of the state, the state agency  
30 charged with the care of such person shall be the responsible party  
31 liable to pay the tax.

1           Sec. 8. (1) No consumption tax shall be imposed on the purchase of  
2 fuel.

3           (2)(a) No consumption tax shall be imposed on any taxable property  
4 or service purchased for a business purpose in a trade or business.

5           (b) For purposes of this section, the term purchased for a business  
6 purpose in a trade or business means purchased by a person engaged in a  
7 trade or business and used in that trade or business:

8           (i) For resale;

9           (ii) To produce, provide, render, or sell taxable property or  
10 services; or

11           (iii) In furtherance of other bona fide business purposes.

12           (3)(a) No consumption tax shall be imposed on any taxable property  
13 or service purchased for an investment purpose and held exclusively for  
14 an investment purpose.

15           (b) For purposes of this section, the term purchased for an  
16 investment purpose means purchased exclusively for purposes of  
17 appreciation or the production of income.

18           (4) No consumption tax shall be imposed on any taxable property or  
19 service used for educational purposes.

20           (5)(a) No consumption tax shall be imposed on used property.

21           (b) Any person selling only used goods at a garage sale, yard sale,  
22 rummage sale, flea market, or farmers market shall not be held liable for  
23 collecting and remitting the consumption tax.

24           (c) Any person owning or operating a thrift store or second-hand  
25 store selling only used goods to the general public shall not be held  
26 liable for collecting and remitting the consumption tax.

27           (d) Any person owning or operating a used-car lot where only used  
28 cars are sold to the general public shall not be held liable for  
29 collecting and remitting the consumption tax.

30           (e) Any person owning or operating a used-book store where only used  
31 books are sold to the general public shall not be held liable for

1 collecting and remitting the consumption tax.

2 (f) Any person owning or operating any other kind of store or market  
3 where only used items are sold to the general public shall not be held  
4 liable for collecting and remitting the consumption tax.

5 (6)(a) Any person engaging in a trade or business, including farms  
6 and ranches, may apply for a tax-exempt certificate from the Tax  
7 Commissioner to be used when such person makes purchases for a business  
8 purpose in a trade or business as defined in subdivision (2)(b) of this  
9 section.

10 (b) Such tax-exempt certificate shall contain a consumption tax  
11 identification number that is unique to the person applying for the  
12 certificate.

13 (c) The Tax Commissioner shall adopt and promulgate rules and  
14 regulations for applying for a tax-exempt certificate by September 1,  
15 2023.

16 (d) By no later than October 1, 2023, the Tax Commissioner shall  
17 create an application for a tax-exempt certificate and shall make such  
18 application available in electronic form on the web site of the  
19 Department of Revenue and in paper form at designated offices of the  
20 Department of Revenue as determined by the Tax Commissioner. The Tax  
21 Commissioner shall also mail a paper application form through the United  
22 States Postal Service whenever a written request for such form is  
23 received by the Tax Commissioner and such request contains the name of a  
24 business operating in Nebraska or the name of a person who is a legal  
25 resident of Nebraska and a legal address in the United States of America.

26 (e) When property or services are purchased for a business purpose  
27 in a trade or business as defined in subdivision (2)(b) of this section,  
28 the purchaser may present his or her tax-exempt certificate to the  
29 registered seller who shall record the identification number on the  
30 certificate and refrain from imposing the consumption tax.

31 (f) The registered seller shall keep a record of the tax-exempt

1 transaction along with the identification number on the tax-exempt  
2 certificate for a period of at least three years following the date of  
3 the transaction. A record of the purchaser's identification number on the  
4 tax-exempt certificate shall normally constitute sufficient evidence to  
5 absolve the registered seller of any illicit wrongdoing or fraud when the  
6 transaction was made. The burden of proof shall lie with the purchaser to  
7 demonstrate that the tax-exempt transaction was a lawful transaction.

8 (g) The Tax Commissioner may issue a tax-exempt certificate in the  
9 form of a card with microchip technology to protect the identification  
10 number of the tax-exempt certificate from public view. The Tax  
11 Commissioner may adopt and promulgate rules and regulations for using  
12 such card with registered sellers.

13 Sec. 9. (1) Each qualified family residing at a common residence in  
14 Nebraska shall be eligible to receive a consumption tax monthly allowance  
15 at the beginning of each month of the calendar year beginning in the  
16 month of January 2024.

17 (2) The consumption tax monthly allowance shall be regulated by the  
18 Department of Revenue and disbursed by the State Treasurer within the  
19 first five days of each month beginning in January 2024.

20 (3)(a) The consumption tax monthly allowance shall be in an amount  
21 equal to the product of:

22 (i) The consumption tax rate under section 7 of this act; and

23 (ii) The monthly poverty level for a family of the size of the  
24 qualified family.

25 (b) For purposes of this subsection:

26 (i) The monthly poverty level shall be one-twelfth of the annual  
27 poverty level; and

28 (ii) The annual poverty level shall be the annual poverty level for  
29 a particular family size under the poverty guidelines published in the  
30 Federal Register by the United States Department of Health and Human  
31 Services.

1       (4)(a) For purposes of this section, a qualified family shall  
2 consist of one or more family members sharing a common residence. Unless  
3 otherwise stated in this section, all family members sharing a common  
4 residence shall be considered as part of the qualified family.

5       (b) To determine the size of a qualified family, family members  
6 shall mean:

7       (i) An individual acting as the head of the qualified family's  
8 household;

9       (ii) The head of household's spouse;

10       (iii) All lineal ancestors and descendants of the head of household  
11 and the head of household's spouse;

12       (iv) All legally adopted children of the head of household and the  
13 head of household's spouse;

14       (v) All children under legal guardianship of the head of household  
15 and the head of household's spouse;

16       (vi) All foster care children who reside at the qualified family's  
17 residence for a period exceeding thirty days; and

18       (vii) All foreign exchange students residing at the qualified  
19 family's residence for a period exceeding thirty days.

20       (c) In order for a person to be counted as a family member for  
21 purposes of determining the size of the qualified family, such person  
22 must:

23       (i) Have a bona fide social security number, unless the person is a  
24 foreign exchange student;

25       (ii) Be a citizen of the United States of America, unless the person  
26 is a foreign exchange student;

27       (iii) Be a resident of the State of Nebraska for at least six months  
28 of the year, unless the person is a foreign exchange student; and

29       (iv) Unless otherwise stated in this section, reside at the common  
30 residence.

31       (d) Under no circumstances shall more than one qualified family

1 share a common residence. For purposes of this section, a common  
2 residence is a legal residence located within the State of Nebraska with  
3 a single mailing address or post office box number.

4 (e) Any person who was a registered student during not fewer than  
5 five months in a calendar year while living away from the common  
6 residence of a qualified family but who receives at least fifty percent  
7 of such person's support during a calendar year from members of the  
8 qualified family shall be included as part of the qualified family whose  
9 members provided support.

10 (f) If a child's parents are divorced or legally separated, the  
11 child shall be treated as part of the qualified family of the custodial  
12 parent. In cases of joint custody, the custodial parent shall be the  
13 parent that has custody of the child for more than one-half of a given  
14 calendar year. A parent entitled to be treated as the custodial parent  
15 pursuant to this subdivision may release such claim to the other parent  
16 if he or she files a signed release with the Department of Revenue.

17 (5) In order to receive the consumption tax monthly allowance, the  
18 individual acting as the head of household must register with the Tax  
19 Commissioner on a qualified family registration form prescribed by the  
20 Tax Commissioner. Such form shall be made available in electronic form on  
21 the Department of Revenue's web site and in paper form at designated  
22 offices prescribed by the Tax Commissioner. The Tax Commissioner may  
23 begin collecting and processing such forms during calendar year 2023 for  
24 disbursements beginning in January 2024. Thereafter, eligibility for the  
25 monthly allowance shall begin thirty days following the date of  
26 registration with the Tax Commissioner. The date of registration shall be  
27 the date that the qualified family registration form is received by the  
28 Tax Commissioner. The qualified family registration form shall include:

29 (a) The date that the form was submitted or mailed to the Tax  
30 Commissioner;

31 (b) The postal address of the common residence;

1           (c) The name of the individual acting as the head of household;

2           (d) The Nebraska driver's license number, Nebraska state  
3 identification card number, or passport number of the head of household;

4           (e) The names of each additional family member who shares the  
5 qualified family's common residence;

6           (f) The social security number of each American citizen who is a  
7 member of the qualified family and who shares the qualified family's  
8 common residence;

9           (g) A certification of eligibility that all listed family members  
10 are citizens or legal residents of the United States of America;

11           (h) A certification of eligibility that all listed family members  
12 are residents of the State of Nebraska and have resided in Nebraska for a  
13 period of at least thirty days prior to the date of submission of the  
14 qualified family registration form;

15           (i) The names of all foreign exchange students residing at the  
16 common residence;

17           (j) The passport numbers of all foreign exchange students residing  
18 at the common residence;

19           (k) A certification of residency that all family members sharing the  
20 common residence are listed on the qualified family registration form;

21           (l) A certification that no family members were incarcerated or  
22 about to be incarcerated on the submission date of the qualified family  
23 registration form;

24           (m) The routing number and bank account number of a bank account  
25 from a bank or financial institution operating in the State of Nebraska  
26 for direct deposit of the consumption tax monthly allowance;

27           (n) A statement of release allowing the Department of Revenue to  
28 deposit appropriate funds of the consumption tax monthly allowance into  
29 such bank account;

30           (o) An option to receive the qualified family's consumption tax  
31 monthly allowance on a smart card;



1       (p) A notice of the penalties for violating the Nebraska EPIC  
2 Consumption Tax Act; and

3       (q) A signature line or, in the case of an electronic filing,  
4 provision for an electronic signature.

5       (6) Upon approval by the Tax Commissioner, the qualified family  
6 registration form shall remain active with the Department of Revenue for  
7 a period not to exceed five years.

8       (7) The person acting as the head of household must be at least  
9 eighteen years of age or older and possess a valid and active Nebraska  
10 driver's license, Nebraska state identification card, or passport.

11       (8) For purposes of this section, the qualified family's consumption  
12 tax monthly allowance shall be made payable to the person designated as  
13 the head of household.

14       (9) The Department of Revenue shall keep a record of each qualified  
15 family's registration date.

16       (10) Sixty days prior to the fifth anniversary of the qualified  
17 family's registration date, the Tax Commissioner shall mail through the  
18 United States Postal Service to the qualified family's head of household,  
19 at the address for the qualified family's common residence, a postcard  
20 informing the head of household of the expiration date of the qualified  
21 family's registration and a due date for renewing such registration  
22 without interruption of the consumption tax monthly allowance. If the Tax  
23 Commissioner receives a qualified family update and renewal form by the  
24 due date and such form has been completed correctly, the Tax Commissioner  
25 shall renew the monthly allowance for the qualified family for a period  
26 not to exceed five years from the date that the qualified family update  
27 and renewal form is received by the Tax Commissioner.

28       (11) Only the individual acting as the head of household of the  
29 qualified family may return the qualified family update and renewal form  
30 to the Tax Commissioner.

31       (12)(a) Whenever a qualified family's circumstances change as

1 prescribed in subdivision (12)(b) of this section, the individual acting  
2 as the head of household must submit a qualified family update and  
3 renewal form to the Tax Commissioner within thirty days after such change  
4 in circumstances.

5 (b) A qualified family update and renewal form shall be required in  
6 the following circumstances:

7 (i) A change occurs in the qualified family's common residence;

8 (ii) One of the members of the qualified family no longer resides at  
9 the common residence;

10 (iii) A new member joins the qualified family;

11 (iv) One of the members of the qualified family is incarcerated for  
12 a period exceeding thirty days;

13 (v) A change has occurred in the custody of a child; or

14 (vi) One of the members of the qualified family becomes deceased.

15 (c) Failure to submit a qualified family update and renewal form  
16 within thirty days after a change in the qualified family's circumstances  
17 may result in an interruption or termination of the consumption tax  
18 monthly allowance by the Tax Commissioner.

19 (d) Whenever a qualified family update and renewal form is filed  
20 with the Tax Commissioner, the Department of Revenue shall reset or renew  
21 the qualified family's five-year anniversary date.

22 (e) In the event that the individual declared as the head of  
23 household becomes deceased, the Tax Commissioner shall terminate the  
24 qualified family from the monthly allowance program after a period of  
25 thirty days after the date shown on the deceased person's death  
26 certificate. In order to keep the monthly allowance active, the members  
27 of the qualified family must select a new head of household and submit a  
28 new qualified family registration form.

29 (13) An individual shall not be eligible to be included as a member  
30 of any qualified family if that individual:

31 (a) Is incarcerated in a local, state, or federal jail, prison,

1 penitentiary, correctional center, state mental hospital, or other state  
2 institution on the filing date of the qualified family registration form  
3 or the qualified family update and renewal form; or

4 (b) Is scheduled to be incarcerated for thirty days or more in the  
5 twelve-month period following the date of the qualified family  
6 registration form or the qualified family update and renewal form.

7 (14) The Tax Commissioner may adopt and promulgate rules and  
8 regulations for submitting an electronic signature for purposes of  
9 signing the qualified family registration form and the qualified family  
10 update and renewal form.

11 (15) In no event shall any person be considered part of more than  
12 one qualified family.

13 (16) The Tax Commissioner shall create the qualified family update  
14 and renewal form. Such form shall be made available in electronic form on  
15 the Department of Revenue's web site and in paper form at designated  
16 offices of the Department of Revenue as determined by the Tax  
17 Commissioner. The qualified family update and renewal form shall include:

18 (a) The names of each family member who shared the qualified  
19 family's common residence on the filing date of the form;

20 (b) The social security numbers of each family member who shared the  
21 qualified family's common residence on the filing date of the form;

22 (c) The individual acting as the head household to whom the  
23 consumption tax monthly allowance should be paid;

24 (d) A certification that all listed family members are citizens or  
25 legal residents of the United States of America;

26 (e) A certification that all listed family members are residents of  
27 the State of Nebraska;

28 (f) A certification that all family members sharing the common  
29 residence are listed;

30 (g) The names and passport numbers of all foreign exchange students  
31 residing at the common residence;

1       (h) The names and social security numbers of all foster children  
2 being included in the qualified family;

3       (i) The current address of the common residence on file with the  
4 Department of Revenue;

5       (j) Any change of address for the common residence;

6       (k) If moving out of state, the date of the move; and

7       (l) The signature of the qualified family's head of household.

8       (17) The Consumption Tax Transition Fund is created. In the year  
9 2023, the State Treasurer shall transfer funds from the Cash Reserve Fund  
10 to the Consumption Tax Transition Fund as provided in section 84-612 in  
11 order to pay the consumption tax monthly allowances to the heads of  
12 households of qualified families for the month of January 2024.  
13 Thereafter, funds for the monthly allowances shall be drawn from revenue  
14 collected from the consumption tax imposed under the Nebraska EPIC  
15 Consumption Tax Act. Any money in the Consumption Tax Transition Fund  
16 available for investment shall be invested by the state investment  
17 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska  
18 State Funds Investment Act.

19       Sec. 10. (1) The consumption tax imposed under the Nebraska EPIC  
20 Consumption Tax Act is a destination principle tax. This section shall  
21 govern for purposes of determining whether the destination of taxable  
22 property and services is within or outside of the State of Nebraska.

23       (2) The destination of tangible personal property shall be the state  
24 or territory in which the property was first delivered to the purchaser,  
25 including agents and authorized representatives.

26       (3) The destination of real property, or rents or leaseholds on real  
27 property, shall be the state or territory in which the real property is  
28 located.

29       (4) The destination of any other taxable property, including  
30 intangible property, shall be the residence of the purchaser.

31       (5)(a) Unless provided otherwise in this section, the destination of

1 services shall be the state or territory in which the use or consumption  
2 of the services occurred. Allocation of service invoices relating to more  
3 than one jurisdiction shall be on the basis of time or another method  
4 determined by rule and regulation of the Tax Commissioner.

5 (b) The destination of telecommunications services shall be the  
6 residence of the purchaser. Telecommunications services include  
7 telephone, including cell phone, beeper, radio, cable television,  
8 satellite, and computer online or network services.

9 (c) For transportation services where both the origin and the final  
10 destination are within the State of Nebraska, the destination of the  
11 transportation services shall be the State of Nebraska. For  
12 transportation services where the final destination is outside the State  
13 of Nebraska but the origin of the trip is inside the State of Nebraska,  
14 the service amount shall be deemed one hundred percent attributable to  
15 the State of Nebraska. For transportation services that originate outside  
16 the State of Nebraska but the final destination is inside the State of  
17 Nebraska, the service amount shall be deemed zero percent attributable to  
18 the State of Nebraska.

19 (d) The destination of electrical services shall be the residence of  
20 the purchaser.

21 (e) The destination of financial intermediation services as defined  
22 in section 29 of this act shall be the location where the transaction  
23 originated.

24 (f)(i) Except as provided in subdivision (5)(f)(ii) of this section,  
25 the destination of rents paid for the lease of tangible property and  
26 leaseholds on such property shall be where the property is located while  
27 in use.

28 (ii) The destination of rental and lease payments on land vehicles,  
29 aircraft, and watercraft shall be:

30 (A) In the case of rentals and leases of a term of one month or  
31 less, the location where the land vehicle, aircraft, or watercraft was

1 originally delivered to the renter or lessee; and

2 (B) In the case of rentals and leases of a term greater than one  
3 month, the residence of the renter or lessee.

4 Sec. 11. (1) Except as otherwise provided in this section, on or  
5 before the fifteenth day of each month, each registered seller or person  
6 who is liable to collect and remit the consumption tax or who is liable  
7 to pay any consumption tax which is not collected shall submit to the Tax  
8 Commissioner, on a form prescribed by the Tax Commissioner, a report  
9 relating to the previous calendar month along with the consumption taxes  
10 due for such month in the proper manner and form prescribed by the Tax  
11 Commissioner. The content of such report shall include:

12 (a) The gross payments received for the month;

13 (b) The tax collected in connection with such payments;

14 (c) The amount and type of any credit claimed; and

15 (d) Any other information reasonably required by the Tax  
16 Commissioner for the administration, collection, and remittance of the  
17 consumption tax.

18 (2) The Tax Commissioner may adopt and promulgate rules and  
19 regulations granting to registered sellers whose yearly tax liability is  
20 less than three thousand dollars the privilege of remitting consumption  
21 taxes on a quarterly basis, and those whose yearly tax liability is less  
22 than nine hundred dollars the privilege of remitting consumption taxes on  
23 an annual basis.

24 (3) A registered seller shall deduct and withhold, from the  
25 consumption taxes otherwise due from him or her, twenty-five hundredths  
26 percent of the consumption taxes collected in order to reimburse himself  
27 or herself for the cost of collecting the tax.

28 (4)(a) On application, an extension of thirty days to file the  
29 report and to remit the tax due under subsection (1) of this section  
30 shall be automatically granted if the application is made on or before  
31 the due date on a form prescribed by the Tax Commissioner.

1       (b) On application, an extension of sixty days to file the report  
2 and to remit the tax due under subsection (1) of this section may be  
3 granted by the Tax Commissioner if reasonable cause for the delay is  
4 presented in writing to the Tax Commissioner on a form prescribed by the  
5 Tax Commissioner. The sixty-day extension shall be liberally granted.

6       (c) No extensions beyond sixty days shall be granted by the Tax  
7 Commissioner.

8       (5) A registered seller may remit the taxes due in electronic form  
9 or by check, credit card, draft, money order, or other payment approved  
10 by the Tax Commissioner. Post-dated checks and postage stamps shall not  
11 be sent as payment. Cash may be used when payment is made in person at a  
12 designated office of the Department of Revenue as determined by the Tax  
13 Commissioner.

14       (6)(a) For purposes of this subsection:

15       (i) Large seller means any seller that has collected more than one  
16 hundred thousand dollars of consumption taxes in the previous twelve  
17 months; and

18       (ii) Week means the seven-day period ending on a Saturday.

19       (b) A large seller shall remit to the Tax Commissioner the entire  
20 balance of consumption taxes due on the first Monday or first business  
21 day following the end of each week. The Tax Commissioner may by rule and  
22 regulation require the electronic transfer of funds due from large  
23 sellers to the Tax Commissioner.

24       (c) A large seller is required to provide security in an amount  
25 equal to the greater of one hundred thousand dollars or one and one-half  
26 times the seller's average monthly tax liability during the previous six  
27 calendar months. Security may be a cash bond, a bond from a surety  
28 company approved by the Tax Commissioner, a certificate of deposit, or a  
29 state or United States treasury bond. A bond qualifying under this  
30 subdivision must be a continuing instrument for each calendar year or  
31 portion thereof that the bond is in effect. The bond must remain in

1 effect until the surety or sureties are released and discharged. Failure  
2 to provide security in accordance with this subdivision shall result in  
3 revocation of the large seller's registration. Upon receipt of an  
4 application on a form prescribed by the Tax Commissioner, a large seller  
5 may, at the discretion of the Tax Commissioner, be allowed to operate  
6 without complying with this subdivision for a period not to exceed six  
7 months. If a person has provided security pursuant to this subdivision,  
8 the security or part of the security may be forfeited in favor of the Tax  
9 Commissioner to the extent of the consumption tax due plus any interest  
10 if:

11 (i) The large seller fails to pay an amount indicated in a final  
12 notice of an amount due within thirty days of the notice;

13 (ii) Either the time for filing an appeal has passed or the appeal  
14 has been denied; and

15 (iii) The amount due is not being litigated in any judicial forum.

16 (7) The report required under this section shall be deemed properly  
17 filed with the Tax Commissioner when:

18 (a) The report is deposited into the United States mail, postage  
19 paid, properly addressed to the Department of Revenue, and bearing a  
20 postmark on or before the due date as determined by this section;

21 (b) The report is delivered in person and accepted at a designated  
22 office of the Department of Revenue on or before the due date as  
23 determined by this section;

24 (c) The report is provided to a designated commercial private  
25 courier service for delivery within two days to the designated office of  
26 the Department of Revenue and the receipt bears a date on or before the  
27 due date as determined by this section; or

28 (d) The report is delivered by other means permitted by the Tax  
29 Commissioner on or before the due date as determined by this section.

30 (8) The Tax Commissioner shall establish a system under which a  
31 violation of the Nebraska EPIC Consumption Tax Act can be brought to the



1 attention of the Tax Commissioner for investigation through the use of a  
2 hotline or toll-free telephone number, through online reporting, or  
3 otherwise.

4 (9) The Tax Commissioner is hereby authorized to develop and  
5 maintain a program of awards in which individuals may be recognized and  
6 rewarded in a manner deemed appropriate by the Tax Commissioner for  
7 discovering, reporting, and prosecuting tax fraud.

8 Sec. 12. (1) Any person liable to collect and remit consumption  
9 taxes as provided in the Nebraska EPIC Consumption Tax Act shall register  
10 with the Tax Commissioner, including:

11 (a) Any person who is engaged in a trade or business; and

12 (b) Any person located outside this state who is engaged in sales of  
13 taxable property or services into this state, including retail sales,  
14 remote or internet sales, and the provision of financial intermediation  
15 services.

16 (2) Affiliated firms shall be treated as one person for purposes of  
17 this section. Affiliated firms may elect, upon giving notice to the Tax  
18 Commissioner in a manner prescribed by the Tax Commissioner, to treat  
19 separate firms as separate persons.

20 (3) Every person registered pursuant to subsection (1) of this  
21 section shall designate a tax matters person who shall be an individual  
22 whom the Tax Commissioner may contact regarding tax matters. Each person  
23 registered must provide notice of a change in the identity of the tax  
24 matters person within thirty days of such change.

25 (4) Any person who is required to register and who fails to do so is  
26 prohibited from selling taxable property or services. The Tax  
27 Commissioner may bring an action seeking a temporary restraining order,  
28 an injunction, or such other order as may be deemed appropriate to  
29 enforce this section.

30 (5) The Tax Commissioner may adopt and promulgate rules and  
31 regulations for the issuing of certificates to persons required to

1 register under this section.

2       Sec. 13. (1) Registered sellers and other persons shall report  
3 transactions using the cash method of accounting unless an election to  
4 use the accrual method of accounting is made pursuant to subsection (2)  
5 of this section.

6       (2) A person may elect with respect to a calendar year to remit  
7 taxes and report transactions with respect to the month in which the sale  
8 was invoiced and accrued.

9       Sec. 14. (1) Any person who is required to register under section  
10 12 of this act but fails to do so prior to notification by the Tax  
11 Commissioner shall be liable for a civil penalty of five hundred dollars.

12       (2)(a) Any person who is required to and who recklessly or willfully  
13 fails to collect taxes imposed by the Nebraska EPIC Consumption Tax Act  
14 has committed an act of fraud and shall be liable for a civil penalty  
15 equal to the greater of five hundred dollars or twenty percent of the tax  
16 not collected.

17       (b) Any person who is required to and who willfully fails as part of  
18 a trade or business to collect taxes imposed by the act shall be guilty  
19 of a Class IV felony.

20       (3)(a) Any person who recklessly or willfully asserts an invalid  
21 exemption from the consumption tax has committed an act of fraud and  
22 shall be liable for a civil penalty equal to the greater of five hundred  
23 dollars or twenty percent of the tax not collected.

24       (b) Any person who willfully asserts an invalid exemption from the  
25 consumption tax shall be guilty of a Class IV felony.

26       (4)(a) Any person who is required to and who recklessly or willfully  
27 fails to remit consumption taxes collected from purchasers has committed  
28 an act of fraud and shall be liable for a civil penalty equal to the  
29 greater of one thousand dollars or thirty percent of the taxes not  
30 remitted.

31       (b) Any person who willfully fails to remit consumption taxes

1 collected from purchasers shall be guilty of a Class IV felony.

2 (5) Any person who is required to and who recklessly or willfully  
3 fails to pay consumption taxes shall be liable for a civil penalty equal  
4 to the greater of five hundred dollars or one hundred percent of the tax  
5 not paid.

6 (6)(a) In the case of a failure by any person who is required to and  
7 who fails to file a report required under section 11 of this act on or  
8 before the due date for such report, such person shall pay a penalty for  
9 each month or fraction thereof that such report is late equal to the  
10 greater of fifty dollars or one-half of one percent of the gross payments  
11 required to be shown on the report.

12 (b) The amount of the penalty under subdivision (6)(a) of this  
13 section shall be doubled with respect to any report filed after a written  
14 inquiry regarding such report is received by the taxpayer from the Tax  
15 Commissioner.

16 (c) No penalty shall be imposed under this subsection with respect  
17 to any failure to submit a report if it can be shown that such failure  
18 was due to reasonable cause.

19 (d) In addition to penalties not imposed by reason of subdivision  
20 (6)(c) of this section, the Tax Commissioner shall, upon application or  
21 appeal, waive the penalty imposed pursuant to this subsection once per  
22 registered person per twenty-four-month period. This waiver shall not  
23 apply to any decision of a court.

24 (7)(a) Any person who recklessly or willfully uses a tax-exempt  
25 certificate to purchase items for personal use, as a gift to another  
26 person, or for resale to another person has committed an act of fraud and  
27 shall be liable for a civil penalty equal to the greater of five hundred  
28 dollars or one hundred percent of the tax not collected.

29 (b) Any person who willfully uses a tax-exempt certificate to  
30 purchase items for personal use, as a gift to another person, or for  
31 resale to another person shall be guilty of a Class IV felony.

1       (8) Any person who recklessly or willfully accepts a false tax-  
2 exempt certificate shall pay a civil penalty equal to twenty percent of  
3 the tax not collected by reason of such acceptance.

4       (9) Any person who is required to timely remit consumption taxes and  
5 who remits such taxes more than one month after the taxes are due shall  
6 pay a civil penalty equal to one percent of the amount due per month or  
7 fraction thereof from the due date. The penalty imposed by this  
8 subsection shall never exceed twenty-four percent.

9       (10) In addition to other penalty reductions allowed under this  
10 section, any person who is required to pay a civil penalty under the  
11 Nebraska EPIC Consumption Tax Act may have such penalty reduced to one-  
12 half the amount owed, at the discretion of the Tax Commissioner, when it  
13 can be shown that the lack of payment was due to hardship or reasonable  
14 cause.

15       (11)(a) Any person who recklessly or willfully files a false claim  
16 for a consumption tax monthly allowance shall:

17       (i) Pay a civil penalty equal to the greater of five hundred dollars  
18 or fifty percent of the falsely claimed monthly allowance; and

19       (ii) Repay any monthly allowances received as a result of the false  
20 claim along with interest.

21       (b) Any person who willfully files a false claim for a consumption  
22 tax monthly allowance shall be guilty of a Class IV felony.

23       (12) If any check or money order in payment of any amount due under  
24 the Nebraska EPIC Consumption Tax Act is not duly paid, in addition to  
25 other penalties provided by law, the person who tendered such check or  
26 money order shall pay a civil penalty equal to the greater of:

27       (a) Twenty-five dollars; or

28       (b) Two percent of the amount of the check or money order.

29       (13) The tax matters person designated pursuant to section 12 of  
30 this act and responsible officers or partners of a firm shall be jointly  
31 and severally liable for the consumption tax and any penalties imposed

1 under the act.

2 (14) If more than one person is liable with respect to any tax or  
3 penalty imposed under the act, each person who paid such tax or penalty  
4 shall be entitled to recover from other persons who are liable for such  
5 tax or penalty an amount equal to the excess of the amount paid by such  
6 person over such person's proportionate share of the tax or penalty in  
7 accordance with rules and regulations adopted and promulgated by the Tax  
8 Commissioner. Such rules and regulations may take culpability into  
9 account when allocating liability for the tax or penalty among  
10 responsible officers or partners.

11 (15) The fact that a civil penalty has been imposed shall not  
12 prevent the imposition of a criminal fine.

13 (16) The fact that a criminal fine has been imposed shall not  
14 prevent the imposition of a civil penalty.

15 Sec. 15. In all disputes concerning consumption taxes, the person  
16 engaged in a dispute with the Tax Commissioner shall have the burden of  
17 production of documents and records but the Tax Commissioner shall have  
18 the burden of persuasion. In all disputes concerning an exemption claimed  
19 by the purchaser, if the seller has on file a tax-exempt certificate from  
20 the purchaser and did not have reasonable cause to believe that the  
21 certificate was improperly provided by the purchaser with respect to such  
22 purchase, then the burden of production of documents and records relating  
23 to such exemption shall rest with the purchaser and not with the seller.

24 Sec. 16. (1) Persons are subject to administrative summons by the  
25 Tax Commissioner for documents, records, and testimony required by the  
26 Tax Commissioner to accurately determine liability for the consumption  
27 tax. A summons shall be served by the Tax Commissioner by an attested  
28 copy delivered in hand to the person to whom it is directed or left at  
29 his or her last-known address. The summons shall describe with reasonable  
30 certainty what is sought.

31 (2) The Tax Commissioner has the authority to conduct at a

1 reasonable time and place assessments, examinations, and audits of  
2 persons who are or may be liable to collect and remit the consumption tax  
3 and to examine the books, papers, documents, records, software, and other  
4 data of such persons which may be relevant or material to the  
5 determination of tax due.

6 (3) No administrative summons may be issued by the Tax Commissioner  
7 and no action may be commenced to enforce an administrative summons with  
8 respect to any person if a referral to the Attorney General's office is  
9 in effect with respect to such person relating to a tax imposed by the  
10 Nebraska EPIC Consumption Tax Act. Such referral is in effect with  
11 respect to any person if the Tax Commissioner has recommended to the  
12 Attorney General's office a grand jury investigation of such person or a  
13 criminal prosecution of such person that contemplates criminal sanctions  
14 under the act. A referral shall be terminated when:

15 (a) The Attorney General's office notifies the Tax Commissioner that  
16 the Attorney General will not:

17 (i) Prosecute such person for any offense connected with the tax  
18 laws;

19 (ii) Authorize a grand jury investigation of such person with  
20 respect to such offense; or

21 (iii) Continue such a grand jury investigation; or

22 (b) A final disposition has been made of any criminal proceeding  
23 connected with tax laws against such person.

24 Sec. 17. Any person liable to remit consumption taxes shall keep  
25 records in paper or electronic form that are sufficient to determine the  
26 amounts reported, collected, and remitted for a period of three years  
27 after the later of the filing of the report for which the records formed  
28 the basis or the date when the report was due to be filed. Such records  
29 shall include documentation for all sales that were exempt under  
30 subsection (2) of section 8 of this act, including the purchasers' tax-  
31 exempt certificates and tax identification numbers and the net of tax

1 amounts of purchase. Any purchaser who purchased taxable property or  
2 services but did not pay tax by reason of asserting such an exemption  
3 shall keep records sufficient to determine whether such exemption was  
4 valid for a period of three years after the purchase of taxable property  
5 or services.

6       Sec. 18. (1) For each purchase of taxable property or services for  
7 which a consumption tax is imposed, the registered seller shall provide  
8 the purchaser with a receipt for each transaction that includes:

9       (a) The property or service;

10       (b) The sales price of such property or service exclusive of tax;

11       (c) The amount of consumption tax paid;

12       (d) The property or service price inclusive of the consumption tax;

13       (e) The consumption tax rate;

14       (f) The date that the property or service was purchased;

15       (g) The name of the registered seller, retailer, or vendor;

16       (h) The address of the registered seller, retailer, or vendor; and

17       (i) The registered seller's consumption tax registration number;

18       (2) The tax imposed by the Nebraska EPIC Consumption Tax Act shall  
19 apply to all vending machines. For purposes of this subsection, vending  
20 machines are machines that dispense taxable property or services in  
21 exchange for coins or currency. Vending machines shall not be required to  
22 dispense the receipt described in subsection (1) of this section.

23       (3) The requirements of subsection (1) of this section shall not  
24 apply in the case of financial intermediation services.

25       Sec. 19. (1) In the case of a debt instrument, investment,  
26 financing lease, or account with a term of not over three years, the  
27 applicable interest rate is the federal short-term rate as determined by  
28 the United State Secretary of the Treasury.

29       (2) In the case of a debt instrument, investment, financing lease,  
30 or account with a term of over three years but not over nine years, the  
31 applicable interest rate is the federal mid-term rate as determined by

1 the United States Secretary of the Treasury.

2 (3) In the case of a debt instrument, investment, financing lease,  
3 or account with a term of over nine years, the applicable interest rate  
4 is the federal long-term rate as determined by the United States  
5 Secretary of the Treasury.

6 (4) The Tax Commissioner shall publish the applicable rates monthly.  
7 Should the United States Secretary of the Treasury cease to determine or  
8 to publish the relevant federal interest rates, the Tax Commissioner  
9 shall determine and publish the applicable rates using the same  
10 methodology used by the Secretary of the Treasury, as nearly as is  
11 practical, prior to the Secretary of the Treasury discontinuing such  
12 determination or publication.

13 (5) Interest on any past due consumption taxes shall be at the rate  
14 specified in section 45-104.02, as such rate may from time to time be  
15 adjusted.

16 Sec. 20. (1) The proceeds of the taxes paid pursuant to the  
17 Nebraska EPIC Consumption Tax Act shall be collected by the Department of  
18 Revenue and remitted to the State Treasurer for credit to the General  
19 Fund.

20 (2) The State Treasurer shall be responsible for disbursing the  
21 revenue in accordance with the state's budget and any other outstanding  
22 liabilities.

23 Sec. 21. (1) The Tax Commissioner may seize property, garnish wages  
24 or salary, and file liens to collect amounts due under the Nebraska EPIC  
25 Consumption Tax Act pursuant to enforcement of:

26 (a) A judgment duly rendered by a court of law;

27 (b) An amount due if the taxpayer has failed to exercise his or her  
28 appeal rights under the act; or

29 (c) An amount due if the appeal process determined that an amount  
30 remained due and the taxpayer has failed to timely petition a court for  
31 relief.



1       (2) Subject to such reasonable rules and regulations as the Tax  
2 Commissioner may adopt and promulgate, any lien imposed with respect to a  
3 consumption tax shall be released not later than thirty days after:

4       (a) The liability was satisfied or became unenforceable; or

5       (b) A bond was accepted as security.

6       Sec. 22. Decisions of the Tax Commissioner under the Nebraska EPIC  
7 Consumption Tax Act may be appealed, and the appeal shall be in  
8 accordance with the Administrative Procedure Act.

9       Sec. 23. In all disputes concerning consumption taxes, the person  
10 engaged in a dispute with the Tax Commissioner may be entitled to  
11 reasonable attorney's fees, accountancy fees, and other reasonable  
12 professional fees incurred in direct relation to the dispute unless the  
13 Tax Commissioner establishes that his or her position was substantially  
14 justified.

15       Sec. 24. No addition to tax shall be made under section 14 of this  
16 act with respect to a period during which a case is pending under Title  
17 11 of the United States Code:

18       (1) If such tax was incurred by the estate and the failure occurred  
19 pursuant to an order of the court finding probable insufficiency of funds  
20 of the estate to pay administrative expenses; or

21       (2) If (a) such tax was incurred by the debtor before the earlier of  
22 the order for relief or, in the involuntary case, the appointment of a  
23 trustee and (b) the petition was filed before the due date prescribed by  
24 law, including extensions, for filing a return of such tax, or the date  
25 for making the addition to tax occurs on or after the date the petition  
26 was filed.

27       Sec. 25. (1) Any person selling one or more chances is a gaming  
28 sponsor and shall register, in a form prescribed by the Tax Commissioner,  
29 with the Tax Commissioner as a gaming sponsor, except that a not-for-  
30 profit organization as defined in section 28 of this act that has gross  
31 receipts from the sale of chances of less than five thousand dollars

1 during any calendar year shall not be required to register.

2 (2) For purposes of this section, the term chance means a lottery  
3 ticket, a raffle ticket, chips, other tokens, a bet placed, a wager  
4 placed, or any similar device where the purchase of the right gives rise  
5 to an obligation by the gaming sponsor to pay upon the occurrence of:

6 (a) A random or unpredictable event; or

7 (b) An event over which neither the gaming sponsor nor the person  
8 purchasing the chance has control over the outcome.

9 (3) The taxable gaming services of a gaming sponsor shall be subject  
10 to the consumption tax. For purposes of this section, taxable gaming  
11 services means the gross receipts of the gaming sponsor from the sale of  
12 chances.

13 (4) The consumption tax shall be collected and remitted by the  
14 gaming sponsor. The tax shall be remitted by the fifteenth day of each  
15 month with respect to taxable gaming services during the previous  
16 calendar month.

17 Sec. 26. (1) Purchases of taxable property or services by the  
18 federal government shall be subject to the consumption tax.

19 (2) Purchases of taxable property or services by state governments,  
20 including the State of Nebraska, and any political subdivisions shall be  
21 subject to the consumption tax.

22 Sec. 27. (1) Nothing in the Nebraska EPIC Consumption Tax Act shall  
23 be construed to exempt any federal, state, or local governmental unit or  
24 political subdivision operating a government enterprise from collecting  
25 and remitting the consumption tax on any sale of taxable property or  
26 services. Government enterprises shall comply with all duties imposed by  
27 the act and shall be liable for penalties and subject to enforcement  
28 actions in the same manner as private persons that are not government  
29 enterprises.

30 (2) For purposes of this section, government enterprise means any  
31 entity owned or operated by a federal, state, or local governmental unit

1 or political subdivision that receives gross payments from private  
2 persons, except that a government-owned entity shall not be considered a  
3 government enterprise for purposes of this section unless in any calendar  
4 month it has revenue from selling taxable property or services exceeding  
5 one thousand dollars.

6 (3) Government enterprises shall not be subject to tax on purchases  
7 that would not be subject to tax if the government enterprise were a  
8 private enterprise, except that government enterprises may not use such  
9 exemption to serve as a conduit for tax-free purchases by government  
10 units that would otherwise be subject to taxation on purchases pursuant  
11 to section 26 of this act. Transfers of taxable property or services  
12 purchased exempt from tax from a government enterprise to such government  
13 unit shall be taxable.

14 (4) Any government enterprise must maintain books of account,  
15 separate from the nonenterprise government accounts, maintained in  
16 accordance with generally acceptable accounting principles.

17 (5) A government enterprise shall be treated as a trade or business  
18 for purposes of the Nebraska EPIC Consumption Tax Act.

19 (6) A transfer of funds to a government enterprise by a government  
20 entity without full consideration shall constitute a taxable government  
21 purchase within the meaning of section 26 of this act to the extent that  
22 the transfer of funds exceeds the fair market value of the consideration.

23 Sec. 28. (1) For purposes of this section, not-for-profit  
24 organization means a not-for-profit organization organized and operated  
25 exclusively:

26 (a) For religious purposes;

27 (b) For charitable purposes;

28 (c) For scientific purposes;

29 (d) For purposes of testing for public safety;

30 (e) For literary purposes;

31 (f) For educational purposes;

1       (g) For purposes of civic duty or social welfare;

2       (h) For labor purposes;

3       (i) For agricultural or horticultural purposes;

4       (j) As chambers of commerce, business leagues, or trade  
5 associations; or

6       (k) As fraternal beneficiary societies, orders, lodges, or  
7 associations, of which no part of the net earnings inures to the benefit  
8 of any private shareholder or individual.

9       (2) Any not-for-profit organization shall be required to pay the  
10 consumption tax, except that no tax shall be imposed on employee wages or  
11 salary.

12       Sec. 29. (1) For purposes of this section:

13       (a) Explicitly charged fees for financial intermediation services  
14 includes:

15       (i) Brokerage fees;

16       (ii) Explicitly stated banking, loan, automatic teller machine, or  
17 other similar fees;

18       (iii) Safe-deposit box fees;

19       (iv) Insurance premiums, to the extent such premiums are not  
20 allocable to the investment account of the underlying insurance policy;

21       (v) Trustees' fees; and

22       (vi) Other financial services fees, including mutual fund management  
23 fees, sales fees, and exit fees;

24       (b) Financial intermediation services means the sum of:

25       (i) Explicitly charged fees for financial intermediation services;  
26 and

27       (ii) Implicitly charged fees for financial intermediation services;

28       (c) Gross imputed amount means:

29       (i) With respect to any underlying interest-bearing investment or  
30 account, the product of:

31       (A) The excess, if any, of the basic interest rate as described in

1 section 31 of this act over the rate paid on such investment; and

2 (B) The amount of the investment or account; and

3 (ii) With respect to any underlying interest-bearing debt, the  
4 product of:

5 (A) The excess, if any, of the rate paid on such debt over the basic  
6 interest rate as described in section 31 of this act; and

7 (B) The amount of the debt; and

8 (d) Implicitly charged fees for financial intermediation services  
9 includes the gross imputed amount in relation to any underlying interest-  
10 bearing investment, account, or debt.

11 (2) For purposes of the Nebraska EPIC Consumption Tax Act, the  
12 seller of financial intermediation services shall be:

13 (a) In the case of explicitly charged fees for financial  
14 intermediation services, the person who receives the gross payments for  
15 the charged financial intermediation services;

16 (b) In the case of implicitly charged fees for financial  
17 intermediation services with respect to any underlying interest-bearing  
18 investment or account, the person making the interest payments on the  
19 interest-bearing investment or account; and

20 (c) In the case of implicitly charged fees for financial  
21 intermediation services with respect to any interest-bearing debt, the  
22 person receiving the interest payments on the interest-bearing debt.

23 (3) The consumption tax on financial intermediation services with  
24 respect to an underlying investment account or debt shall be imposed and  
25 collected with the same frequency that statements are rendered by the  
26 financial institution in connection with the investment account or debt  
27 but not less frequently than quarterly.

28 (4) Financial intermediation services shall be deemed as used or  
29 consumed within the State of Nebraska if the person purchasing the  
30 services is a resident of the State of Nebraska.

31 (5) Any person that provides financial intermediation services to

1 Nebraska residents must, as a condition of lawfully providing such  
2 services, designate, in a form prescribed by the Tax Commissioner, a tax  
3 representative for purposes of the Nebraska EPIC Consumption Tax Act. The  
4 tax representative shall be responsible for ensuring that the consumption  
5 tax is collected and remitted and shall be jointly and severally liable  
6 for collecting and remitting such tax. The Tax Commissioner may bring an  
7 action seeking a temporary restraining order, an injunction, or such  
8 other order as may be appropriate to enforce this subsection.

9       Sec. 30. (1) For purposes of this section, financing lease means  
10 any lease under which the lessee has the right to acquire the property  
11 for fifty percent or less of its fair market value at the end of the  
12 lease term.

13       (2) Financing leases shall be subject to the consumption tax as  
14 prescribed in this section.

15       (3) The Tax Commissioner shall adopt and promulgate rules and  
16 regulations for disaggregating the principal and interest components of a  
17 financing lease. The principal amount shall be determined to the extent  
18 possible by examination of the contemporaneous sales price of property  
19 the same or similar as the leased property.

20       (4) In the event that contemporaneous sales prices or property the  
21 same or similar as the leased property are not available, the principal  
22 and interest components of a financing lease shall be disaggregated using  
23 the applicable interest rate as determined under section 19 of this act  
24 plus four percent.

25       (5) The principal component of the financing lease shall be subject  
26 to tax as if a purchase in the amount of the principal component had been  
27 made on the day on which such lease was executed.

28       (6) The financial intermediation services amount with respect to the  
29 interest component of the financing lease shall be subject to the  
30 consumption tax.

31       (7) If the principal component and financial intermediation services

1 amount with respect to the interest component of a lease have been taxed  
2 pursuant to this section, then the gross lease or rental payments shall  
3 not be subject to additional tax.

4       Sec. 31. For the purposes of the Nebraska EPIC Consumption Tax Act,  
5 the basic interest rate with respect to a debt instrument, investment,  
6 financing lease, or account shall be the applicable interest rate as  
7 determined under section 19 of this act. For debt instruments,  
8 investments, or accounts of contractually fixed interest, the applicable  
9 interest rate of the month of issuance shall apply. For debt instruments,  
10 investments, or accounts of variable interest rates and which have no  
11 reference interest rate, the applicable interest shall be the federal  
12 short-term interest rate for each month. For debt instruments,  
13 investments, or accounts of variable interest rates and which have a  
14 reference interest rate, the applicable interest shall be the applicable  
15 interest rate for the reference interest rate for each month.

16       Sec. 32. (1) Up to one thousand dollars of gross payments per  
17 calendar year shall be exempt from the consumption tax if:

18       (a) Made by a person not in connection with a trade or business at  
19 any time during such calendar year prior to making such gross payments;  
20 and

21       (b) Made to purchase any taxable property or service which is  
22 brought into Nebraska by such person for use or consumption by such  
23 person in Nebraska.

24       (2) Up to five thousand dollars per calendar year of gross payments  
25 shall be exempt from the consumption tax if received:

26       (a) By a person not in connection with a trade or business during  
27 such calendar year prior to the receipt of such gross payments; and

28       (b) In connection with a casual or isolated sale.

29       (3) Up to ten thousand dollars per calendar year of gross payments  
30 received by a person from the sale of financial intermediation services  
31 as defined in section 29 of this act may be claimed as a credit and

1 applied to the tax imposed by the Nebraska EPIC Consumption Tax Act. The  
2 credit provided by this subsection is in addition to other credits  
3 afforded by the act. The credit provided by this subsection shall not be  
4 available to large sellers as defined in section 11 of this act.

5 (4) If a registered seller provides taxable property or services to  
6 a person either as a gift, prize, or reward or as remuneration for  
7 employment and such taxable property or services were not previously  
8 subject to tax, then the provision of such taxable property or services  
9 by the registered seller shall be deemed the conversion of such taxable  
10 property or services to personal use and subject to tax pursuant to  
11 subsection (11) of section 7 of this act at the tax inclusive fair market  
12 value of such taxable property or services.

13 (5) The substance of a transaction shall prevail over its form if:  
14 (a) The transaction has no bona fide economic purpose; and  
15 (b) The transaction is designed to evade the tax imposed by the  
16 Nebraska EPIC Consumption Tax Act.

17 (6) When the last day prescribed for performing any action required  
18 by the Nebraska EPIC Consumption Tax Act falls on a Saturday, Sunday, or  
19 legal holiday, the performance of such action shall be considered timely  
20 if it is performed on the next day which is not a Saturday, Sunday, or  
21 legal holiday.

22 Sec. 33. (1) Inventory held by a trade or business on the close of  
23 business on December 31, 2023, shall be considered qualified inventory if  
24 it is sold:

25 (a) Before December 31, 2024;  
26 (b) By a registered seller; and  
27 (c) Subject to the tax imposed by the Nebraska EPIC Consumption Tax  
28 Act.

29 (2) For purposes of this section, qualified inventory shall have the  
30 cost that it had for federal income tax purposes for the trade or  
31 business as of December 31, 2023, including any amounts capitalized by



1 reason of section 263A of the Internal Revenue Code of 1986.

2 (3) The trade or business which held the qualified inventory on the  
3 close of business on December 31, 2023, shall be entitled to a  
4 transitional inventory credit equal to the cost of the qualified  
5 inventory, as determined in accordance with subsection (2) of this  
6 section, times the rate of the consumption tax imposed by section 7 of  
7 this act.

8 (4) The credit provided under subsection (3) of this section shall  
9 be allowed with respect to the month when the inventory is sold subject  
10 to the consumption tax. The person claiming such credit shall attach  
11 supporting schedules in the form that the Tax Commissioner may prescribe.

12 (5) Qualified inventory held by registered sellers that sell such  
13 qualified inventory not subject to the consumption tax shall be eligible  
14 for the transitional inventory credit only if that business, or a  
15 business that has successor rights pursuant to subsection (6) of this  
16 section, receives certification in a form satisfactory to the Tax  
17 Commissioner that the qualified inventory was subsequently sold subject  
18 to the consumption tax.

19 (6) The trade or business entitled to the transitional inventory  
20 credit may sell the right to receive such transitional inventory credit  
21 to the purchaser of the qualified inventory that gave rise to the credit  
22 entitlement. Any purchaser of such qualified inventory, or property or  
23 services into which the qualified inventory has been incorporated, may  
24 sell the right to such transitional inventory credit to a subsequent  
25 purchaser of such qualified inventory, or property or services into which  
26 the qualified inventory has been incorporated.

27 Sec. 34. (1) At least seven calendar days before the commencement  
28 of an examination of the books and records of a registered seller, the  
29 Department of Revenue shall provide to the registered seller through the  
30 United States Postal Service a pamphlet written in simple and  
31 nontechnical language containing the Nebraska Taxpayer's Bill of Rights

1 listed in section 6 of this act along with a statement explaining the  
2 taxpayer's right to be represented by legal counsel during an  
3 examination, a statement explaining the taxpayer's right to file an  
4 appeal, and a statement explaining the taxpayer's right to know the  
5 criteria and procedures used to select persons for such examinations.

6 (2) At least seven days before the issuance of a preliminary  
7 assessment, the Department of Revenue shall provide to the registered  
8 seller through the United States Postal Service a written description of:

9 (a) The basis for the assessment, including any penalties asserted  
10 with respect to the assessment; and

11 (b) The method by which the registered seller may request an  
12 administrative or judicial review of the assessment.

13 (3) At or before the issuance of a final assessment, the Department  
14 of Revenue shall inform the registered seller by way of a written  
15 statement of his or her right to appeal such assessment.

16 (4) Except in cases involving suspected criminal violations of the  
17 tax law or other criminal activity, the Department of Revenue shall  
18 conduct an examination of a registered seller during the regular business  
19 hours of 8:00 a.m. to 5:00 p.m. Central Standard Time, or Mountain  
20 Standard Time whenever the examination takes place where Mountain  
21 Standard Time applies, during the weekdays of Monday through Friday after  
22 providing written notice of the examination through the United States  
23 Postal Service at least fifteen days prior to the date of the  
24 examination. A registered seller who refuses a proposed time for an  
25 examination on the grounds that the proposed examination date and time  
26 would cause an undue burden or hardship must contact the Department of  
27 Revenue to arrange an alternative date and time for such examination. The  
28 alternative date and time must be agreeable to both the Department of  
29 Revenue and the registered seller within reason and must be scheduled no  
30 later than ninety days from the date of the original notice.

31 (5) At all stages of an examination and in any appeal of an

1 assessment, a registered seller is entitled to be assisted or  
2 represented, at his or her own expense, by an authorized representative.  
3 The Department of Revenue shall prescribe a form by which the registered  
4 seller may designate a person to represent him or her in the conduct of  
5 any proceedings, including collection proceedings, resulting from action  
6 taken by the Department of Revenue. In the absence of this form, the  
7 Department of Revenue or the applicable court may accept such other  
8 evidence that a person is the authorized representative of a registered  
9 seller as it considers appropriate. This subsection shall not be  
10 construed as authorizing the practice of law before the Department of  
11 Revenue or any court of law in the State of Nebraska by a person who is  
12 not a licensed attorney.

13 (6) A registered seller shall be allowed to make a video or audio  
14 recording of any in-person interview with any officer or employee of the  
15 Department of Revenue, including the Tax Commissioner, whenever such  
16 interview relates to any assessment, examination, or investigation of the  
17 registered seller's tax liabilities. However, the registered seller must  
18 provide reasonable advance notice to the Department of Revenue of his or  
19 her intent to record the interview. Any such recording shall be at the  
20 registered seller's expense and with the registered seller's own  
21 equipment. Unless it can be shown that the recording has been altered,  
22 edited, or tampered with in any way, such recording shall be permitted as  
23 evidence in a court of law.

24 (7) The Tax Commissioner or any other employee of the Department of  
25 Revenue shall be allowed to make a video or audio recording of any  
26 interview with a registered seller if the registered seller is making a  
27 video or audio recording of the interview or if reasonable advance notice  
28 is given to the registered seller before the interview. The Tax  
29 Commissioner or an employee of the Department of Revenue shall provide  
30 the registered seller with a transcript or a copy of the recording, but  
31 only if the registered seller interviewed provides reimbursement for the

1 cost of the transcript or reproduction of the recording. Any such  
2 reproductive cost shall be reasonable as prescribed by rules and  
3 regulations adopted and promulgated by the Tax Commissioner.

4 (8) For purposes of this section only, the term registered seller  
5 includes any person selling taxable property or services who is or should  
6 be registered with the Tax Commissioner as a registered seller.

7 Sec. 35. (1) The Department of Revenue shall maintain a continuing  
8 education program to train employees of the department and to provide  
9 them with a current knowledge of state and applicable federal tax laws.

10 (2) Beginning in the year 2025, the Tax Commissioner shall prepare  
11 an annual report and present such report in person to the Revenue  
12 Committee of the Legislature concerning information about the number and  
13 kind of audits, assessments, or examinations conducted by the Department  
14 of Revenue throughout the previous year. The Revenue Committee shall bear  
15 the responsibility for scheduling the Tax Commissioner's annual report.

16 (3) The Department of Revenue shall be strictly forbidden from using  
17 the amount of consumption taxes assessed by an employee of the Department  
18 of Revenue as the basis for evaluating an employee's performance on the  
19 job.

20 (4) The Tax Commissioner shall develop procedures for monitoring the  
21 performance of employees of the Department of Revenue which may include  
22 the use of evaluations obtained from taxpayers.

23 (5) If the Tax Commissioner or the Department of Revenue fails to  
24 comply with any of the provisions of the Nebraska EPIC Consumption Tax  
25 Act, such failure shall not prevent the Tax Commissioner or the  
26 Department of Revenue from assessing any tax as provided in the act nor  
27 shall it excuse any registered seller from timely complying with any time  
28 limitations imposed by the act. However, if the Tax Commissioner or the  
29 Department of Revenue fails to substantially comply with the provisions  
30 of the act, the Tax Commissioner shall, upon application by the  
31 registered seller or other good cause shown, abate any penalties

1 otherwise arising from an assessment or examination.

2 (6) The Tax Commissioner shall abate any penalty attributable to  
3 erroneous written advice furnished to a registered seller by an employee  
4 of the Department of Revenue. However, this subsection shall apply only  
5 if the Department of Revenue's employee provided the written advice in  
6 good faith while acting in his or her official capacity, the written  
7 advice was reasonably relied upon by the registered seller and was in  
8 response to a specific written request of the registered seller, and the  
9 penalty did not result from the registered seller's failure to provide  
10 adequate or accurate information.

11 Sec. 36. (1) The Tax Commissioner may enter into written agreements  
12 to allow any registered seller to pay the consumption tax in installment  
13 payments if the Tax Commissioner determines that such an agreement will  
14 facilitate the collection of such tax. Such agreements shall be entered  
15 into only regarding a tax that has been finally assessed by the Tax  
16 Commissioner or the Department of Revenue and not appealed, and such  
17 agreements shall not exceed a period lasting more than twelve months,  
18 except that any such agreement may be renewed at the discretion of the  
19 Tax Commissioner for succeeding periods not to exceed twelve months.

20 (2) The Tax Commissioner may terminate, alter, or modify any  
21 installment agreement entered into under this section if:

22 (a) Information provided by the registered seller to the Tax  
23 Commissioner prior to the date of such agreement was inaccurate or  
24 incomplete;

25 (b) The registered seller fails to pay any installment at such time  
26 the installment payment is due under such agreement;

27 (c) The registered seller fails to pay any other tax liability due  
28 the Department of Revenue at the time such liability is due, unless the  
29 registered seller has appealed such other tax liability;

30 (d) The financial condition of the registered seller has  
31 significantly changed;

1       (e) The registered seller fails to provide a financial condition  
2 update as requested by the Tax Commissioner; or

3       (f) The Tax Commissioner believes that collection of any tax to  
4 which an agreement under this section relates is in jeopardy.

5       (3) The Tax Commissioner shall have sole authority and discretion to  
6 enter into or to amend, modify, or terminate any installment payment  
7 agreement provided for under this section. The Tax Commissioner shall  
8 adopt and promulgate rules and regulations necessary for the  
9 implementation of this section.

10       (4) Any county, city, or village administering its own consumption  
11 tax shall have the same authority as provided to the Tax Commissioner by  
12 this section relating to installment payments with respect to the  
13 consumption tax administered by such county, city, or village.

14       Sec. 37. (1) All reports and report information provided to the Tax  
15 Commissioner or the Department of Revenue pursuant to the Nebraska EPIC  
16 Consumption Tax Act shall be deemed confidential, and except as otherwise  
17 authorized in the act, no officer or employee, or former officer or  
18 employee, of the State of Nebraska or any other person who has been  
19 provided access to tax information shall disclose any such information to  
20 anyone employed outside of the Department of Revenue. Any violation of  
21 this subsection is a Class IV felony.

22       (2) The Tax Commissioner or an employee of the Department of Revenue  
23 may disclose a report or report information of a registered seller to  
24 such registered seller, the tax matters person associated with the  
25 registered seller, the spouse or adult child of the registered seller, or  
26 another person authorized to represent the registered seller.

27       (3) The Tax Commissioner or an employee of the Department of Revenue  
28 may disclose a report or report information of a person who is  
29 incompetent to the trustee or guardian of such person.

30       (4) In the case of a deceased person, the Tax Commissioner or an  
31 employee of the Department of Revenue may disclose a report or report

1 information to:

2 (a) The decedent's personal representative, administrator, executor,  
3 or estate trustee;

4 (b) The decedent's heir at law, next of kin, or beneficiary under a  
5 will who has a material interest that will be affected by the  
6 information; or

7 (c) A person who is a joint tenant with the decedent with a right of  
8 survivorship.

9 (5) The Tax Commissioner or an employee of the Department of Revenue  
10 may disclose a person's tax report or report information to such person's  
11 trustee in bankruptcy.

12 (6) The Tax Commissioner or an employee of the Department of Revenue  
13 may disclose a person's tax report or report information in compliance  
14 with a court order.

15 (7) The Tax Commissioner or an employee of the Department of Revenue  
16 may disclose a report or report information to the Revenue Committee of  
17 the Legislature, the Appropriations Committee of the Legislature, or the  
18 Executive Board of the Legislative Council if such report or information  
19 does not identify any particular person, unless such person consents in  
20 writing to the disclosure of such information.

21 (8) A person may waive the confidentiality rights provided in this  
22 section if such waiver of rights is done in writing.

23 (9) Disclosure of a report or report information by officers,  
24 agents, or employees of the Department of Revenue to other officers,  
25 agents, or employees of the Department of Revenue in the ordinary course  
26 of tax administration activities shall not constitute unlawful disclosure  
27 of the report or report information.

28 (10) Upon request by the Governor, the Tax Commissioner shall  
29 furnish reports and report information to such officers, agents, and  
30 employees of the State of Nebraska as the Governor may prescribe by rule  
31 and regulation or by executive order for the purpose of, and only to the

1 extent necessary for, statistical activities authorized by law.

2 (11) The Tax Commissioner or an employee of the Department of  
3 Revenue may provide reports or report information for purposes of  
4 academic research to researchers working at the University of Nebraska,  
5 researchers working in the Nebraska state college system, researchers  
6 working in the community college system, or researchers working in a  
7 private college or university within the State of Nebraska if such  
8 reports or report information does not identify any particular person.

9 Sec. 38. Interest on any final assessment shall accrue from the  
10 date of entry of the final assessment on the total amount of its  
11 components, including tax, interest, and any penalty, as one lump-sum  
12 amount.

13 Sec. 39. Nothing in the Nebraska EPIC Consumption Tax Act shall  
14 limit the ability of counties, cities, or villages from imposing a  
15 separate consumption tax within the limits of the county, city, or  
16 village.

17 Sec. 40. (1) Beginning in 2023, state agencies shall submit annual  
18 budget requests for the operations of their respective state agencies to  
19 the Governor and to the chairperson of the Appropriations Committee of  
20 the Legislature by September 15.

21 (2) A state agency's annual budget request may exceed the amount  
22 from the prior year by the percentage change in the Consumer Price Index  
23 for All Urban Consumers published by the federal Bureau of Labor  
24 Statistics.

25 (3) Notwithstanding the limit provided in subsection (2) of this  
26 section, in the event of an emergency where an unforeseen contingency  
27 arises, a state agency may petition the Legislature for an increase of  
28 such agency's budget of up to but not more than two and one-half percent.

29 (4) Notwithstanding the limit provided in subsection (2) of this  
30 section, in the event of a natural disaster where the Governor has  
31 declared the affected area as a disaster area, a state agency may



1 petition the Legislature for an increase of such agency's budget of up to  
2 but not more than five percent.

3 (5) This section applies to both the University of Nebraska and the  
4 Nebraska state college system. The Board of Regents of the University of  
5 Nebraska shall submit the budget request for the University of Nebraska  
6 as prescribed in this section. The Board of Trustees of the Nebraska  
7 State Colleges shall submit the budget request for the Nebraska state  
8 colleges as prescribed in this section.

9 (6) Nothing in this section shall preclude the Legislature from  
10 appropriating additional funds for relief or aid from the Cash Reserve  
11 Fund.

12 Sec. 41. (1) Beginning in 2023, county boards shall submit annual  
13 budget requests for the operations of their respective counties to the  
14 Governor and to the chairperson of the Appropriations Committee of the  
15 Legislature by September 15. Except as otherwise provided in section 42  
16 of this act, each county board's annual budget request shall include  
17 appropriated amounts of revenue for the operations of each local unit of  
18 government operating within the county and the county board shall be  
19 responsible for disbursing state revenue to all such local units of  
20 government.

21 (2) A county board's annual budget request may exceed the amount  
22 from the prior year by the percentage change in the Consumer Price Index  
23 for All Urban Consumers published by the federal Bureau of Labor  
24 Statistics.

25 (3) Notwithstanding the limit provided in subsection (2) of this  
26 section, in the event of an emergency where an unforeseen contingency  
27 arises, a county board may petition the Legislature for an increase of  
28 such county board's budget of up to but not more than two and one-half  
29 percent.

30 (4) Notwithstanding the limit provided in subsection (2) of this  
31 section, in the event of a natural disaster where the Governor has

1 declared the affected area within a county as a disaster area, the county  
2 board of such county may petition the Legislature for an increase in such  
3 county board's budget of up to but not more than five percent.

4 (5) For purposes of this section, community colleges shall be  
5 considered a local unit of government. Each community college board of  
6 governors shall submit its budget request to any county in which the  
7 community college operates or has a campus.

8 (6) Nothing in this section shall preclude the Legislature from  
9 appropriating additional funds for relief or aid from the Cash Reserve  
10 Fund.

11 Sec. 42. (1) Beginning January 1, 2024, the primary source of  
12 funding for all public elementary and secondary schools and for all  
13 educational service units shall be the taxes collected under the Nebraska  
14 EPIC Consumption Tax Act.

15 (2) All public elementary and secondary schools and educational  
16 service units receiving revenue from the state shall, for budgetary  
17 purposes, be considered part of the State Department of Education.

18 (3) Beginning in 2023:

19 (a) All public elementary and secondary schools shall submit their  
20 annual budgets to their respective educational service unit as prescribed  
21 by their respective educational service unit;

22 (b) Educational service units shall then submit their budgets to the  
23 State Department of Education as prescribed by the State Department of  
24 Education;

25 (c) The State Department of Education shall include, in its annual  
26 budget request submitted pursuant to section 40 of this act,  
27 appropriations for all public elementary and secondary schools and all  
28 educational service units;

29 (d) The State Department of Education shall disburse revenue to each  
30 educational service unit; and

31 (e) Each educational service unit shall disburse revenue to their

1 respective public elementary and secondary schools.

2       Sec. 43. (1) Beginning in 2023, the Governor shall submit a  
3 comprehensive annual statewide budget to the Legislature by October 1.  
4 The Appropriations Committee of the Legislature shall approve and submit  
5 a bill or bills for such comprehensive annual statewide budget for  
6 approval by the Legislature. Such bill or bills shall balance expenses  
7 with state revenue projected by the Nebraska Economic Forecasting  
8 Advisory Board.

9       (2) Disbursement of consumption tax revenue shall be the sole  
10 responsibility of the State Treasurer.

11       (3) Consumption tax revenue for each state agency shall be  
12 administered and disbursed through the Department of Administrative  
13 Services.

14       (4) Consumption tax revenue for counties, including revenue for  
15 local units of government, shall be administered and disbursed by the  
16 State Treasurer to the county boards in the following manner:

17       (a) The State Treasurer shall disburse revenue to each county board  
18 on a semiannual basis as determined by the State Treasurer;

19       (b) Each county board shall supply the State Treasurer with an  
20 account number and routing number for a separate financial account  
21 established with a bank or financial institution registered and operating  
22 within the State of Nebraska for the electronic transfer of consumption  
23 tax revenue; and

24       (c) Each county board shall be responsible for disbursing  
25 consumption tax revenue to each local unit of government operating within  
26 the county on a monthly basis.

27       Sec. 44. Section 13-319, Revised Statutes Cumulative Supplement,  
28 2020, is amended to read:

29       13-319 Any county by resolution of the governing body may impose a  
30 sales and use tax of one-half percent, one percent, or one and one-half  
31 percent upon the same transactions sourced as provided in sections

1 77-2703.01 to 77-2703.04 within the county, but outside any incorporated  
2 municipality which has adopted a local sales tax pursuant to section  
3 77-27,142, on which the state is authorized to impose a tax pursuant to  
4 the Nebraska Revenue Act of 1967, as amended from time to time. Any sales  
5 and use tax imposed pursuant to this section must be used (1) to finance  
6 public safety services provided by a public safety commission, (2) to  
7 provide the county share of funds required under any other agreement  
8 executed under the Interlocal Cooperation Act or Joint Public Agency Act,  
9 or (3) to finance public safety services provided by the county. A sales  
10 and use tax shall not be imposed pursuant to this section until an  
11 election has been held and a majority of the qualified electors have  
12 approved the tax pursuant to sections 13-322 and 13-323. A sales and use  
13 tax shall not be imposed pursuant to this section if the county is  
14 imposing a tax pursuant to section 77-6403. Any sales and use tax imposed  
15 pursuant to this section shall terminate as provided in section 3 of this  
16 act.

17 Sec. 45. Section 13-501, Reissue Revised Statutes of Nebraska, is  
18 amended to read:

19 13-501 (1) Sections 13-501 to 13-513 shall be known and may be  
20 cited as the Nebraska Budget Act.

21 (2) The Nebraska Budget Act shall apply until January 1, 2024. On  
22 and after such date, the budgetary process shall be governed by the  
23 Nebraska EPIC Consumption Tax Act.

24 Sec. 46. Section 13-2813, Reissue Revised Statutes of Nebraska, is  
25 amended to read:

26 13-2813 (1) A municipal county by ordinance of its council may  
27 impose a sales and use tax of one-half percent, one percent, or one and  
28 one-half percent upon the same transactions within the entire municipal  
29 county on which the state is authorized to impose a tax pursuant to the  
30 Nebraska Revenue Act of 1967, as amended from time to time.

31 (2) A municipal county shall not impose a new sales and use tax,

1 increase the tax, or extend the territory of an existing sales and use  
2 tax until an election is held and a majority of the registered voters as  
3 provided in section 13-2810 have approved the tax, increase, or  
4 extension. The ballot issue proposing approval of a new sales and use tax  
5 or the increase or territorial extension of an existing sales and use tax  
6 may be combined with the issue proposing creation of a municipal county.

7 (3) Any sales and use tax imposed pursuant to this section shall  
8 terminate as provided in section 3 of this act.

9 Sec. 47. Section 18-2147, Revised Statutes Cumulative Supplement,  
10 2020, is amended to read:

11 18-2147 (1) Any redevelopment plan as originally approved or as  
12 later modified pursuant to section 18-2117 may contain a provision that  
13 any ad valorem tax levied upon real property, or any portion thereof, in  
14 a redevelopment project for the benefit of any public body shall be  
15 divided, for the applicable period described in subsection (3) of this  
16 section, as follows:

17 (a) That portion of the ad valorem tax which is produced by the levy  
18 at the rate fixed each year by or for each such public body upon the  
19 redevelopment project valuation shall be paid into the funds of each such  
20 public body in the same proportion as are all other taxes collected by or  
21 for the body. When there is not a redevelopment project valuation on a  
22 parcel or parcels, the county assessor shall determine the redevelopment  
23 project valuation based upon the fair market valuation of the parcel or  
24 parcels as of January 1 of the year prior to the year that the ad valorem  
25 taxes are to be divided. The county assessor shall provide written notice  
26 of the redevelopment project valuation to the authority as defined in  
27 section 18-2103 and the owner. The authority or owner may protest the  
28 valuation to the county board of equalization within thirty days after  
29 the date of the valuation notice. All provisions of section 77-1502  
30 except dates for filing of a protest, the period for hearing protests,  
31 and the date for mailing notice of the county board of equalization's

1 decision are applicable to any protest filed pursuant to this section.  
2 The county board of equalization shall decide any protest filed pursuant  
3 to this section within thirty days after the filing of the protest. The  
4 county clerk shall mail a copy of the decision made by the county board  
5 of equalization on protests pursuant to this section to the authority or  
6 owner within seven days after the board's decision. Any decision of the  
7 county board of equalization may be appealed to the Tax Equalization and  
8 Review Commission, in accordance with section 77-5013, within thirty days  
9 after the date of the decision;

10 (b) That portion of the ad valorem tax on real property, as provided  
11 in the redevelopment contract, bond resolution, or redevelopment plan, as  
12 applicable, in the redevelopment project in excess of such amount, if  
13 any, shall be allocated to and, when collected, paid into a special fund  
14 of the authority to be used solely to pay the principal of, the interest  
15 on, and any premiums due in connection with the bonds of, loans, notes,  
16 or advances of money to, or indebtedness incurred by, whether funded,  
17 refunded, assumed, or otherwise, such authority for financing or  
18 refinancing, in whole or in part, the redevelopment project. When such  
19 bonds, loans, notes, advances of money, or indebtedness, including  
20 interest and premiums due, have been paid, the authority shall so notify  
21 the county assessor and county treasurer and all ad valorem taxes upon  
22 taxable real property in such a redevelopment project shall be paid into  
23 the funds of the respective public bodies. An authority may use a single  
24 fund for purposes of this subdivision for all redevelopment projects or  
25 may use a separate fund for each redevelopment project; and

26 (c) Any interest and penalties due for delinquent taxes shall be  
27 paid into the funds of each public body in the same proportion as are all  
28 other taxes collected by or for the public body.

29 (2) To the extent that a redevelopment plan authorizes the division  
30 of ad valorem taxes levied upon only a portion of the real property  
31 included in such redevelopment plan, any improvements funded by such

1 division of taxes shall be related to the redevelopment plan that  
2 authorized such division of taxes.

3 (3)(a) For redevelopment plans that receive an expedited review  
4 under section 18-2155, ad valorem taxes shall be divided for a period not  
5 to exceed ten years after the effective date as identified in the  
6 redevelopment plan.

7 (b) For all other redevelopment plans, ad valorem taxes shall be  
8 divided for a period not to exceed fifteen years after the effective date  
9 as identified in the project redevelopment contract or in the resolution  
10 of the authority authorizing the issuance of bonds pursuant to section  
11 18-2124.

12 (4) The effective date of a provision dividing ad valorem taxes as  
13 provided in subsection (3) of this section shall not occur until such  
14 time as the real property in the redevelopment project is within the  
15 corporate boundaries of the city. This subsection shall not apply to a  
16 redevelopment project involving a formerly used defense site as  
17 authorized in section 18-2123.01.

18 (5) Beginning August 1, 2006, all notices of the provision for  
19 dividing ad valorem taxes shall be sent by the authority to the county  
20 assessor on forms prescribed by the Property Tax Administrator. The  
21 notice shall be sent to the county assessor on or before August 1 of the  
22 year of the effective date of the provision. Failure to satisfy the  
23 notice requirement of this section shall result in the taxes, for all  
24 taxable years affected by the failure to give notice of the effective  
25 date of the provision, remaining undivided and being paid into the funds  
26 for each public body receiving property taxes generated by the property  
27 in the redevelopment project. However, the redevelopment project  
28 valuation for the remaining division of ad valorem taxes in accordance  
29 with subdivisions (1)(a) and (b) of this section shall be the last  
30 certified valuation for the taxable year prior to the effective date of  
31 the provision to divide the taxes for the remaining portion of the ten-

1 year or fifteen-year period pursuant to subsection (3) of this section.

2 (6) The division of taxes authorized in this section shall terminate  
3 when the property tax terminates in accordance with section 4 of this  
4 act.

5 Sec. 48. Section 77-201, Reissue Revised Statutes of Nebraska, is  
6 amended to read:

7 77-201 (1) Except as provided in subsections (2) through (4) and (6)  
8 of this section, all real property in this state, not expressly exempt  
9 therefrom, shall be subject to taxation and shall be valued at its actual  
10 value.

11 (2) Except as provided in subsection (6) of this section,  
12 agricultural ~~Agricultural~~ land and horticultural land as defined in  
13 section 77-1359 shall constitute a separate and distinct class of  
14 property for purposes of property taxation, shall be subject to taxation,  
15 unless expressly exempt from taxation, and shall be valued at seventy-  
16 five percent of its actual value.

17 (3) Except as provided in subsection (6) of this section,  
18 agricultural ~~Agricultural~~ land and horticultural land actively devoted to  
19 agricultural or horticultural purposes which has value for purposes other  
20 than agricultural or horticultural uses and which meets the  
21 qualifications for special valuation under section 77-1344 shall  
22 constitute a separate and distinct class of property for purposes of  
23 property taxation, shall be subject to taxation, and shall be valued for  
24 taxation at seventy-five percent of its special value as defined in  
25 section 77-1343.

26 (4) Except as provided in subsection (6) of this section,  
27 historically ~~Historically~~ significant real property which meets the  
28 qualifications for historic rehabilitation valuation under sections  
29 77-1385 to 77-1394 shall be valued for taxation as provided in such  
30 sections.

31 (5) Except as provided in subsection (6) of this section, tangible



1 ~~Tangible~~ tangible personal property, not including motor vehicles, trailers, and  
2 semitrailers registered for operation on the highways of this state,  
3 shall constitute a separate and distinct class of property for purposes  
4 of property taxation, shall be subject to taxation, unless expressly  
5 exempt from taxation, and shall be valued at its net book value. Tangible  
6 personal property transferred as a gift or devise or as part of a  
7 transaction which is not a purchase shall be subject to taxation based  
8 upon the date the property was acquired by the previous owner and at the  
9 previous owner's Nebraska adjusted basis. Tangible personal property  
10 acquired as replacement property for converted property shall be subject  
11 to taxation based upon the date the converted property was acquired and  
12 at the Nebraska adjusted basis of the converted property unless insurance  
13 proceeds are payable by reason of the conversion. For purposes of this  
14 subsection, (a) converted property means tangible personal property which  
15 is compulsorily or involuntarily converted as a result of its destruction  
16 in whole or in part, theft, seizure, requisition, or condemnation, or the  
17 threat or imminence thereof, and no gain or loss is recognized for  
18 federal or state income tax purposes by the holder of the property as a  
19 result of the conversion and (b) replacement property means tangible  
20 personal property acquired within two years after the close of the  
21 calendar year in which tangible personal property was converted and which  
22 is, except for date of construction or manufacture, substantially the  
23 same as the converted property.

24 (6) The property tax imposed pursuant to Chapter 77 shall terminate  
25 as provided in section 4 of this act.

26 Sec. 49. Section 77-2004, Reissue Revised Statutes of Nebraska, is  
27 amended to read:

28 77-2004 In the case of a father, mother, grandfather, grandmother,  
29 brother, sister, son, daughter, child or children legally adopted as such  
30 in conformity with the laws of the state where adopted, any lineal  
31 descendant, any lineal descendant legally adopted as such in conformity

1 with the laws of the state where adopted, any person to whom the deceased  
2 for not less than ten years prior to death stood in the acknowledged  
3 relation of a parent, or the spouse or surviving spouse of any such  
4 persons, the rate of tax shall be one percent of the clear market value  
5 of the property in excess of forty thousand dollars received by each  
6 person. Any interest in property, including any interest acquired in the  
7 manner set forth in section 77-2002, which may be valued at a sum less  
8 than forty thousand dollars shall not be subject to tax. In addition the  
9 homestead allowance, exempt property, and family maintenance allowance  
10 shall not be subject to tax. Interests passing to the surviving spouse by  
11 will, in the manner set forth in section 77-2002, or in any other manner  
12 shall not be subject to tax. The tax imposed pursuant to this section  
13 shall terminate as provided in section 5 of this act.

14 Sec. 50. Section 77-2005, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 77-2005 In the case of an uncle, aunt, niece, or nephew related to  
17 the deceased by blood or legal adoption, or other lineal descendant of  
18 the same, or the spouse or surviving spouse of any of such persons, the  
19 rate of tax shall be thirteen percent of the clear market value of the  
20 property received by each person in excess of fifteen thousand dollars.  
21 If the clear market value of the beneficial interest is fifteen thousand  
22 dollars or less, it shall not be subject to tax. The tax imposed pursuant  
23 to this section shall terminate as provided in section 5 of this act.

24 Sec. 51. Section 77-2006, Reissue Revised Statutes of Nebraska, is  
25 amended to read:

26 77-2006 In all other cases the rate of tax shall be eighteen percent  
27 on the clear market value of the beneficial interests in excess of ten  
28 thousand dollars. Such rates of tax shall be applied to the clear market  
29 value of the beneficial interests in excess of ten thousand dollars  
30 received by each person. If the clear market value of the beneficial  
31 interest is ten thousand dollars or less, it shall not be subject to any

1 tax. The tax imposed pursuant to this section shall terminate as provided  
2 in section 5 of this act.

3 Sec. 52. Section 77-2701, Revised Statutes Cumulative Supplement,  
4 2020, is amended to read:

5 77-2701 (1) Sections 77-2701 to 77-27,135.01, 77-27,222, 77-27,235,  
6 77-27,236, 77-27,238, and 77-27,239 shall be known and may be cited as  
7 the Nebraska Revenue Act of 1967.

8 (2) The sales and use tax and the income tax imposed pursuant to the  
9 Nebraska Revenue Act of 1967 shall terminate as provided in section 3 of  
10 this act.

11 Sec. 53. Section 77-27,148, Reissue Revised Statutes of Nebraska, is  
12 amended to read:

13 77-27,148 (1) Sections 77-27,142 to 77-27,148 may be cited as the  
14 Local Option Revenue Act.

15 (2) Any sales and use tax imposed pursuant to the Local Option  
16 Revenue Act shall terminate as provided in section 3 of this act.

17 Sec. 54. Section 77-3506, Revised Statutes Cumulative Supplement,  
18 2020, is amended to read:

19 77-3506 (1) All homesteads in this state shall be assessed for  
20 taxation the same as other property, except that there shall be exempt  
21 from taxation, on any homestead described in subsection (2) of this  
22 section, one hundred percent of the exempt amount.

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

25 (a) A veteran who was discharged or otherwise separated with a  
26 characterization of honorable or general (under honorable conditions),  
27 who is drawing compensation from the United States Department of Veterans  
28 Affairs because of one hundred percent service-connected disability, and  
29 who is not eligible for total exemption under sections 77-3526 to  
30 77-3528, an unremarried surviving spouse of such a veteran, or a  
31 surviving spouse of such a veteran who remarries after attaining the age

1 of fifty-seven years;

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

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

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

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

24 (4) The exemption provided in this section shall only apply with  
25 respect to years in which a property tax is imposed. The exemption shall  
26 terminate when the property tax terminates in accordance with section 4  
27 of this act.

28 Sec. 55. Section 77-3507, Reissue Revised Statutes of Nebraska, is  
29 amended to read:

30 77-3507 (1) All homesteads in this state shall be assessed for  
31 taxation the same as other property, except that there shall be exempt

1 from taxation on homesteads of qualified claimants a percentage of the  
2 exempt amount as limited by section 77-3506.03. The percentage of the  
3 exempt amount shall be determined based on the household income of a  
4 claimant pursuant to subsections (2) through (4) of this section.

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

10	Column A	Column B
11	Household Income	Percentage
12	In Dollars	Of Relief
13	0 through 31,600	100
14	31,601 through 33,300	90
15	33,301 through 35,000	80
16	35,001 through 36,700	70
17	36,701 through 38,400	60
18	38,401 through 40,100	50
19	40,101 through 41,800	40
20	41,801 through 43,500	30
21	43,501 through 45,200	20
22	45,201 through 46,900	10
23	46,901 and over	0

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

28	Column A	Column B
29	Household Income	Percentage
30	In Dollars	Of Relief

1	0 through 26,900	100
2	26,901 through 28,300	90
3	28,301 through 29,700	80
4	29,701 through 31,100	70
5	31,101 through 32,500	60
6	32,501 through 33,900	50
7	33,901 through 35,300	40
8	35,301 through 36,700	30
9	36,701 through 38,100	20
10	38,101 through 39,500	10
11	39,501 and over	0

12 (4) For exemption applications filed in calendar years 2015 through  
13 2017, the income eligibility amounts in subsections (2) and (3) of this  
14 section shall be adjusted by the percentage determined pursuant to the  
15 provisions of section 1(f) of the Internal Revenue Code of 1986, as it  
16 existed prior to December 22, 2017. For exemption applications filed in  
17 calendar year 2018 and each calendar year thereafter, the income  
18 eligibility amounts in subsections (2) and (3) of this section shall be  
19 adjusted by the percentage change in the Consumer Price Index for All  
20 Urban Consumers published by the federal Bureau of Labor Statistics from  
21 the twelve months ending on August 31, 2016, to the twelve months ending  
22 on August 31 of the year preceding the applicable calendar year. The  
23 income eligibility amounts shall be adjusted for cumulative inflation  
24 since 2014. If any amount is not a multiple of one hundred dollars, the  
25 amount shall be rounded to the next lower multiple of one hundred  
26 dollars.

27 (5) The exemption provided in this section shall only apply with  
28 respect to years in which a property tax is imposed. The exemption shall  
29 terminate when the property tax terminates in accordance with section 4  
30 of this act.

31 Sec. 56. Section 77-3508, Revised Statutes Cumulative Supplement,

1 2020, is amended to read:

2 77-3508 (1)(a) All homesteads in this state shall be assessed for  
3 taxation the same as other property, except that there shall be exempt  
4 from taxation, on any homestead described in subdivision (b) of this  
5 subsection, a percentage of the exempt amount as limited by section  
6 77-3506.03. The exemption shall be based on the household income of a  
7 claimant pursuant to subsections (2) through (4) of this section.

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

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

14 (ii) Individuals who have a permanent physical disability and have  
15 lost all mobility so as to preclude locomotion without the use of a  
16 mechanical aid or a prosthetic device as defined in section 77-2704.09;

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

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

22 (c) Application for the exemption described in subdivision (a) of  
23 this subsection shall include certification from a qualified medical  
24 physician, physician assistant, or advanced practice registered nurse for  
25 subdivisions (b)(i) through (b)(iii) of this subsection, certification  
26 from the United States Department of Veterans Affairs affirming that the  
27 homeowner is totally disabled due to non-service-connected accident or  
28 illness for subdivision (b)(i) of this subsection, or certification from  
29 the Department of Health and Human Services for subdivision (b)(iv) of  
30 this subsection. Such certification from a qualified medical physician,  
31 physician assistant, or advanced practice registered nurse or from the

1 Department of Health and Human Services shall be made on forms prescribed  
2 by the Department of Revenue. If an individual described in subdivision  
3 (b)(i), (ii), (iii), or (iv) of this subsection is granted a homestead  
4 exemption pursuant to this section for any year, such individual shall  
5 not be required to submit the certification required under this  
6 subdivision in succeeding years if no change in medical condition has  
7 occurred, except that the county assessor or the Tax Commissioner may  
8 request such certification to verify that no change in medical condition  
9 has occurred.

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

15	Column A	Column B
16	Household Income	Percentage
17	In Dollars	Of Relief
18	0 through 34,700	100
19	34,701 through 36,400	90
20	36,401 through 38,100	80
21	38,101 through 39,800	70
22	39,801 through 41,500	60
23	41,501 through 43,200	50
24	43,201 through 44,900	40
25	44,901 through 46,600	30
26	46,601 through 48,300	20
27	48,301 through 50,000	10
28	50,001 and over	0

29 (3) For 2014, for a single claimant as described in subsection (1)  
30 of this section, the percentage of the exempt amount for which the  
31 claimant shall be eligible shall be the percentage in Column B which



1 corresponds with the claimant's household income in Column A in the table  
2 found in this subsection.

3	Column A	Column B
4	Household Income	Percentage
5	In Dollars	Of Relief
6	0 through 30,300	100
7	30,301 through 31,700	90
8	31,701 through 33,100	80
9	33,101 through 34,500	70
10	34,501 through 35,900	60
11	35,901 through 37,300	50
12	37,301 through 38,700	40
13	38,701 through 40,100	30
14	40,101 through 41,500	20
15	41,501 through 42,900	10
16	42,901 and over	0

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

1       (5) The exemption provided in this section shall only apply with  
2 respect to years in which a property tax is imposed. The exemption shall  
3 terminate when the property tax terminates in accordance with section 4  
4 of this act.

5       Sec. 57. Section 77-6406, Revised Statutes Cumulative Supplement,  
6 2020, is amended to read:

7       77-6406 Any sales and use tax imposed pursuant to the The Qualified  
8 Judgment Payment Act shall terminate as provided in section 3 of this act  
9 terminates on January 1, 2027.

10       Sec. 58. Section 77-6827, Revised Statutes Cumulative Supplement,  
11 2020, is amended to read:

12       77-6827 (1) In order to utilize the incentives allowed in the  
13 Imagine Nebraska Act, the taxpayer shall file an application with the  
14 director, on a form developed by the director, requesting an agreement.

15       (2) The application shall:

16       (a) Identify the taxpayer applying for incentives;

17       (b) Identify all locations sought to be within the agreement and the  
18 reason each such location constitutes or is expected to constitute a  
19 qualified location;

20       (c) State the estimated, projected amount of new investment and the  
21 estimated, projected number of new employees;

22       (d) Identify the required levels of employment and investment for  
23 the various incentives listed within section 77-6831 that will govern the  
24 agreement. The taxpayer may identify different levels of employment and  
25 investment until the first December 31 following the end of the ramp-up  
26 period on a form approved by the director. The identified levels of  
27 employment and investment will govern all years covered under the  
28 agreement;

29       (e) Identify whether the agreement is for a single qualified  
30 location, all qualified locations within a county, all qualified  
31 locations in more than one county, or all qualified locations within the

1 state;

2 (f) Acknowledge that the taxpayer understands the requirements for  
3 offering health coverage, and for reporting the value of such coverage,  
4 as specified in the Imagine Nebraska Act;

5 (g) Acknowledge that the taxpayer does not violate any state or  
6 federal law against discrimination;

7 (h) Acknowledge that the taxpayer understands the requirements for  
8 providing a sufficient package of benefits to its employees as specified  
9 in the Imagine Nebraska Act; and

10 (i) Contain a nonrefundable application fee of five thousand  
11 dollars. The fee shall be remitted to the State Treasurer for credit to  
12 the Nebraska Incentives Fund.

13 (3) An application must be complete to establish the date of the  
14 application. An application shall be considered complete once it contains  
15 the items listed in subsection (2) of this section.

16 (4) Once satisfied that the application is consistent with the  
17 purposes stated in the Imagine Nebraska Act for one or more qualified  
18 locations within this state, the director shall approve the application,  
19 subject to the base authority limitations provided in section 77-6839.

20 (5) The director shall make his or her determination to approve or  
21 not approve an application within ninety days after the date of the  
22 application. If the director requests, by mail or by electronic means,  
23 additional information or clarification from the taxpayer in order to  
24 make his or her determination, such ninety-day period shall be tolled  
25 from the time the director makes the request to the time he or she  
26 receives the requested information or clarification from the taxpayer.  
27 The taxpayer and the director may also agree to extend the ninety-day  
28 period. If the director fails to make his or her determination within the  
29 prescribed ninety-day period, the application is deemed approved, subject  
30 to the base authority limitations provided in section 77-6839.

31 (6) There shall be no new applications for incentives filed under

1 this section after the effective date of this act ~~December 31, 2030~~. All  
2 complete applications filed on or before the effective date of this act  
3 ~~December 31, 2030~~, shall be considered by the director and approved if  
4 the location or locations and taxpayer qualify for benefits, subject to  
5 the base authority limitations provided in section 77-6839. Agreements  
6 may be executed with regard to complete applications filed on or before  
7 the effective date of this act ~~December 31, 2030~~. All agreements pending,  
8 approved, or entered into before such date shall continue in full force  
9 and effect.

10 Sec. 59. Section 79-1001, Revised Statutes Cumulative Supplement,  
11 2020, is amended to read:

12 79-1001 (1) Sections 79-1001 to 79-1033 shall be known and may be  
13 cited as the Tax Equity and Educational Opportunities Support Act.

14 (2) The Tax Equity and Educational Opportunities Support Act shall  
15 apply until January 1, 2024. On and after such date, funding for the  
16 public schools shall be governed by the Nebraska EPIC Consumption Tax  
17 Act.

18 Sec. 60. Section 84-612, Revised Statutes Cumulative Supplement,  
19 2020, is amended to read:

20 84-612 (1) There is hereby created within the state treasury a fund  
21 known as the Cash Reserve Fund which shall be under the direction of the  
22 State Treasurer. The fund shall only be used pursuant to this section.

23 (2) The State Treasurer shall transfer funds from the Cash Reserve  
24 Fund to the General Fund upon certification by the Director of  
25 Administrative Services that the current cash balance in the General Fund  
26 is inadequate to meet current obligations. Such certification shall  
27 include the dollar amount to be transferred. Any transfers made pursuant  
28 to this subsection shall be reversed upon notification by the Director of  
29 Administrative Services that sufficient funds are available.

30 (3) In addition to receiving transfers from other funds, the Cash  
31 Reserve Fund shall receive federal funds received by the State of

1 Nebraska for undesignated general government purposes, federal revenue  
2 sharing, or general fiscal relief of the state.

3 (4) The State Treasurer, at the direction of the budget  
4 administrator of the budget division of the Department of Administrative  
5 Services, shall transfer not to exceed forty million seven hundred  
6 fifteen thousand four hundred fifty-nine dollars in total from the Cash  
7 Reserve Fund to the Nebraska Capital Construction Fund between July 1,  
8 2013, and June 30, 2018.

9 (5) The State Treasurer shall transfer the following amounts from  
10 the Cash Reserve Fund to the Nebraska Capital Construction Fund on such  
11 dates as directed by the budget administrator of the budget division of  
12 the Department of Administrative Services:

13 (a) Seven million eight hundred four thousand two hundred ninety-two  
14 dollars on or after June 15, 2016, but before June 30, 2016;

15 (b) Five million fifty-eight thousand four hundred five dollars on  
16 or after July 1, 2018, but before June 30, 2019, on such dates and in  
17 such amounts as directed by the budget administrator of the budget  
18 division of the Department of Administrative Services;

19 (c) Fifteen million three hundred seventy-eight thousand three  
20 hundred nine dollars on or after January 1, 2019, but before June 30,  
21 2019, on such dates and in such amounts as directed by the budget  
22 administrator of the budget division of the Department of Administrative  
23 Services; and

24 (d) Fifty-four million seven hundred thousand dollars on or after  
25 July 1, 2019, but before June 15, 2021, on such dates and in such amounts  
26 as directed by the budget administrator of the budget division of the  
27 Department of Administrative Services.

28 (6) The State Treasurer shall transfer seventy-five million two  
29 hundred fifteen thousand three hundred thirteen dollars from the Cash  
30 Reserve Fund to the Nebraska Capital Construction Fund on or before July  
31 31, 2017, on such date as directed by the budget administrator of the

1 budget division of the Department of Administrative Services.

2 (7) The State Treasurer shall transfer thirty-one million dollars  
3 from the Cash Reserve Fund to the General Fund after July 1, 2017, but  
4 before July 15, 2017, on such date as directed by the budget  
5 administrator of the budget division of the Department of Administrative  
6 Services.

7 (8) The State Treasurer shall transfer thirty-one million dollars  
8 from the Cash Reserve Fund to the General Fund after October 1, 2017, but  
9 before October 15, 2017, on such date as directed by the budget  
10 administrator of the budget division of the Department of Administrative  
11 Services.

12 (9) The State Treasurer shall transfer thirty-one million dollars  
13 from the Cash Reserve Fund to the General Fund after January 1, 2018, but  
14 before January 15, 2018, on such date as directed by the budget  
15 administrator of the budget division of the Department of Administrative  
16 Services.

17 (10) The State Treasurer shall transfer thirty-two million dollars  
18 from the Cash Reserve Fund to the General Fund after April 1, 2018, but  
19 before April 15, 2018, on such date as directed by the budget  
20 administrator of the budget division of the Department of Administrative  
21 Services.

22 (11) The State Treasurer shall transfer one hundred million dollars  
23 from the Cash Reserve Fund to the General Fund on or before June 30,  
24 2018, on such dates and in such amounts as directed by the budget  
25 administrator of the budget division of the Department of Administrative  
26 Services.

27 (12) The State Treasurer shall transfer forty-eight million dollars  
28 from the Cash Reserve Fund to the General Fund after March 1, 2019, but  
29 before March 15, 2019, on such date as directed by the budget  
30 administrator of the budget division of the Department of Administrative  
31 Services.

1 (13) The State Treasurer shall transfer eighty-three million six  
2 hundred nineteen thousand six hundred dollars from the Cash Reserve Fund  
3 to the Governor's Emergency Cash Fund on or before June 30, 2020, on such  
4 dates and in such amounts as directed by the budget administrator of the  
5 budget division of the Department of Administrative Services.

6 (14) The State Treasurer shall transfer thirty million dollars from  
7 the Cash Reserve Fund to the General Fund after November 15, 2020, but  
8 before December 31, 2020, on such date as directed by the budget  
9 administrator of the budget division of the Department of Administrative  
10 Services. Except for the transfer authorized in this subsection, no funds  
11 shall be transferred from the Cash Reserve Fund to fulfill the  
12 obligations created under the Nebraska Property Tax Incentive Act unless  
13 the balance in the Cash Reserve Fund after such transfer will be at least  
14 equal to five hundred million dollars.

15 (15) The State Treasurer shall transfer two hundred forty million  
16 dollars from the Cash Reserve Fund to the Consumption Tax Transition Fund  
17 on or before December 31, 2023, on such date as directed by the budget  
18 administrator of the budget division of the Department of Administrative  
19 Services.

20 Sec. 61. Section 85-2231, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22 85-2231 (1) Sections 85-2231 to 85-2237 shall be known and may be  
23 cited as the Community College Aid Act.

24 (2) The Community College Aid Act shall apply until January 1, 2024.  
25 On and after such date, community colleges shall be funded as provided in  
26 the Nebraska EPIC Consumption Tax Act.

27 Sec. 62. Original sections 13-501, 13-2813, 77-201, 77-2004,  
28 77-2005, 77-2006, 77-27,148, 77-3507, and 85-2231, Reissue Revised  
29 Statutes of Nebraska, and sections 13-319, 18-2147, 77-2701, 77-3506,  
30 77-3508, 77-6406, 77-6827, 79-1001, and 84-612, Revised Statutes  
31 Cumulative Supplement, 2020, are repealed.