

AMENDMENTS TO LB34

Introduced by Revenue.

1 1. Strike the original sections and insert the following new
2 sections:

3 Section 1. Sections 1 to 8 of this act shall be known and may be
4 cited as the Property Tax Growth Limitation Act.

5 Sec. 2. For purposes of the Property Tax Growth Limitation Act:

6 (1) Approved bonds means bonds as defined in subdivision (1) of
7 section 10-134 that are approved according to law, excluding any bonds
8 issued to finance a project or projects if the issuance of bonds for such
9 project or projects was the subject of a general obligation bond election
10 held at the most recent regularly scheduled election and was not approved
11 at such election;

12 (2) Auditor means the Auditor of Public Accounts;

13 (3) Emergency means an emergency, as defined in section 81-829.39,
14 for which a state of emergency proclamation or local state of emergency
15 proclamation has been issued under the Emergency Management Act;

16 (4) Growth percentage means the percentage obtained by dividing (a)
17 the political subdivision's growth value by (b) the political
18 subdivision's total property valuation from the prior year;

19 (5) Growth value means the increase in a political subdivision's
20 total property valuation from the prior year to the current year due to
21 (a) improvements to real property as a result of new construction and
22 additions to existing buildings, (b) any other improvements to real
23 property which increase the value of such property, (c) annexation of
24 real property by the political subdivision, (d) a change in the use of
25 real property, and (e) any increase in personal property valuation over
26 the prior year;

27 (6) Inflation percentage means the annual percentage change in the

1 State and Local Consumption Expenditures and Gross Investment, as
2 reported for December of the prior calendar year for the preceding
3 twelve-month period;

4 (7) Political subdivision means any county, city, or village;

5 (8) Property tax request means the total amount of property taxes
6 requested to be raised for a political subdivision through the levy
7 imposed pursuant to section 77-1601;

8 (9) Property tax request authority means the amount that may be
9 included in a political subdivision's property tax request as determined
10 pursuant to the Property Tax Growth Limitation Act; and

11 (10) State aid means:

12 (a) For all political subdivisions, state aid paid pursuant to
13 sections 60-3,202 and 77-3523 and reimbursement provided pursuant to
14 section 77-1239;

15 (b) For cities and villages, state aid to cities and villages paid
16 pursuant to sections 39-2501 to 39-2520, 60-3,190, and 77-27,139.04 and
17 insurance premium tax paid to cities and villages; and

18 (c) For counties, state aid to counties paid pursuant to sections
19 60-3,184 to 60-3,190, insurance premium tax paid to counties, and
20 reimbursements to counties from funds appropriated pursuant to section
21 29-3933.

22 Sec. 3. (1) Except as otherwise provided in the Property Tax Growth
23 Limitation Act, for fiscal years beginning on or after July 1, 2025, a
24 political subdivision's property tax request for any year shall not
25 exceed its property tax request authority as determined under this
26 section. The preliminary property tax request authority for each
27 political subdivision shall be the amount of property taxes levied by the
28 county board of equalization pursuant to section 77-1601 for such
29 political subdivision in the prior fiscal year, less the sum of
30 exceptions utilized in the prior year pursuant to section 4 of this act.

31 (2) In addition to the preliminary property tax request authority,

1 the political subdivision's property tax request authority may be
2 increased by the product of:

3 (a) The amount of property taxes levied in the prior year increased
4 by the political subdivision's growth percentage, less the sum of
5 exceptions utilized in the prior year pursuant to subdivisions (1) and
6 (2) of section 4 of this act; and

7 (b) The greater of zero or the inflation percentage.

8 Sec. 4. A political subdivision may increase its property tax
9 request authority over the amount determined under section 3 of this act
10 by:

11 (1) The amount of property taxes budgeted for approved bonds;

12 (2) The amount of property taxes needed to respond to an emergency
13 declared in the preceding year, as certified to the auditor;

14 (3) The amount of unused property tax request authority determined
15 in accordance with section 6 of this act;

16 (4) The amount of property taxes budgeted in support of (a) a
17 service relating to an imminent and significant threat to public safety
18 that (i) was not previously provided by the political subdivision and
19 (ii) is the subject of an agreement or a modification of an existing
20 agreement executed after the operative date of this section, whether
21 provided by one of the parties to the agreement or by an independent
22 joint entity or joint public agency or (b) an interlocal agreement
23 relating to public safety;

24 (5) The increase in property tax request authority approved by the
25 legal voters as provided in section 5 of this act;

26 (6) The amount of property taxes budgeted for public safety services
27 as defined in section 13-320; and

28 (7) The amount of property taxes budgeted for county attorneys and
29 public defenders.

30 Sec. 5. (1) A political subdivision may increase its property tax
31 request authority over the amount determined under section 3 of this act

1 if such increase is approved by a majority of legal voters voting on the
2 issue at an election described in subsection (2) of this section. Such
3 issue shall be placed on the ballot (a) upon the recommendation of the
4 governing body of such political subdivision or (b) upon the receipt by
5 the county clerk or election commissioner of a petition requesting such
6 issue to be placed on the ballot which is signed by at least five percent
7 of the legal voters of the political subdivision. The recommendation of
8 the governing body or the petition of the legal voters shall include the
9 amount by which the political subdivision would increase its property tax
10 request authority over and above the amount determined under section 3 of
11 this act.

12 (2) Upon receipt of such recommendation or legal voter petition, the
13 county clerk or election commissioner shall place such issue on the
14 ballot at the next regularly scheduled election. The election shall be
15 held pursuant to the Election Act, and all costs shall be paid by the
16 political subdivision. The issue may be approved on the same question as
17 a vote to exceed the levy limits provided in section 77-3444. If a
18 majority of the votes cast on the issue are in favor of increasing the
19 political subdivision's property tax request authority, the political
20 subdivision shall be empowered to do so.

21 Sec. 6. A political subdivision may choose not to increase its
22 total property taxes levied by the full amount of the property tax
23 request authority allowed in a particular year. In such cases, the
24 political subdivision may carry forward to future budget years the amount
25 of unused property tax request authority, but accumulation of unused
26 property tax request authority shall not exceed an aggregate of five
27 percent of the total property tax request authority from the prior year.

28 Sec. 7. The auditor shall prepare forms to be used by political
29 subdivisions for the purpose of calculating property tax request
30 authority and unused property tax request authority. Each political
31 subdivision shall calculate such amounts and submit the forms to the

1 auditor on or before September 30, 2025, and on or before September 30 of
2 each year thereafter. If a political subdivision fails to submit such
3 forms to the auditor or if the auditor determines from such forms that a
4 political subdivision is not complying with the limits provided in the
5 Property Tax Growth Limitation Act, the auditor shall notify the
6 political subdivision and the State Treasurer of the noncompliance. The
7 State Treasurer shall then suspend distribution of state aid allocated to
8 the political subdivision until the political subdivision complies. The
9 funds shall be held for six months. If the political subdivision complies
10 within the six-month period, it shall receive the suspended funds. If the
11 political subdivision fails to comply within the six-month period, the
12 suspended funds shall be forfeited and shall be redistributed to other
13 recipients of the state aid or, in the case of homestead exemption
14 reimbursement, returned to the General Fund.

15 Sec. 8. The auditor may adopt and promulgate rules and regulations
16 to carry out the Property Tax Growth Limitation Act.

17 Sec. 9. Sections 9 to 12 of this act shall be known and may be
18 cited as the School District Property Tax Relief Act.

19 Sec. 10. The purpose of the School District Property Tax Relief Act
20 is to provide property tax relief for property taxes levied against real
21 property by school districts. The property tax relief will be made to
22 owners of real property in the form of a property tax credit.

23 Sec. 11. For purposes of the School District Property Tax Relief
24 Act:

25 (1) School district has the same meaning as in section 79-101; and

26 (2) School district taxes means property taxes levied on real
27 property in this state by a school district or multiple-district school
28 system, excluding any property taxes levied for bonded indebtedness and
29 any property taxes levied as a result of an override of limits on
30 property tax levies approved by voters pursuant to section 77-3444.

31 Sec. 12. (1) The School District Property Tax Relief Act shall

1 apply to tax year 2024. For tax year 2024, the total amount of relief
2 granted under the act shall be two billion thirty-two million seven
3 hundred ninety-six thousand three hundred ninety dollars. The relief
4 shall be in the form of property tax credits which appear on property tax
5 statements. Property tax credits granted under the act shall be credited
6 against the amount of property taxes owed to school districts.

7 (2) To determine the amount of the property tax credit for each
8 parcel, the county treasurer shall multiply the amount disbursed to the
9 county under subsection (4) of this section by the ratio of the school
10 district taxes levied in the prior year on the parcel to the school
11 district taxes levied in the prior year on all real property in the
12 county. The amount so determined shall be the property tax credit for
13 that parcel.

14 (3) If the real property owner qualifies for a homestead exemption
15 under sections 77-3501 to 77-3529, the owner shall also be qualified for
16 the property tax credit provided in this section to the extent of any
17 remaining liability after calculation of the homestead exemption. If the
18 property tax credit provided in this section results in a property tax
19 liability on the homestead that is less than zero, the amount of the
20 credit which cannot be used by the taxpayer shall be returned to the
21 Property Tax Administrator by July 1 of the year the amount disbursed to
22 the county was disbursed. The Property Tax Administrator shall
23 immediately credit any funds returned under this subsection to the
24 Education Future Fund. Upon the return of any funds under this
25 subsection, the county treasurer shall electronically file a report with
26 the Property Tax Administrator, on a form prescribed by the Tax
27 Commissioner, indicating the amount of funds distributed to each school
28 district in the county in the year the funds were returned and the amount
29 of unused credits returned.

30 (4) The amount disbursed to each county under this section shall be
31 equal to the amount available for disbursement under subsection (1) of

1 this section multiplied by the ratio of the school district taxes levied
2 in the prior year on all real property in the county to the school
3 district taxes levied in the prior year on all real property in the
4 state. By September 15, 2024, the Property Tax Administrator shall
5 determine the amount to be disbursed under this subsection to each county
6 and shall certify such amounts to the State Treasurer and to each county.
7 The disbursements to the counties shall occur in two equal payments, the
8 first on or before January 31 and the second on or before April 1.

9 (5) The county treasurer shall disburse amounts received under
10 subsection (4) of this section, which are credited against the amount of
11 property taxes owed to school districts, in the same manner as if such
12 funds had been received in the form of property tax payments for property
13 taxes owed to school districts, meaning any amounts attributable to
14 divided taxes pursuant to section 18-2147 of the Community Development
15 Law shall be remitted to the applicable authority for which such taxes
16 were divided.

17 (6) The Education Future Fund shall be used for purposes of making
18 the disbursements to counties required under subsection (4) of this
19 section.

20 Sec. 13. Sections 13 to 16 of this act shall be known and may be
21 cited as the Natural Resources District Tax Credit Act.

22 Sec. 14. The purpose of the Natural Resources District Tax Credit
23 Act is to provide property tax relief for property taxes levied against
24 real property by natural resources districts. The property tax relief
25 will be made to owners of real property in the form of a property tax
26 credit.

27 Sec. 15. For purposes of the Natural Resources District Tax Credit
28 Act:

29 (1) District taxes means property taxes levied on real property in
30 this state by a natural resources district, excluding any property taxes
31 levied for bonded indebtedness and any property taxes levied as a result

1 of an override of limits on property tax levies approved by voters
2 pursuant to section 77-3444; and

3 (2) Natural resources district means a natural resources district
4 operating pursuant to Chapter 2, article 32.

5 Sec. 16. (1) The Natural Resources District Tax Credit Act shall
6 apply to tax year 2025 and each tax year thereafter. The total amount of
7 relief granted under the act for tax year 2025 shall be an amount equal
8 to fifty percent of the district taxes levied for the prior year. The
9 total amount of relief granted under the act for tax year 2026 shall be
10 an amount equal to seventy-five percent of the district taxes levied for
11 the prior year. The total amount of relief granted under the act for tax
12 year 2027 and each tax year thereafter shall be an amount equal to one
13 hundred percent of the district taxes levied for the prior year. The
14 relief shall be in the form of property tax credits which appear on
15 property tax statements. Property tax credits granted under the act shall
16 be credited against the amount of property taxes owed to natural
17 resources districts.

18 (2) To determine the amount of the property tax credit for each
19 parcel, the county treasurer shall multiply the amount disbursed to the
20 county under subsection (4) of this section by the ratio of the district
21 taxes levied in the prior year on the parcel to the district taxes levied
22 in the prior year on all real property in the county. The amount so
23 determined shall be the property tax credit for that parcel.

24 (3) If the real property owner qualifies for a homestead exemption
25 under sections 77-3501 to 77-3529, the owner shall also be qualified for
26 the property tax credit provided in this section to the extent of any
27 remaining liability after calculation of the homestead exemption. If the
28 property tax credit provided in this section results in a property tax
29 liability on the homestead that is less than zero, the amount of the
30 credit which cannot be used by the taxpayer shall be returned to the
31 Property Tax Administrator by July 1 of the year the amount disbursed to

1 the county was disbursed. The Property Tax Administrator shall
2 immediately credit any funds returned under this subsection to the
3 General Fund. Upon the return of any funds under this subsection, the
4 county treasurer shall electronically file a report with the Property Tax
5 Administrator, on a form prescribed by the Tax Commissioner, indicating
6 the amount of funds distributed to each natural resources district in the
7 county in the year the funds were returned and the amount of unused
8 credits returned.

9 (4) The amount disbursed to each county under this section shall be
10 equal to the amount available for disbursement under subsection (1) of
11 this section multiplied by the ratio of the district taxes levied in the
12 prior year on all real property in the county to the district taxes
13 levied in the prior year on all real property in the state. By September
14 15, 2025, and by September 15 of each year thereafter, the Property Tax
15 Administrator shall determine the amount to be disbursed under this
16 subsection to each county and shall certify such amounts to the State
17 Treasurer and to each county. The disbursements to the counties shall
18 occur in two equal payments, the first on or before January 31 and the
19 second on or before April 1.

20 (5) The county treasurer shall disburse amounts received under
21 subsection (4) of this section, which are credited against the amount of
22 property taxes owed to natural resources districts, in the same manner as
23 if such funds had been received in the form of property tax payments for
24 property taxes owed to natural resources districts, meaning any amounts
25 attributable to divided taxes pursuant to section 18-2147 of the
26 Community Development Law shall be remitted to the applicable authority
27 for which such taxes were divided.

28 Sec. 17. (1) On or before July 31, 2025, each county that operates
29 and maintains a county jail shall certify to the Jail Standards Board the
30 actual cost of operating and maintaining such county jail for the most
31 recently completed fiscal year. The board shall have the authority to

1 request or obtain additional information and make a determination as to
2 the actual cost of operating and maintaining each county jail.

3 (2) No later than December 31, 2025, and no later than December 31
4 of each year thereafter, the Jail Standards Board shall reimburse each
5 county for a percentage of the cost of operating and maintaining county
6 jails. The amount to be reimbursed under this section shall be:

7 (a) For the reimbursement paid in 2025, twenty-five percent of the
8 amount certified under subsection (1) of this section; and

9 (b) For the reimbursement paid in 2026 and each year thereafter,
10 fifty percent of the amount certified under subsection (1) of this
11 section.

12 (3) The expenses of operating and maintaining a county jail shall
13 not be reimbursable under this section if the operation and maintenance
14 of the jail does not conform to the rules and regulations and directions
15 of the Jail Standards Board.

16 Sec. 18. Section 9-1,101, Revised Statutes Supplement, 2023, as
17 amended by Laws 2024, LB685, section 1, is amended to read:

18 9-1,101 (1) The Nebraska Bingo Act, the Nebraska County and City
19 Lottery Act, the Nebraska Lottery and Raffle Act, the Nebraska Pickle
20 Card Lottery Act, the Nebraska Small Lottery and Raffle Act, and section
21 9-701 shall be administered and enforced by the Charitable Gaming
22 Division of the Department of Revenue, which division is hereby created.
23 The Department of Revenue shall make annual reports to the Governor,
24 Legislature, Auditor of Public Accounts, and Attorney General on all tax
25 revenue received, expenses incurred, and other activities relating to the
26 administration and enforcement of such acts. The report submitted to the
27 Legislature shall be submitted electronically.

28 (2) The Charitable Gaming Operations Fund is hereby created. Any
29 money in the fund available for investment shall be invested by the state
30 investment officer pursuant to the Nebraska Capital Expansion Act and the
31 Nebraska State Funds Investment Act.

1 (3)(a) Forty percent of the taxes credited to the Charitable Gaming
2 Operations Fund ~~collected~~ pursuant to sections 9-239, 9-344, and 9-429,
3 and subdivision (1)(b) of section 9-648 shall be available to the
4 Charitable Gaming Division for administering and enforcing the acts
5 listed in subsection (1) of this section and providing administrative
6 support for the Nebraska Commission on Problem Gambling. The remaining
7 sixty percent shall be transferred to the General Fund. Any portion of
8 the forty percent not used by the division in the administration and
9 enforcement of such acts and section shall be distributed as provided in
10 this subsection.

11 (b) Beginning July 1, 2019, through June 30, 2025, on or before the
12 last day of the last month of each calendar quarter, the State Treasurer
13 shall transfer one hundred thousand dollars from the Charitable Gaming
14 Operations Fund to the Compulsive Gamblers Assistance Fund.

15 (c) Any money remaining in the Charitable Gaming Operations Fund
16 after the transfer pursuant to subdivision (b) of this subsection not
17 used by the Charitable Gaming Division in its administration and
18 enforcement duties pursuant to this section may be transferred to the
19 General Fund and the Compulsive Gamblers Assistance Fund at the direction
20 of the Legislature.

21 (4) The Tax Commissioner shall employ investigators who shall be
22 vested with the authority and power of a law enforcement officer to carry
23 out the laws of this state administered by the Tax Commissioner or the
24 Department of Revenue and to enforce sections 28-1101 to 28-1117 relating
25 to possession of a gambling device. For purposes of enforcing sections
26 28-1101 to 28-1117, the authority of the investigators shall be limited
27 to investigating possession of a gambling device, notifying local law
28 enforcement authorities, and reporting suspected violations to the county
29 attorney for prosecution.

30 (5) The Charitable Gaming Division may charge a fee for publications
31 and listings it produces. The fee shall not exceed the cost of

1 publication and distribution of such items. The division may also charge
2 a fee for making a copy of any record in its possession equal to the
3 actual cost per page. The division shall remit the fees to the State
4 Treasurer for credit to the Charitable Gaming Operations Fund.

5 (6) The taxes collected and available to the Charitable Gaming
6 Division pursuant to section 17 of this act shall be used by the division
7 for enforcement of the Mechanical Amusement Device Tax Act and
8 maintenance of the central server established pursuant to section 16 of
9 this act.

10 (7) For administrative purposes only, the Nebraska Commission on
11 Problem Gambling shall be located within the Charitable Gaming Division.
12 The division shall provide office space, furniture, equipment, and
13 stationery and other necessary supplies for the commission. Commission
14 staff shall be appointed, supervised, and terminated by the director of
15 the Gamblers Assistance Program pursuant to section 9-1004.

16 Sec. 19. Section 9-648, Reissue Revised Statutes of Nebraska, is
17 amended to read:

18 9-648 (1) Any county, city, or village which conducts a lottery
19 shall submit to the department on a quarterly basis a tax of five ~~two~~
20 percent of the gross proceeds. Such tax shall be remitted not later than
21 thirty days from the close of the preceding quarter on forms provided by
22 the department. The department shall remit the tax to the State Treasurer
23 for credit as follows:

24 (a) Sixty percent of the tax shall be credited to the Education
25 Future Fund; and

26 (b) Forty percent of the tax shall be credited to the Charitable
27 Gaming Operations Fund.

28 (2) All deficiencies of the tax imposed by this section shall accrue
29 interest and be subject to a penalty as provided for sales and use taxes
30 in the Nebraska Revenue Act of 1967.

31 Sec. 20. Section 13-324, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 13-324 (1) The Tax Commissioner shall administer all sales and use
3 taxes adopted under section 13-319. The Tax Commissioner may prescribe
4 forms and adopt and promulgate reasonable rules and regulations in
5 conformity with the Nebraska Revenue Act of 1967, as amended, for the
6 making of returns and for the ascertainment, assessment, and collection
7 of taxes. The county shall furnish a certified copy of the adopting or
8 repealing resolution to the Tax Commissioner in accordance with such
9 rules and regulations. The tax shall begin the first day of the next
10 calendar quarter which is at least one hundred twenty days following
11 receipt by the Tax Commissioner of the certified copy of the adopted
12 resolution. The Tax Commissioner shall provide at least sixty days'
13 notice of the adoption of the tax or a change in the rate to retailers.
14 Notice shall be provided to retailers within the county. Notice to
15 retailers may be provided through the website of the Department of
16 Revenue or by other electronic means.

17 (2) For resolutions containing a termination date, the termination
18 date is the first day of a calendar quarter. The county shall furnish a
19 certified statement to the Tax Commissioner no more than one hundred
20 eighty days and at least one hundred twenty days before the termination
21 date that the termination date stated in the resolution is still valid.
22 If the certified statement is not furnished within the prescribed time,
23 the tax shall remain in effect, and the Tax Commissioner shall continue
24 to collect the tax until the first day of the calendar quarter which is
25 at least one hundred twenty days after receipt of the certified statement
26 notwithstanding the termination date stated in the resolution. The Tax
27 Commissioner shall provide at least sixty days' notice of the termination
28 of the tax to retailers. Notice shall be provided to retailers within the
29 county. Notice to retailers may be provided through the website of the
30 department or other electronic means.

31 (3) The Tax Commissioner shall collect the sales and use tax

1 concurrently with collection of a state tax in the same manner as the
2 state tax is collected. The Tax Commissioner shall remit monthly the
3 proceeds of the tax to the counties imposing the tax, after deducting the
4 amount of refunds made and fifteen ~~three~~ percent of the remainder as an
5 administrative fee necessary to defray the cost of collecting the tax and
6 the expenses incident thereto. The Tax Commissioner shall keep full and
7 accurate records of all money received and distributed. All receipts from
8 the fifteen percent ~~three-percent~~ administrative fee shall be deposited
9 in the state General Fund. For fiscal year 2024-25, the counties imposing
10 the tax shall be guaranteed to receive total net taxable sales equal to
11 the fiscal year 2023-24 net taxable sales amount plus one percent. For
12 each fiscal year thereafter, the guaranteed taxable sales amount shall
13 increase by one percent.

14 (4) Upon any claim of illegal assessment and collection, the
15 taxpayer has the same remedies provided for claims of illegal assessment
16 and collection of the state tax. It is the intention of the Legislature
17 that the provisions of law which apply to the recovery of state taxes
18 illegally assessed and collected apply to the recovery of sales and use
19 taxes illegally assessed and collected under section 13-319.

20 (5) Boundary changes or the adoption of a sales and use tax by an
21 incorporated municipality that affects any tax imposed by this section
22 shall be governed as provided in subsections (3) through (10) of section
23 77-27,143.

24 Sec. 21. Section 13-508, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 13-508 (1) After publication and hearing thereon and within the time
27 prescribed by law, each governing body shall file with and certify to the
28 levying board or boards on or before September 30 of each year or
29 September 30 of the final year of a biennial period and file with the
30 auditor a copy of the adopted budget statement which complies with
31 sections 13-518 to 13-522 or 79-1023 to 79-1030, if applicable, together

1 with the amount of the tax required to fund the adopted budget, setting
2 out separately (a) the amount to be levied for the payment of principal
3 or interest on bonds issued or authorized to be issued by the governing
4 body or the legal voters of the political subdivision and (b) the amount
5 to be levied for all other purposes. Proof of publication shall be
6 attached to the statements. For fiscal years prior to fiscal year
7 2017-18, learning communities shall also file a copy of such adopted
8 budget statement with member school districts on or before September 1 of
9 each year. If the prime rate published by the Federal Reserve Board is
10 ten percent or more at the time of the filing and certification required
11 under this subsection, the governing body, in certifying the amount
12 required, may make allowance for delinquent taxes not exceeding five
13 percent of the amount required plus the actual percentage of delinquent
14 taxes for the preceding tax year or biennial period and for the amount of
15 estimated tax loss from any pending or anticipated litigation which
16 involves taxation and in which tax collections have been or can be
17 withheld or escrowed by court order. For purposes of this section,
18 anticipated litigation shall be limited to the anticipation of an action
19 being filed by a taxpayer who or which filed a similar action for the
20 preceding year or biennial period which is still pending. Except for such
21 allowances, a governing body shall not certify an amount of tax more than
22 one percent greater or lesser than the amount determined under section
23 13-505.

24 (2) Each governing body shall use the certified taxable values as
25 provided by the county assessor pursuant to section 13-509 for the
26 current year in setting or certifying the levy. Each governing body may
27 designate one of its members to perform any duty or responsibility
28 required of such body by this section.

29 Sec. 22. Section 13-518, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 13-518 For purposes of sections 13-518 to 13-522:

1 (1) Allowable growth means (a) for governmental units other than
2 community colleges, the percentage increase in taxable valuation in
3 excess of the base limitation established under section 77-3446, if any,
4 due to improvements to real property as a result of new construction,
5 additions to existing buildings, any improvements to real property which
6 increase the value of such property, and any increase in valuation due to
7 annexation and any personal property valuation over the prior year and
8 (b) for community colleges, the percentage increase in excess of the base
9 limitation, if any, in full-time equivalent students from the second year
10 to the first year preceding the year for which the budget is being
11 determined;

12 (2) Capital improvements means (a) acquisition of real property or
13 (b) acquisition, construction, or extension of any improvements on real
14 property;

15 (3) Governing body has the same meaning as in section 13-503, except
16 that for fiscal years beginning on or after July 1, 2025, such term shall
17 not include the governing body of any county, city, or village;

18 (4) Governmental unit means every political subdivision which has
19 authority to levy a property tax or authority to request levy authority
20 under section 77-3443, except that such term shall not include (a)
21 sanitary and improvement districts which have been in existence for five
22 years or less, (b) and school districts, or (c) for fiscal years
23 beginning on or after July 1, 2025, counties, cities, or villages;

24 (5) Qualified sinking fund means a fund or funds maintained
25 separately from the general fund to pay for acquisition or replacement of
26 tangible personal property with a useful life of five years or more which
27 is to be undertaken in the future but is to be paid for in part or in
28 total in advance using periodic payments into the fund. The term includes
29 sinking funds under subdivision (13) of section 35-508 for firefighting
30 and rescue equipment or apparatus;

31 (6) Restricted funds means (a) property tax, excluding any amounts

1 refunded to taxpayers, (b) payments in lieu of property taxes, (c) local
2 option sales taxes, (d) motor vehicle taxes, (e) state aid, (f) transfers
3 of surpluses from any user fee, permit fee, or regulatory fee if the fee
4 surplus is transferred to fund a service or function not directly related
5 to the fee and the costs of the activity funded from the fee, (g) any
6 funds excluded from restricted funds for the prior year because they were
7 budgeted for capital improvements but which were not spent and are not
8 expected to be spent for capital improvements, (h) the tax provided in
9 sections 77-27,223 to 77-27,227 beginning in the second fiscal year in
10 which the county will receive a full year of receipts, and (i) any excess
11 tax collections returned to the county under section 77-1776. Funds
12 received pursuant to the nameplate capacity tax levied under section
13 77-6203 for the first five years after a renewable energy generation
14 facility has been commissioned are nonrestricted funds; and

15 (7) State aid means:

16 (a) For all governmental units, state aid paid pursuant to sections
17 60-3,202 and 77-3523 and reimbursement provided pursuant to section
18 77-1239;

19 (b) For municipalities, state aid to municipalities paid pursuant to
20 sections 39-2501 to 39-2520, 60-3,190, and 77-27,139.04 and insurance
21 premium tax paid to municipalities;

22 (c) For counties, state aid to counties paid pursuant to sections
23 60-3,184 to 60-3,190, insurance premium tax paid to counties, and
24 reimbursements to counties from funds appropriated pursuant to section
25 29-3933;

26 (d) For community colleges, state aid to community colleges paid
27 pursuant to the Community College Aid Act;

28 (e) For educational service units, state aid appropriated under
29 sections 79-1241.01 and 79-1241.03; and

30 (f) For local public health departments as defined in section
31 71-1626, state aid as distributed under section 71-1628.08.

1 Sec. 23. Section 13-2817, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 13-2817 (1) Any municipality that is within the boundaries of a
4 municipal county that is not merged into the municipal county shall be
5 required to pay the municipal county for services that were previously
6 provided by the county and are not ordinarily provided by a municipality.
7 Except as provided in subsection (2) of this section, the amount paid
8 shall be equal to the attributable cost of county services times a ratio,
9 the numerator of which is the total valuation of all municipalities that
10 are within the boundaries of the municipal county and the denominator of
11 which is the total valuation of the municipal county and all
12 municipalities and unconsolidated sanitary and improvement districts that
13 are within the boundaries of the municipal county that are not merged
14 into the municipal county, times a ratio the numerator of which is the
15 valuation of the particular municipality and the denominator of which is
16 the total valuation of all municipalities that are within the boundaries
17 of the municipal county, except that (a) the amount paid shall not exceed
18 the total taxable valuation of the municipality times forty-five
19 hundredths of one percent and (b) the municipality shall not be required
20 to pay the municipal county for fire protection or ambulance services.

21 (2) The amount paid for law enforcement by a municipality that is
22 within the boundaries of a municipal county but is not merged into the
23 municipal county shall be as follows: (a) If the county did not provide
24 law enforcement services prior to the formation of the municipal county
25 or if the municipality continues its own law enforcement services after
26 formation of the municipal county, the total cost of services budgeted by
27 the municipal county for law enforcement shall be the net cost of
28 services that are the express and exclusive duties and responsibilities
29 of the county sheriff by law times the same ratios calculated in
30 subsection (1) of this section; (b) if the municipality discontinues
31 providing law enforcement services after the formation of the municipal

1 county (i) the municipal county shall provide a level of service in such
2 municipality that is equal to the level provided in the area or areas of
3 the municipal county that were municipalities prior to the formation of
4 the municipal county and (ii) the municipality shall pay the municipal
5 county for the cost of county services for law enforcement as calculated
6 in subsection (1) of this section, except that for the first five years,
7 the amount shall be no more than the amount budgeted by the municipality
8 for law enforcement services in the last year the municipality provided
9 the services for itself; and (c) if the municipal county has deputized
10 the police force of the municipality to perform the express and exclusive
11 duties and responsibilities of the county sheriff by law, there shall be
12 no amount paid to the municipal county for law enforcement services.

13 (3) Disputes regarding the amounts any municipality that is within
14 the boundaries of a municipal county that is not merged into the
15 municipal county must pay to the municipal county for services that were
16 previously provided by the county and are not ordinarily provided by a
17 municipality shall be heard in the district court of such municipal
18 county.

19 (4) For purposes of this section and section 13-2818, attributable
20 cost of county services means the total budgeted cost of services that
21 were previously provided by the county for the immediately prior fiscal
22 year times a ratio, the numerator of which is the property tax request of
23 the municipal county or the county and all cities to be consolidated for
24 the prior fiscal year, not including any tax for bonded indebtedness, and
25 the denominator of which is the total revenue from all sources that was
26 ~~of the restricted funds as defined in section 13-518 plus inheritance~~
27 ~~taxes, fees, and charges and other revenue that were~~ budgeted for the
28 immediately prior fiscal year by the municipal county or the county and
29 all cities to be consolidated.

30 Sec. 24. Section 14-109, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 14-109 (1)(a) The city council of a city of the metropolitan class
2 shall have power to tax for revenue, license, and regulate any person
3 within the limits of the city by ordinance except as otherwise provided
4 in this section. Such tax may include both a tax for revenue and license.
5 The city council may raise revenue by levying and collecting a tax on any
6 occupation or business within the limits of the city. After March 27,
7 2014, any occupation tax imposed pursuant to this section shall make a
8 reasonable classification of businesses, users of space, or kinds of
9 transactions for purposes of imposing such tax, except that no occupation
10 tax shall be imposed on any transaction which is subject to tax under
11 section 53-160, 66-489, 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602,
12 or 77-4008 or which is exempt from tax under section 77-2704.24. ~~The~~
13 ~~occupation tax shall be imposed in the manner provided in section~~
14 ~~18-1208, except that section 18-1208 does not apply to an occupation tax~~
15 ~~subject to section 86-704.~~ All such taxes shall be uniform in respect to
16 the class upon which they are imposed. All scientific and literary
17 lectures and entertainments shall be exempt from taxation, as well as
18 concerts and all other musical entertainments given exclusively by the
19 citizens of the city. It shall be the duty of the city clerk to deliver
20 to the city treasurer a copy of the ordinance levying such tax.

21 (b) For purposes of this subsection, limits of the city does not
22 include the extraterritorial zoning jurisdiction of such city.

23 (2)(a) Except as otherwise provided in subdivision (c) of this
24 subsection, the city council shall also have the power to require any
25 individual whose primary residence or person who owns a place of business
26 which is within the limits of the city and that owns and operates a motor
27 vehicle within such limits to annually register such motor vehicle in
28 such manner as may be provided and to require such person to pay an
29 annual motor vehicle fee therefor and to require the payment of such fee
30 upon the change of ownership of such vehicle. All such fees which may be
31 provided for under this subsection shall be credited to a separate fund

1 of the city, thereby created, to be used exclusively for constructing,
2 repairing, maintaining, or improving streets, roads, alleys, public ways,
3 or parts of such streets, roads, alleys, or ways or for the amortization
4 of bonded indebtedness when created for such purposes.

5 (b) No motor vehicle fee shall be required under this subsection if
6 (i) a vehicle is used or stored but temporarily in such city for a period
7 of six months or less in a twelve-month period, (ii) an individual does
8 not have a primary residence or a person does not own a place of business
9 within the limits of the city and does not own and operate a motor
10 vehicle within the limits of the city, or (iii) an individual is a full-
11 time student attending a postsecondary institution within the limits of
12 the city and the motor vehicle's situs under the Motor Vehicle
13 Certificate of Title Act is different from the place at which he or she
14 is attending such institution.

15 (c) After December 31, 2012, no motor vehicle fee shall be required
16 of any individual whose primary residence is within the extraterritorial
17 zoning jurisdiction of such city or any person who owns a place of
18 business within such jurisdiction.

19 (d) For purposes of this subsection, limits of the city includes the
20 extraterritorial zoning jurisdiction of such city.

21 (3) For purposes of this section, person includes bodies corporate,
22 societies, communities, the public generally, individuals, partnerships,
23 limited liability companies, joint-stock companies, cooperatives, and
24 associations. Person does not include any federal, state, or local
25 government or any political subdivision thereof.

26 Sec. 25. Section 15-202, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 15-202 A city of the primary class shall have the power to levy
29 taxes for general revenue purposes on all property within the corporate
30 limits of the city taxable according to the laws of Nebraska and to levy
31 an occupation tax on public service property or corporations in such

1 amounts as may be proper and necessary, in the judgment of the mayor and
2 city council, for purposes of revenue. All such taxes shall be uniform
3 with respect to the class upon which they are imposed. The occupation tax
4 may be based upon a certain percentage of the gross receipts of such
5 public service corporation or upon such other basis as may be determined
6 upon by the mayor and city council. After March 27, 2014, any occupation
7 tax imposed pursuant to this section shall make a reasonable
8 classification of businesses, users of space, or kinds of transactions
9 for purposes of imposing such tax, except that no occupation tax shall be
10 imposed on any transaction which is subject to tax under section 53-160,
11 66-489, 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602, or 77-4008 or
12 which is exempt from tax under section 77-2704.24. ~~The occupation tax~~
13 ~~shall be imposed in the manner provided in section 18-1208, except that~~
14 ~~section 18-1208 does not apply to an occupation tax subject to section~~
15 ~~86-704.~~

16 Sec. 26. Section 15-203, Reissue Revised Statutes of Nebraska, is
17 amended to read:

18 15-203 A city of the primary class shall have power to raise revenue
19 by levying and collecting a license or occupation tax on any person,
20 partnership, limited liability company, corporation, or business within
21 the limits of the city and regulate the same by ordinance except as
22 otherwise provided in this section and in section 15-212. After March 27,
23 2014, any occupation tax imposed pursuant to this section shall make a
24 reasonable classification of businesses, users of space, or kinds of
25 transactions for purposes of imposing such tax, except that no occupation
26 tax shall be imposed on any transaction which is subject to tax under
27 section 53-160, 66-489, 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602,
28 or 77-4008 or which is exempt from tax under section 77-2704.24. ~~The~~
29 ~~occupation tax shall be imposed in the manner provided in section~~
30 ~~18-1208, except that section 18-1208 does not apply to an occupation tax~~
31 ~~subject to section 86-704.~~ All such taxes shall be uniform in respect to

1 the class upon which they are imposed. All scientific and literary
2 lectures and entertainments shall be exempt from such taxation as well as
3 concerts and all other musical entertainments given exclusively by the
4 citizens of the city.

5 Sec. 27. Section 16-205, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 16-205 A city of the first class may raise revenue by levying and
8 collecting a license or occupation tax on any person, partnership,
9 limited liability company, corporation, or business within the limits of
10 the city and may regulate the same by ordinance. After March 27, 2014,
11 any occupation tax imposed pursuant to this section shall make a
12 reasonable classification of businesses, users of space, or kinds of
13 transactions for purposes of imposing such tax, except that no occupation
14 tax shall be imposed on any transaction which is subject to tax under
15 section 53-160, 66-489, 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602,
16 or 77-4008 or which is exempt from tax under section 77-2704.24. ~~The~~
17 ~~occupation tax shall be imposed in the manner provided in section~~
18 ~~18-1208, except that section 18-1208 does not apply to an occupation tax~~
19 ~~subject to section 86-704.~~ All such taxes shall be uniform in respect to
20 the class upon which they are imposed. All scientific and literary
21 lectures and entertainments shall be exempt from such taxation as well as
22 concerts and all other musical entertainments given exclusively by the
23 citizens of the city.

24 Sec. 28. Section 17-525, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 17-525 Cities of the second class and villages shall have power to
27 raise revenue by levying and collecting a license tax on any occupation
28 or business within the limits of the city or village and regulate such
29 occupation or business by ordinance. After March 27, 2014, any occupation
30 tax imposed pursuant to this section shall make a reasonable
31 classification of businesses, users of space, or kinds of transactions

1 for purposes of imposing such tax, except that no occupation tax shall be
2 imposed on any transaction which is subject to tax under section 53-160,
3 66-489, 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602, or 77-4008 or
4 which is exempt from tax under section 77-2704.24. ~~The occupation tax~~
5 ~~shall be imposed in the manner provided in section 18-1208, except that~~
6 ~~section 18-1208 does not apply to an occupation tax subject to section~~
7 ~~86-704.~~ All such taxes shall be uniform in respect to the classes upon
8 which they are imposed. All scientific and literary lectures and
9 entertainments shall be exempt from such taxation, as well as concerts
10 and other musical entertainments given exclusively by the citizens of the
11 city or village.

12 Sec. 29. Section 29-3933, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 29-3933 (1) Any county which intends to request reimbursement for a
15 portion of its expenditures for its indigent defense system must comply
16 with this section.

17 (2) In order to assist the Commission on Public Advocacy in its
18 budgeting process for determining future reimbursement amounts, after
19 July 1, 2002, and before July 15, 2002, and for each year thereafter in
20 which the county intends to seek reimbursement for a portion of its
21 expenditures for indigent defense services in felony cases for the next
22 fiscal year, the county shall present to the Commission on Public
23 Advocacy (a) a plan, in a format approved by the commission, describing
24 how the county intends to provide indigent defense services in felony
25 cases, (b) a statement of intent declaring that the county intends to
26 comply with the standards set by the commission for felony cases and that
27 the county intends to apply for reimbursement, and (c) a projection of
28 the total dollar amount of expenditures for that county's indigent
29 defense services in felony cases for the next fiscal year.

30 (3) The commission may conduct whatever investigation is necessary
31 and may require certifications by key individuals in the criminal justice

1 system, in order to determine if the county is in compliance with the
2 standards. If a county is certified by the commission as having met the
3 standards established by the commission for felony cases, the county
4 shall be eligible for reimbursement according to the following schedule
5 and procedures: The county clerk of the county seeking reimbursement may
6 submit, on a quarterly basis, a certified request to the commission, for
7 reimbursement from funds appropriated by the Legislature, for an amount
8 equal to one-fourth of the county's actual expenditures for indigent
9 defense services in felony cases.

10 (4) Upon certification by the county clerk of the amount of the
11 expenditures, and a determination by the commission that the request is
12 in compliance with the standards set by the commission for felony cases,
13 the commission shall quarterly authorize an amount of reimbursement to
14 the county as set forth in this section.

15 (5) If the appropriated funds are insufficient in any quarter to
16 meet the amount needed for full payment of all county reimbursements for
17 net expenditures that are certified for that quarter, the commission
18 shall pay the counties their pro rata share of the remaining funds based
19 upon the percentage of the county's certified request in comparison to
20 the total certified requests for that quarter.

21 (6) For purposes of section 13-519, for any year in which a county
22 first seeks reimbursement from funds appropriated by the Legislature or
23 has previously qualified for reimbursement and is seeking additional
24 reimbursement for improving its indigent criminal defense program, the
25 last prior year's total of restricted funds shall be the last prior
26 year's total of restricted funds plus any increased amount budgeted for
27 indigent defense services that is required to develop a plan and meet the
28 standards necessary to qualify for reimbursement of expenses from funds
29 appropriated by the Legislature. This subsection applies to fiscal years
30 beginning prior to July 1, 2025.

31 Sec. 30. Section 53-160, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 53-160 (1)(a) (1) For the purpose of raising revenue, a tax is
3 imposed upon the privilege of engaging in business as a manufacturer or a
4 wholesaler at a rate of:

5 (i) Thirty-one cents per gallon on all beer manufactured and sold by
6 such manufacturer or shipped for sale in this state by such wholesaler in
7 the course of such business;

8 (ii) Ninety-five cents per gallon for wine manufactured and sold by
9 such manufacturer or shipped for sale in this state by such wholesaler in
10 the course of such business, except for wines produced and released from
11 bond in farm wineries;

12 (iii) Six cents per gallon for wine produced and released from bond
13 in farm wineries manufactured and sold by such manufacturer or shipped
14 for sale in this state by such wholesaler in the course of such business;

15 (iv) Two dollars and seventy-five cents per gallon on alcohol and
16 spirits that are manufactured by a manufacturer that either manufactures
17 and sells in this state, or ships in this state via a wholesaler in the
18 course of such business, one hundred thousand gallons of alcohol or
19 spirits or less within such calendar year; and

20 (v) Seven dollars per gallon on alcohol and spirits that are
21 manufactured by a manufacturer that either manufactures and sells in this
22 state, or ships in this state via a wholesaler in the course of such
23 business, more than one hundred thousand gallons of alcohol or spirits
24 within such calendar year.

25 ~~thirty-one cents per gallon on all beer; ninety-five cents per~~
26 ~~gallon for wine, except for wines produced and released from bond in farm~~
27 ~~wineries; six cents per gallon for wine produced and released from bond~~
28 ~~in farm wineries; and three dollars and seventy-five cents per gallon on~~
29 ~~alcohol and spirits manufactured and sold by such manufacturer or shipped~~
30 ~~for sale in this state by such wholesaler in the course of such business.~~

31 (b) The gallonage tax imposed by this subsection shall be imposed

1 only on alcoholic liquor upon which a federal excise tax is imposed.

2 (2) Manufacturers or wholesalers of alcoholic liquor shall be exempt
3 from the payment of the gallonage tax on such alcoholic liquor upon
4 satisfactory proof, including bills of lading furnished to the commission
5 by affidavit or otherwise as the commission may require, that such
6 alcoholic liquor was manufactured in this state but shipped out of the
7 state for sale and consumption outside this state.

8 (3) Dry wines or fortified wines manufactured or shipped into this
9 state solely and exclusively for sacramental purposes and uses shall not
10 be subject to the gallonage tax.

11 (4) The gallonage tax shall not be imposed upon any alcoholic
12 liquor, whether manufactured in or shipped into this state, when sold to
13 a licensed nonbeverage user for use in the manufacture of any of the
14 following when such products are unfit for beverage purposes: Patent and
15 proprietary medicines and medicinal, antiseptic, and toilet preparations;
16 flavoring extracts, syrups, food products, and confections or candy;
17 scientific, industrial, and chemical products, except denatured alcohol;
18 or products for scientific, chemical, experimental, or mechanical
19 purposes.

20 (5) The gallonage tax shall not be imposed upon the privilege of
21 engaging in any business in interstate commerce or otherwise, which
22 business may not, under the Constitution and statutes of the United
23 States, be made the subject of taxation by this state.

24 (6) The gallonage tax shall be in addition to all other occupation
25 or privilege taxes imposed by this state or by any municipal corporation
26 or political subdivision thereof.

27 (7) The commission shall collect the gallonage tax and shall account
28 for and remit to the State Treasurer at least once each week all money
29 collected pursuant to this section. If any alcoholic liquor manufactured
30 in or shipped into this state is sold to a licensed manufacturer or
31 wholesaler of this state to be used solely as an ingredient in the

1 manufacture of any beverage for human consumption, the tax imposed upon
2 such manufacturer or wholesaler shall be reduced by the amount of the
3 taxes which have been paid as to such alcoholic liquor so used under the
4 Nebraska Liquor Control Act. The net proceeds of all revenue arising
5 under this section shall be credited to the General Fund, except that the
6 amount of gallonage tax revenue derived pursuant to subdivision (1)(a)(v)
7 of this section from a rate in excess of three dollars and seventy-five
8 cents per gallon shall be credited to the Education Future Fund.

9 Sec. 31. Section 72-2305, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 72-2305 For joint projects described in subdivision (2)(a) of
12 section 72-2303, the principal amount of bonds which may be issued by a
13 qualified public agency under the Public Facilities Construction and
14 Finance Act shall not exceed five million dollars as to the total
15 principal amount of such bonds which may be outstanding at any time, and
16 the annual amounts due by reason of such bonds from each qualified public
17 agency shall not exceed five percent of the total revenue from all
18 sources ~~restricted funds~~ of the obligated qualified public agency in the
19 year prior to issuance. The principal amount of bonds of qualified public
20 agencies in the aggregate issued for any one such joint project shall not
21 exceed five million dollars.

22 Sec. 32. Section 72-2306, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 72-2306 For joint projects described in subdivision (2)(b) of
25 section 72-2303, the principal amount of bonds which may be issued by a
26 qualified public agency under the Public Facilities Construction and
27 Finance Act shall not exceed two hundred fifty thousand dollars for
28 cities of the metropolitan and primary classes, one hundred thousand
29 dollars for counties, cities of the first class, school districts,
30 educational service units, and community colleges, and fifty thousand
31 dollars for cities of the second class and villages, as to the total

1 principal amount of such bonds which may be outstanding at any time, and
2 the annual amounts due by reason of such bonds from each qualified public
3 agency shall not exceed five percent of the total revenue from all
4 sources ~~restricted funds~~ of the obligated qualified public agency in the
5 year prior to issuance. The principal amount of bonds of a qualified
6 public agency in the aggregate issued for any one such joint project
7 shall not exceed two hundred and fifty thousand dollars for cities of the
8 metropolitan and primary classes and one hundred thousand dollars for
9 counties, cities of the first class, cities of the second class,
10 villages, school districts, educational service units, and community
11 colleges.

12 Sec. 33. Section 77-382, Revised Statutes Cumulative Supplement,
13 2022, is amended to read:

14 77-382 (1) The department shall prepare a tax expenditure report
15 describing (a) the basic provisions of the Nebraska tax laws, (b) the
16 actual or estimated revenue loss caused by the exemptions, deductions,
17 exclusions, deferrals, credits, and preferential rates in effect on July
18 1 of each year and allowed under Nebraska's tax structure and in the
19 property tax, (c) the actual or estimated revenue loss caused by failure
20 to impose sales and use tax on services purchased for nonbusiness use,
21 and (d) the elements which make up the tax base for state and local
22 income, including income, sales and use, property, and miscellaneous
23 taxes.

24 (2) The department shall review the major tax exemptions for which
25 state general funds are used to reduce the impact of revenue lost due to
26 a tax expenditure. The report shall indicate an estimate of the amount of
27 the reduction in revenue resulting from the operation of all tax
28 expenditures. The report shall list each tax expenditure relating to
29 sales and use tax under the following categories:

30 (a) Agriculture, which shall include a separate listing for the
31 following items: Agricultural machinery; agricultural chemicals; seeds

1 sold to commercial producers; water for irrigation and manufacturing;
2 commercial artificial insemination; ~~mineral oil as dust suppressant~~;
3 animal grooming; oxygen for use in aquaculture; animal life whose
4 products constitute food for human consumption; and grains;

5 (b) Business across state lines, which shall include a separate
6 listing for the following items: Property shipped out-of-state;
7 fabrication labor for items to be shipped out-of-state; property to be
8 transported out-of-state; property purchased in other states to be used
9 in Nebraska; aircraft delivery to an out-of-state resident or business;
10 state reciprocal agreements for industrial machinery; and property taxed
11 in another state;

12 (c) Common carrier and logistics, which shall include a separate
13 listing for the following items: Railroad rolling stock and repair parts
14 ~~and services~~; common or contract carriers and repair parts ~~and services~~;
15 common or contract carrier accessories; and common or contract carrier
16 safety equipment;

17 (d) Consumer goods, which shall include a separate listing for the
18 following items: Motor vehicles and motorboat trade-ins; merchandise
19 trade-ins; certain medical equipment and medicine; newspapers;
20 laundromats; ~~telefloral deliveries~~; motor vehicle discounts for the
21 disabled; and political campaign fundraisers;

22 (e) Energy, which shall include a separate listing for the following
23 items: Motor fuels; energy used in industry; energy used in agriculture;
24 aviation fuel; and minerals, oil, and gas severed from real property;

25 (f) Food, which shall include a separate listing for the following
26 items: Food for home consumption; Supplemental Nutrition Assistance
27 Program; school lunches; meals sold by hospitals; meals sold by
28 institutions at a flat rate; food for the elderly, handicapped, and
29 Supplemental Security Income recipients; and meals sold by churches;

30 (g) General business, which shall include a separate listing for the
31 following items: Component and ingredient parts; manufacturing machinery;

1 containers; film rentals; molds and dies; syndicated programming;
2 intercompany sales; intercompany leases; sale of a business or farm
3 machinery; and transfer of property in a change of business ownership;

4 (h) Lodging and shelter, which shall include a separate listing for
5 the following item: Room rentals by certain institutions;

6 (i) Miscellaneous, which shall include a separate listing for the
7 following items: Cash discounts and coupons; separately stated finance
8 charges; casual sales; lease-to-purchase agreements; and separately
9 stated taxes;

10 (j) Nonprofits, governments, and exempt entities, which shall
11 include a separate listing for the following items: Purchases by
12 political subdivisions of the state; purchases by churches and nonprofit
13 colleges and medical facilities; purchasing agents for public real estate
14 construction improvements; contractor as purchasing agent for public
15 agencies; ~~Nebraska lottery~~; admissions to school events; sales on Native
16 American Indian reservations; school-supporting fundraisers; ~~fine art~~
17 ~~purchases by a museum~~; purchases by the Nebraska State Fair Board;
18 purchases by the Nebraska Investment Finance Authority ~~and licensees of~~
19 ~~the State Racing and Gaming Commission~~; purchases by the United States
20 Government; public records; and sales by religious organizations;

21 (k) Recent sales tax expenditures, which shall include a separate
22 listing for each sales tax expenditure created by statute or rule and
23 regulation after July 19, 2012;

24 (l) Services purchased for nonbusiness use, which shall include a
25 separate listing for each such service, including, but not limited to,
26 the following items: Motor vehicle cleaning, maintenance, and repair
27 services; ~~cleaning and repair of clothing~~; cleaning, maintenance, and
28 repair of ~~other~~ tangible personal property; maintenance, painting, and
29 repair of real property; entertainment admissions; personal care
30 services; ~~lawn care, gardening, and landscaping services~~; ~~pet-related~~
31 ~~services~~; ~~storage and moving services~~; household utilities; ~~other~~

1 ~~personal services; taxi, limousine, and other transportation services;~~
2 ~~legal services; and accounting services; other professional services; and~~
3 ~~other real estate services; and~~

4 (m) Telecommunications, which shall include a separate listing for
5 the following items: ~~Prepaid Telecommunications access charges; prepaid~~
6 ~~calling arrangements; conference bridging services;~~ and nonvoice data
7 services.

8 (3) It is the intent of the Legislature that nothing in the Tax
9 Expenditure Reporting Act shall cause the valuation or assessment of any
10 property exempt from taxation on the basis of its use exclusively for
11 religious, educational, or charitable purposes.

12 Sec. 34. Section 77-1632, Revised Statutes Supplement, 2023, is
13 amended to read:

14 77-1632 (1) If the annual assessment of property would result in an
15 increase in the total property taxes levied by a county, city, village,
16 school district, learning community, sanitary and improvement district,
17 natural resources district, educational service unit, or community
18 college, as determined using the previous year's rate of levy, such
19 political subdivision's property tax request for the current year shall
20 be no more than its property tax request in the prior year, and the
21 political subdivision's rate of levy for the current year shall be
22 decreased accordingly when such rate is set by the county board of
23 equalization pursuant to section 77-1601. The governing body of the
24 political subdivision shall pass a resolution or ordinance to set the
25 amount of its property tax request after holding the public hearing
26 required in subsection (3) of this section. If the governing body of a
27 political subdivision seeks to set its property tax request at an amount
28 that exceeds its property tax request in the prior year, it may do so,
29 subject to the limitations provided in the School District Property Tax
30 Limitation Act and the Property Tax Growth Limitation Act, to the extent
31 ~~allowed by law~~ after holding the public hearing required in subsection

1 (3) of this section and by passing a resolution or ordinance that
2 complies with subsection (4) of this section. If any county, city, school
3 district, or community college seeks to increase its property tax request
4 by more than the allowable growth percentage, such political subdivision
5 shall comply with the requirements of section 77-1633 in lieu of the
6 requirements in subsections (3) and (4) of this section.

7 (2) If the annual assessment of property would result in no change
8 or a decrease in the total property taxes levied by a county, city,
9 village, school district, learning community, sanitary and improvement
10 district, natural resources district, educational service unit, or
11 community college, as determined using the previous year's rate of levy,
12 such political subdivision's property tax request for the current year
13 shall be no more than its property tax request in the prior year, and the
14 political subdivision's rate of levy for the current year shall be
15 adjusted accordingly when such rate is set by the county board of
16 equalization pursuant to section 77-1601. The governing body of the
17 political subdivision shall pass a resolution or ordinance to set the
18 amount of its property tax request after holding the public hearing
19 required in subsection (3) of this section. If the governing body of a
20 political subdivision seeks to set its property tax request at an amount
21 that exceeds its property tax request in the prior year, it may do so,
22 subject to the limitations provided in the School District Property Tax
23 Limitation Act and the Property Tax Growth Limitation Act, to the extent
24 ~~allowed by law~~ after holding the public hearing required in subsection
25 (3) of this section and by passing a resolution or ordinance that
26 complies with subsection (4) of this section. If any county, city, school
27 district, or community college seeks to increase its property tax request
28 by more than the allowable growth percentage, such political subdivision
29 shall comply with the requirements of section 77-1633 in lieu of the
30 requirements in subsections (3) and (4) of this section.

31 (3) The resolution or ordinance required under this section shall

1 only be passed after a special public hearing called for such purpose is
2 held and after notice is published in a newspaper of general circulation
3 in the area of the political subdivision at least four calendar days
4 prior to the hearing. For purposes of such notice, the four calendar days
5 shall include the day of publication but not the day of hearing. If the
6 political subdivision's total operating budget, not including reserves,
7 does not exceed ten thousand dollars per year or twenty thousand dollars
8 per biennial period, the notice may be posted at the governing body's
9 principal headquarters. The hearing notice shall contain the following
10 information: The certified taxable valuation under section 13-509 for the
11 prior year, the certified taxable valuation under section 13-509 for the
12 current year, and the percentage increase or decrease in such valuations
13 from the prior year to the current year; the dollar amount of the prior
14 year's tax request and the property tax rate that was necessary to fund
15 that tax request; the property tax rate that would be necessary to fund
16 last year's tax request if applied to the current year's valuation; the
17 proposed dollar amount of the tax request for the current year and the
18 property tax rate that will be necessary to fund that tax request; the
19 percentage increase or decrease in the property tax rate from the prior
20 year to the current year; and the percentage increase or decrease in the
21 total operating budget from the prior year to the current year.

22 (4) Any resolution or ordinance setting a political subdivision's
23 property tax request under this section at an amount that exceeds the
24 political subdivision's property tax request in the prior year shall
25 include, but not be limited to, the following information:

26 (a) The name of the political subdivision;

27 (b) The amount of the property tax request;

28 (c) The following statements:

29 (i) The total assessed value of property differs from last year's
30 total assessed value by percent;

31 (ii) The tax rate which would levy the same amount of property taxes

1 as last year, when multiplied by the new total assessed value of
2 property, would be \$..... per \$100 of assessed value;

3 (iii) The (name of political subdivision) proposes to adopt a
4 property tax request that will cause its tax rate to be \$..... per \$100
5 of assessed value; and

6 (iv) Based on the proposed property tax request and changes in other
7 revenue, the total operating budget of (name of political subdivision)
8 will (increase or decrease) last year's budget by percent; and

9 (d) The record vote of the governing body in passing such resolution
10 or ordinance.

11 (5) Any resolution or ordinance setting a property tax request under
12 this section shall be certified and forwarded to the county clerk on or
13 before October 15 of the year for which the tax request is to apply.

14 Sec. 35. Section 77-1633, Revised Statutes Supplement, 2023, is
15 amended to read:

16 77-1633 (1) For purposes of this section, political subdivision
17 means any county, city, school district, or community college.

18 (2) If any political subdivision seeks to increase its property tax
19 request by more than the allowable growth percentage, such political
20 subdivision may do so, subject to the limitations provided in the School
21 District Property Tax Limitation Act and the Property Tax Growth
22 Limitation Act, if the following requirements are met to the extent
23 allowed by law if:

24 (a) A public hearing is held and notice of such hearing is provided
25 in compliance with subsection (3) of this section; and

26 (b) The governing body of such political subdivision passes a
27 resolution or an ordinance that complies with subsection (4) of this
28 section.

29 (3)(a) Each political subdivision within a county that seeks to
30 increase its property tax request by more than the allowable growth
31 percentage shall participate in a joint public hearing. Each such

1 political subdivision shall designate one representative to attend the
2 joint public hearing on behalf of the political subdivision. If a
3 political subdivision includes area in more than one county, the
4 political subdivision shall be deemed to be within the county in which
5 the political subdivision's principal headquarters are located. At such
6 hearing, there shall be no items on the agenda other than discussion on
7 each political subdivision's intent to increase its property tax request
8 by more than the allowable growth percentage.

9 (b) At least one elected official from each participating political
10 subdivision shall attend the joint public hearing. An elected official
11 may be the designated representative from a participating political
12 subdivision. The presence of a quorum or the participation of elected
13 officials at the joint public hearing does not constitute a meeting as
14 defined by section 84-1409 of the Open Meetings Act.

15 (c) The joint public hearing shall be held on or after September 14
16 and prior to September 24 and before any of the participating political
17 subdivisions file their adopted budget statement pursuant to section
18 13-508.

19 (d) The joint public hearing shall be held after 6 p.m. local time
20 on the relevant date.

21 (e) The joint public hearing shall be organized by the county clerk
22 or his or her designee. At the joint public hearing, the designated
23 representative of each political subdivision shall give a brief
24 presentation on the political subdivision's intent to increase its
25 property tax request by more than the allowable growth percentage and the
26 effect of such request on the political subdivision's budget. The
27 presentation shall include:

- 28 (i) The name of the political subdivision;
- 29 (ii) The amount of the property tax request; and
- 30 (iii) The following statements:

31 (A) The total assessed value of property differs from last year's

1 total assessed value by percent;

2 (B) The tax rate which would levy the same amount of property taxes
3 as last year, when multiplied by the new total assessed value of
4 property, would be \$..... per \$100 of assessed value;

5 (C) The (name of political subdivision) proposes to adopt a property
6 tax request that will cause its tax rate to be \$..... per \$100 of
7 assessed value;

8 (D) Based on the proposed property tax request and changes in other
9 revenue, the total operating budget of (name of political subdivision)
10 will exceed last year's by percent; and

11 (E) To obtain more information regarding the increase in the
12 property tax request, citizens may contact the (name of political
13 subdivision) at (telephone number and email address of political
14 subdivision).

15 (f) Any member of the public shall be allowed to speak at the joint
16 public hearing and shall be given a reasonable amount of time to do so.

17 (g) Notice of the joint public hearing shall be provided:

18 (i) By sending a postcard to all affected property taxpayers. The
19 postcard shall be sent to the name and address to which the property tax
20 statement is mailed;

21 (ii) By posting notice of the hearing on the home page of the
22 relevant county's website, except that this requirement shall only apply
23 if the county has a population of more than ten thousand inhabitants; and

24 (iii) By publishing notice of the hearing in a legal newspaper in or
25 of general circulation in the relevant county.

26 (h) Each political subdivision that participates in the joint public
27 hearing shall electronically send the information prescribed in
28 subdivision (3)(i) of this section to the county assessor by September 4.
29 The county clerk shall notify the county assessor of the date, time, and
30 location of the joint public hearing no later than September 4. The
31 county clerk shall notify each participating political subdivision of the

1 date, time, and location of the joint public hearing. The county assessor
2 shall send the information required to be included on the postcards
3 pursuant to subdivision (3)(i) of this section to a printing service
4 designated by the county board. The initial cost for printing the
5 postcards shall be paid from the county general fund. Such postcards
6 shall be mailed at least seven calendar days before the joint public
7 hearing. The cost of creating and mailing the postcards, including staff
8 time, materials, and postage, shall be charged proportionately to the
9 political subdivisions participating in the joint public hearing based on
10 the total number of parcels in each participating political subdivision.
11 Each participating political subdivision shall also maintain a
12 prominently displayed and easily accessible link on the home page of the
13 political subdivision's website to the political subdivision's proposed
14 budget, except that this requirement shall not apply if the political
15 subdivision is a county with a population of less than ten thousand
16 inhabitants, a city with a population of less than one thousand
17 inhabitants, or, for joint public hearings prior to January 1, 2024, a
18 school district.

19 (i) The postcard sent under this subsection and the notice posted on
20 the county's website, if required under subdivision (3)(g)(ii) of this
21 section, and published in the newspaper shall include the date, time, and
22 location for the joint public hearing, a listing of and telephone number
23 for each political subdivision that will be participating in the joint
24 public hearing, and the amount of each participating political
25 subdivision's property tax request. The postcard shall also contain the
26 following information:

27 (i) The following words in capitalized type at the top of the
28 postcard: NOTICE OF PROPOSED TAX INCREASE;

29 (ii) The name of the county that will hold the joint public hearing,
30 which shall appear directly underneath the capitalized words described in
31 subdivision (3)(i)(i) of this section;

1 (iii) The following statement: The following political subdivisions
2 are proposing a revenue increase which would result in an overall
3 increase in property taxes in (insert current tax year). THE ACTUAL TAX
4 ON YOUR PROPERTY MAY INCREASE OR DECREASE. This notice contains estimates
5 of the tax on your property as a result of this revenue increase. These
6 estimates are calculated on the basis of the proposed (insert current tax
7 year) data. The actual tax on your property may vary from these
8 estimates.

9 (iv) The parcel number for the property;

10 (v) The name of the property owner and the address of the property;

11 (vi) The property's assessed value in the previous tax year;

12 (vii) The amount of property taxes due in the previous tax year for
13 each participating political subdivision;

14 (viii) The property's assessed value for the current tax year;

15 (ix) The amount of property taxes due for the current tax year for
16 each participating political subdivision;

17 (x) The change in the amount of property taxes due for each
18 participating political subdivision from the previous tax year to the
19 current tax year; and

20 (xi) The following statement: To obtain more information regarding
21 the tax increase, citizens may contact the political subdivision at the
22 telephone number provided in this notice.

23 (4) After the joint public hearing required in subsection (3) of
24 this section, the governing body of each participating political
25 subdivision shall pass an ordinance or resolution to set such political
26 subdivision's property tax request. If the political subdivision is
27 increasing its property tax request over the amount from the prior year,
28 including any increase in excess of the allowable growth percentage, then
29 such ordinance or resolution shall include, but not be limited to, the
30 following information:

31 (a) The name of the political subdivision;

1 (b) The amount of the property tax request;

2 (c) The following statements:

3 (i) The total assessed value of property differs from last year's
4 total assessed value by percent;

5 (ii) The tax rate which would levy the same amount of property taxes
6 as last year, when multiplied by the new total assessed value of
7 property, would be \$..... per \$100 of assessed value;

8 (iii) The (name of political subdivision) proposes to adopt a
9 property tax request that will cause its tax rate to be \$..... per \$100
10 of assessed value; and

11 (iv) Based on the proposed property tax request and changes in other
12 revenue, the total operating budget of (name of political subdivision)
13 will exceed last year's by percent; and

14 (d) The record vote of the governing body in passing such resolution
15 or ordinance.

16 (5) Any resolution or ordinance setting a property tax request under
17 this section shall be certified and forwarded to the county clerk on or
18 before October 15 of the year for which the tax request is to apply.

19 (6) The county clerk, or his or her designee, shall prepare a report
20 which shall include:

21 (a) The names of the designated representatives of the political
22 subdivisions participating in the joint public hearing;

23 (b) The name and address of each individual who spoke at the joint
24 public hearing, unless the address requirement is waived to protect the
25 security of the individual, and the name of any organization represented
26 by each such individual;

27 (c) The name of each political subdivision that participated in the
28 joint public hearing;

29 (d) The real growth value and real growth percentage for each
30 participating political subdivision;

31 (e) The amount each participating political subdivision seeks to

1 increase its property tax request in excess of the allowable growth
2 percentage; and

3 (f) The number of individuals who signed in to attend the joint
4 public hearing.

5 Such report shall be delivered to the political subdivisions
6 participating in the joint public hearing within ten days after such
7 hearing.

8 Sec. 36. Section 77-1701, Revised Statutes Supplement, 2023, is
9 amended to read:

10 77-1701 (1) The county treasurer shall be ex officio county
11 collector of all taxes levied within the county. The county board shall
12 designate a county official to mail or otherwise deliver a statement of
13 the amount of taxes due and a notice that special assessments are due, to
14 the last-known address of the person, firm, association, or corporation
15 against whom such taxes or special assessments are assessed or to the
16 lending institution or other party responsible for paying such taxes or
17 special assessments. Such statement shall clearly indicate, for each
18 political subdivision, the levy rate and the amount of taxes due to fund
19 public safety services as defined in section 13-320, county attorneys,
20 and public defenders. Such statement shall also clearly indicate, for
21 each political subdivision, the levy rate and the amount of taxes due as
22 the result of principal or interest payments on bonds issued by the
23 political subdivision and shall show such rate and amount separate from
24 any other levy. When taxes on real property are delinquent for a prior
25 year, the county treasurer shall indicate this information on the current
26 year tax statement in bold letters. The information provided shall inform
27 the taxpayer that delinquent taxes and interest are due for the prior
28 year or years and shall indicate the specific year or years for which
29 such taxes and interest remain unpaid. The language shall read "Back
30 Taxes and Interest Due For", followed by numbers to indicate each year
31 for which back taxes and interest are due and a statement indicating that

1 failure to pay the back taxes and interest may result in the loss of the
2 real property. Failure to receive such statement or notice shall not
3 relieve the taxpayer from any liability to pay such taxes or special
4 assessments and any interest or penalties accrued thereon. In any county
5 in which a city of the metropolitan class is located, all statements of
6 taxes shall also include notice that special assessments for cutting
7 weeds, removing litter, and demolishing buildings are due.

8 (2) Notice that special assessments are due shall not be required
9 for special assessments levied by sanitary and improvement districts
10 organized under Chapter 31, article 7, except that such notice may be
11 provided by the county at the discretion of the county board or by the
12 sanitary and improvement district with the approval of the county board.

13 (3) A statement of the amount of taxes due and a notice that special
14 assessments are due shall not be required to be mailed or otherwise
15 delivered pursuant to subsection (1) of this section if the total amount
16 of the taxes and special assessments due is less than two dollars.
17 Failure to receive the statement or notice shall not relieve the taxpayer
18 from any liability to pay the taxes or special assessments but shall
19 relieve the taxpayer from any liability for interest or penalties. Taxes
20 and special assessments of less than two dollars shall be added to the
21 amount of taxes and special assessments due in subsequent years and shall
22 not be considered delinquent until the total amount is two dollars or
23 more.

24 Sec. 37. Section 77-1776, Revised Statutes Cumulative Supplement,
25 2022, is amended to read:

26 77-1776 Any political subdivision which has received proceeds from a
27 levy imposed on all taxable property within an entire county which is in
28 excess of that requested by the political subdivision under the Property
29 Tax Request Act as a result of a clerical error or mistake shall, in the
30 fiscal year following receipt, return the excess tax collections, net of
31 the collection fee, to the county. By July 31 of the fiscal year

1 following the receipt of any excess tax collections, the county treasurer
2 shall certify to the political subdivision the amount to be returned. For
3 fiscal years beginning prior to July 1, 2025, such ~~Such~~ excess tax
4 collections shall be restricted funds in the budget of the county that
5 receives the funds under section 13-518.

6 Sec. 38. Section 77-2602, Revised Statutes Cumulative Supplement,
7 2022, is amended to read:

8 77-2602 (1) Every stamping agent engaged in distributing or selling
9 cigarettes at wholesale in this state shall pay to the Tax Commissioner
10 of this state a special privilege tax. This shall be in addition to all
11 other taxes. It shall be paid prior to or at the time of the sale, gift,
12 or delivery to the retail dealer in the several amounts as follows: On
13 each package of cigarettes containing not more than twenty cigarettes,
14 one dollar and thirty-six ~~sixty-four~~ cents per package; and on packages
15 containing more than twenty cigarettes, the same tax as provided on
16 packages containing not more than twenty cigarettes for the first twenty
17 cigarettes in each package and a tax of one-twentieth of the tax on the
18 first twenty cigarettes on each cigarette in excess of twenty cigarettes
19 in each package.

20 (2) Beginning October 1, 2004, the State Treasurer shall place the
21 equivalent of forty-nine cents of such tax in the General Fund. For
22 purposes of this section, the equivalent of a specified number of cents
23 of the tax shall mean that portion of the proceeds of the tax equal to
24 the specified number divided by the tax rate per package of cigarettes
25 containing not more than twenty cigarettes.

26 (3) The State Treasurer shall distribute the remaining proceeds of
27 such tax as follows:

28 (a) Beginning July 1, 1980, the State Treasurer shall place the
29 equivalent of one cent of such tax in the Nebraska Outdoor Recreation
30 Development Cash Fund. For fiscal year distributions occurring after
31 FY1998-99, the distribution under this subdivision shall not be less than

1 the amount distributed under this subdivision for FY1997-98. Any money
2 needed to increase the amount distributed under this subdivision to the
3 FY1997-98 amount shall reduce the distribution to the General Fund;

4 (b) Beginning July 1, 1993, the State Treasurer shall place the
5 equivalent of three cents of such tax in the Health and Human Services
6 Cash Fund to carry out sections 81-637 to 81-640. For fiscal year
7 distributions occurring after FY1998-99, the distribution under this
8 subdivision shall not be less than the amount distributed under this
9 subdivision for FY1997-98. Any money needed to increase the amount
10 distributed under this subdivision to the FY1997-98 amount shall reduce
11 the distribution to the General Fund;

12 (c) Beginning October 1, 2002, and continuing until all the purposes
13 of the Deferred Building Renewal Act have been fulfilled, the State
14 Treasurer shall place the equivalent of seven cents of such tax in the
15 Building Renewal Allocation Fund. The distribution under this subdivision
16 shall not be less than the amount distributed under this subdivision for
17 FY1997-98. Any money needed to increase the amount distributed under this
18 subdivision to the FY1997-98 amount shall reduce the distribution to the
19 General Fund;

20 (d) Beginning July 1, 2016, and every fiscal year thereafter, the
21 State Treasurer shall place the equivalent of three million eight hundred
22 twenty thousand dollars of such tax in the Nebraska Public Safety
23 Communication System Cash Fund. If necessary, the State Treasurer shall
24 reduce the distribution of tax proceeds to the General Fund pursuant to
25 subsection (2) of this section by such amount required to fulfill the
26 distribution pursuant to this subdivision;~~and~~

27 (e) Beginning July 1, 2016, and every fiscal year thereafter, the
28 State Treasurer shall place the equivalent of one million two hundred
29 fifty thousand dollars of such tax in the Nebraska Health Care Cash Fund.
30 If necessary, the State Treasurer shall reduce the distribution of tax
31 proceeds to the General Fund pursuant to subsection (2) of this section

1 by such amount required to fulfill the distribution pursuant to this
2 subdivision; and -

3 (f) Beginning November 1, 2024, the State Treasurer shall place the
4 equivalent of seventy-two cents of such tax in the Education Future Fund.

5 (4) If, after distributing the proceeds of such tax pursuant to
6 subsections (2) and (3) of this section, any proceeds of such tax remain,
7 the State Treasurer shall place such remainder in the Nebraska Capital
8 Construction Fund.

9 (5) The Legislature hereby finds and determines that the projects
10 funded from the Building Renewal Allocation Fund are of critical
11 importance to the State of Nebraska. It is the intent of the Legislature
12 that the allocations and appropriations made by the Legislature to such
13 fund not be reduced until all contracts and securities relating to the
14 construction and financing of the projects or portions of the projects
15 funded from such fund are completed or paid, and that until such time any
16 reductions in the cigarette tax rate made by the Legislature shall be
17 simultaneously accompanied by equivalent reductions in the amount
18 dedicated to the General Fund from cigarette tax revenue. Any provision
19 made by the Legislature for distribution of the proceeds of the cigarette
20 tax for projects or programs other than those to (a) the General Fund,
21 (b) the Nebraska Outdoor Recreation Development Cash Fund, (c) the Health
22 and Human Services Cash Fund, (d) the Building Renewal Allocation Fund,
23 (e) the Nebraska Public Safety Communication System Cash Fund, ~~and~~ (f)
24 the Nebraska Health Care Cash Fund, and (g) the Education Future Fund
25 shall not be made a higher priority than or an equal priority to any of
26 the programs or projects specified in subdivisions (a) through (g) ~~(f)~~ of
27 this subsection.

28 Sec. 39. Section 77-2701, Revised Statutes Supplement, 2023, as
29 amended by Laws 2024, LB937, section 67, Laws 2024, LB1023, section 8,
30 and Laws 2024, LB1317, section 80, is amended to read:

31 77-2701 Sections 77-2701 to 77-27,135.01, 77-27,222, 77-27,235,

1 77-27,236, and 77-27,238 to 77-27,241, section 71 of this act, section 11
2 of this act, and section 84 of this act and sections 43 and 49 of this
3 act shall be known and may be cited as the Nebraska Revenue Act of 1967.

4 Sec. 40. Section 77-2701.02, Revised Statutes Supplement, 2023, as
5 amended by Laws 2024, LB1317, section 81, is amended to read:

6 77-2701.02 (1) Pursuant to section 77-2715.01, the rate of the
7 sales tax levied pursuant to section 77-2703 shall be five and one-half
8 percent, except as otherwise provided in this section. ÷

9 (2) Such rate shall be two and three-quarters percent on
10 transactions that occur within that portion of a good life district
11 established pursuant to the Good Life Transformational Projects Act which
12 is located within the corporate limits of a city or village.

13 (3) Such rate shall be thirty percent on consumable hemp products.

14 ~~(1) Until July 1, 1998, the rate of the sales tax levied pursuant to~~
15 ~~section 77-2703 shall be five percent;~~

16 ~~(2) Commencing July 1, 1998, and until July 1, 1999, the rate of the~~
17 ~~sales tax levied pursuant to section 77-2703 shall be four and one-half~~
18 ~~percent;~~

19 ~~(3) Commencing July 1, 1999, and until the start of the first~~
20 ~~calendar quarter after July 20, 2002, the rate of the sales tax levied~~
21 ~~pursuant to section 77-2703 shall be five percent;~~

22 ~~(4) Commencing on the start of the first calendar quarter after July~~
23 ~~20, 2002, and until July 1, 2023, the rate of the sales tax levied~~
24 ~~pursuant to section 77-2703 shall be five and one-half percent;~~

25 ~~(5) Commencing July 1, 2023, and until July 1, 2024, the rate of the~~
26 ~~sales tax levied pursuant to section 77-2703 shall be five and one-half~~
27 ~~percent, except that such rate shall be two and three-quarters percent on~~
28 ~~transactions occurring within a good life district as defined in section~~
29 ~~77-4403; and~~

30 ~~(6) Commencing July 1, 2024, the rate of the sales tax levied~~
31 ~~pursuant to section 77-2703 shall be five and one-half percent, except~~

1 ~~that such rate shall be two and three quarters percent on transactions~~
2 ~~that occur within that portion of a good life district established~~
3 ~~pursuant to the Good Life Transformational Projects Act which is located~~
4 ~~within the corporate limits of a city or village.~~

5 Sec. 41. Section 77-2701.04, Revised Statutes Supplement, 2023, as
6 amended by Laws 2024, LB937, section 68, and Laws 2024, LB1317, section
7 82, is amended to read:

8 77-2701.04 For purposes of sections 77-2701.04 to 77-2713 and
9 77-27,239, section 71 of this act, and section 84 of this act and
10 sections 43 and 49 of this act, unless the context otherwise requires,
11 the definitions found in sections 77-2701.05 to 77-2701.56 and section 43
12 of this act shall be used.

13 Sec. 42. Section 77-2701.16, Revised Statutes Cumulative Supplement,
14 2022, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

1 ~~the lease or use of, or by a contractor for the construction of or~~
2 ~~services provided on, electric generation, transmission, distribution, or~~
3 ~~street lighting structures or facilities owned by a political subdivision~~
4 ~~of the state, an electric cooperative, or an electric membership~~
5 ~~association; or~~

6 This subdivision also does not apply to the ~~(ii)~~ The gross income
7 received for the lease or use of towers or other structures primarily
8 used in conjunction with the furnishing of ~~(i)~~ ~~(A)~~ Internet access
9 services, ~~(ii)~~ ~~(B)~~ agricultural global positioning system locating
10 services, or ~~(iii)~~ ~~(C)~~ over-the-air radio and television broadcasting
11 licensed by the Federal Communications Commission, including antennas and
12 studio transmitter link systems. For purposes of this subdivision, studio
13 transmitter link system means a system which serves as a conduit to
14 deliver audio from its origin in a studio to a broadcast transmitter.

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

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

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

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

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

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

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

31 (d) The gross income received for installing and applying tangible

1 personal property if the sale of the property is subject to tax. If any
2 or all of the charge for installation is free to the customer and is paid
3 by a third-party service provider to the installer, any tax due on that
4 part of the activation commission, finder's fee, installation charge, or
5 similar payment made by the third-party service provider shall be paid
6 and remitted by the third-party service provider;

7 (e) The gross income received for services of recreational vehicle
8 parks;

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

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

20 (h) The gross income received for detective services; ~~-~~

21 (i) The gross income received for storage and moving services;

22 (j) The gross income received for tattoo and body modification
23 services;

24 (k) The gross income received for nail care services;

25 (l) The gross income received for hair removal services;

26 (m) The gross income received for skin care services;

27 (n) The gross income received for hair care services;

28 (o) The gross income received for the cleaning of clothing,
29 excluding any amounts exempt pursuant to section 77-2704.14;

30 (p) The gross income received for long-distance passenger
31 transportation by road, except fixed-route passenger transportation;

1 (q) The gross income received for local taxi service;

2 (r) The gross income received for local passenger transportation by
3 chartered road vehicles, including limousines and similar luxury
4 vehicles;

5 (s) The gross income received for sightseeing services by ground
6 vehicles;

7 (t) The gross income received for the services of real estate agents
8 and real estate appraisers;

9 (u) The gross income received for travel agency services;

10 (v) The gross income received for tour operator services;

11 (w) The gross income received for weight loss services;

12 (x) The gross income received for bail bonding services;

13 (y) The gross income received for telefloral delivery services;

14 (z) The gross income received for seismograph and geophysical
15 services;

16 (aa) The gross income received for water well drilling;

17 (bb) The gross income received for loan broker services;

18 (cc) The gross income received for real estate management services;

19 (dd) The gross income received for real estate title and abstracting
20 services;

21 (ee) The gross income received for the reporting of financial
22 information for use by investors;

23 (ff) The gross income received for dating services;

24 (gg) The gross income received for the services of fishing and
25 hunting guides;

26 (hh) The gross income received for providing golf lessons, dance
27 lessons, or tennis lessons;

28 (ii) The gross income received for swimming pool cleaning and
29 maintenance services;

30 (jj) The gross income received for lawn care and landscaping
31 services;

1 (kk) The gross income received for providing credit report
2 information;

3 (ll) The gross income received for the services of employment
4 agencies and temporary help agencies;

5 (mm) The gross income received for interior design and decorating
6 services;

7 (nn) The gross income received for lobbying services;

8 (oo) The gross income received for marketing and telemarketing
9 services;

10 (pp) The gross income received for service of process;

11 (qq) The gross income received for public relations services;

12 (rr) The gross income received for secretarial and court reporting
13 services;

14 (ss) The gross income received for telephone answering services;

15 (tt) The gross income received for the services of testing
16 laboratories, excluding any such services provided as part of medical
17 treatment;

18 (uu) The gross income received for information services;

19 (vv) The gross income received for data processing services;

20 (ww) The gross income received for mainframe computer access and
21 processing services;

22 (xx) The gross income received for providing access to parking lots
23 and parking garages;

24 (yy) The gross income received for land surveying services;

25 (zz) The gross income received for providing chartered flights; and

26 (aaa) The gross income received for labor for repair or maintenance
27 services performed with regard to railroad rolling stock, motor vehicles,
28 watercraft, or aircraft engaged as common or contract carriers.

29 (5) Gross receipts includes the sale of admissions. When an
30 admission to an activity or a membership constituting an admission is
31 combined with the solicitation of a contribution, the portion or the

1 amount charged representing the fair market price of the admission shall
2 be considered a retail sale subject to the tax imposed by section
3 77-2703. The organization conducting the activity shall determine the
4 amount properly attributable to the purchase of the privilege, benefit,
5 or other consideration in advance, and such amount shall be clearly
6 indicated on any ticket, receipt, or other evidence issued in connection
7 with the payment.

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

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

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

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

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

29 (11) Gross receipts does not include:

30 (a) The amount of any rebate granted by a motor vehicle or motorboat
31 manufacturer or dealer at the time of sale of the motor vehicle or

1 motorboat, which rebate functions as a discount from the sales price of
2 the motor vehicle or motorboat; or

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

5 Sec. 43. (1) Consumable hemp product means a finished product that
6 contains hemp as defined in section 2-503 and that has a delta-9
7 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry
8 weight basis.

9 (2) Consumable hemp product does not include a product made from the
10 mature stalks of a plant of the genus cannabis, fiber produced from such
11 stalks, oil or cake made from the seeds of such plant, any other
12 compound, manufacture, salt, derivative, mixture, or preparation of such
13 mature stalks, the sterilized seed of such plant which is incapable of
14 germination, or cannabidiol contained in a drug product approved by the
15 federal Food and Drug Administration.

16 Sec. 44. Section 77-2704.13, Reissue Revised Statutes of Nebraska,
17 is amended to read:

18 77-2704.13 Sales and use taxes shall not be imposed on the gross
19 receipts from the sale, lease, or rental of and the storage, use, or
20 other consumption in this state of:

21 (1) Sales and purchases of electricity, coal, gas, fuel oil, diesel
22 fuel, tractor fuel, propane, gasoline, coke, nuclear fuel, butane, wood
23 as fuel, and corn as fuel when more than fifty percent of the amount
24 purchased is for use directly in irrigation or farming;

25 (2) Sales and purchases of such energy sources or fuels when more
26 than fifty percent of the amount purchased is for use directly in
27 processing, manufacturing, or refining, in the generation of electricity,
28 in the compression of natural gas for retail sale as a vehicle fuel, or
29 by any hospital. For purposes of this subdivision, processing includes
30 the drying and aerating of grain in commercial agricultural facilities;
31 and

1 (3) Sales and purchases of electricity for residential use; and
2 (4) ~~(3)~~ Sales and purchases of water used for irrigation of
3 agricultural lands and manufacturing purposes.

4 Sec. 45. Section 77-2704.24, Reissue Revised Statutes of Nebraska,
5 is amended to read:

6 77-2704.24 (1) Sales and use taxes shall not be imposed on the gross
7 receipts from the sale, lease, or rental of and the storage, use, or
8 other consumption in this state of food or food ingredients except for
9 prepared food and food sold through vending machines.

10 (2) For purposes of this section:

11 (a) Alcoholic beverages means beverages that are suitable for human
12 consumption and contain one-half of one percent or more of alcohol by
13 volume;

14 **(b) Candy means a preparation of sugar, honey, or other natural or**
15 **artificial sweeteners in combination with chocolate, fruits, nuts, or**
16 **other ingredients or flavorings in the form of bars, drops, or pieces.**
17 **Candy shall not include any preparation containing flour and shall**
18 **require no refrigeration;**

19 **(c) ~~(b)~~ Dietary supplement means any product, other than tobacco,**
20 **intended to supplement the diet that contains one or more of the**
21 **following dietary ingredients: (i) A vitamin, (ii) a mineral, (iii) an**
22 **herb or other botanical, (iv) an amino acid, (v) a dietary substance for**
23 **use by humans to supplement the diet by increasing the total dietary**
24 **intake, or (vi) a concentrate, metabolite, constituent, extract, or**
25 **combination of any ingredients described in subdivisions (2)(c)(i) ~~(2)(b)~~**
26 **~~(i)~~ through (v) of this section; that is intended for ingestion in**
27 **tablet, capsule, powder, softgel, gelcap, or liquid form or, if not**
28 **intended for ingestion in such a form, is not presented as conventional**
29 **food and is not represented for use as a sole item of a meal or of the**
30 **diet; and that is required to be labeled as a dietary supplement,**
31 **identifiable by the supplemental facts box found on the label and as**

1 required pursuant to 21 C.F.R. 101.36, as such regulation existed on
2 January 1, 2003;

3 (d) ~~(c)~~ Food and food ingredients means substances, whether in
4 liquid, concentrated, solid, frozen, dried, or dehydrated form, that are
5 sold for ingestion or chewing by humans and are consumed for their taste
6 or nutritional value. Food and food ingredients does not include
7 alcoholic beverages, dietary supplements, ~~or~~ tobacco, candy, or soft
8 drinks;

9 (e) ~~(d)~~ Food sold through vending machines means food that is
10 dispensed from a machine or other mechanical device that accepts payment;

11 (f) ~~(e)~~ Prepared food means:

12 (i) Food sold with eating utensils provided by the seller, including
13 plates, knives, forks, spoons, glasses, cups, napkins, or straws. A plate
14 does not include a container or packaging used to transport the food; or

15 (ii) Two or more food ingredients mixed or combined by the seller
16 for sale as a single item and food sold in a heated state or heated by
17 the seller, except:

18 (A) Food that is only cut, repackaged, or pasteurized by the seller;

19 (B) Eggs, fish, meat, poultry, and foods containing these raw animal
20 foods requiring cooking by the consumer as recommended by the federal
21 Food and Drug Administration in chapter 3, part 401.11 of its Food Code,
22 as it existed on January 1, 2003, so as to prevent food borne illnesses;

23 (C) Food sold by a seller whose proper primary North American
24 Industry Classification System classification is manufacturing in sector
25 311, except subsector 3118, bakeries;

26 (D) Food sold in an unheated state by weight or volume as a single
27 item;

28 (E) Bakery items, including bread, rolls, buns, biscuits, bagels,
29 croissants, pastries, donuts, danish, cakes, tortes, pies, tarts,
30 muffins, bars, cookies, and tortillas; and

31 (F) Food that ordinarily requires additional cooking to finish the

1 product to its desired final condition;~~and~~

2 (g) Soft drinks means nonalcoholic beverages that contain natural or
3 artificial sweeteners. Soft drinks do not include beverages that contain
4 milk or milk products, soy, rice or similar milk substitutes, or greater
5 than fifty percent of vegetable or fruit juice by volume; and

6 (h) ~~(f)~~ Tobacco means cigarettes, cigars, chewing or pipe tobacco,
7 or any other item that contains tobacco.

8 Sec. 46. Section 77-2704.27, Reissue Revised Statutes of Nebraska,
9 is amended to read:

10 77-2704.27 Sales and use taxes shall not be imposed on the gross
11 receipts from the sale, lease, or rental of,~~the service to,~~ and the
12 storage, use, or other consumption in this state of railroad rolling
13 stock whether owned by a railroad or by any other person.

14 Sec. 47. Section 77-2704.50, Reissue Revised Statutes of Nebraska,
15 is amended to read:

16 77-2704.50 Sales and use taxes shall not be imposed on the gross
17 receipts from the sale, lease, or rental of and the storage, use, or
18 other consumption in this state from the purchase in this state or the
19 purchase outside this state, with title passing in this state, of
20 materials and replacement parts ~~and any associated labor used as or~~ used
21 directly in the repair and maintenance or manufacture of railroad rolling
22 stock, whether owned by a railroad or by any person, whether a common or
23 contract carrier or otherwise, motor vehicles, watercraft, or aircraft
24 engaged as common or contract carriers or the purchase in such manner of
25 motor vehicles, watercraft, or aircraft to be used as common or contract
26 carriers. All purchasers seeking to take advantage of the exemption shall
27 apply to the Tax Commissioner for a common or contract carrier exemption.
28 All common or contract carrier exemption certificates shall expire on
29 October 31, 2013, and on October 31 every five years thereafter. All
30 persons seeking to continue to take advantage of the common or contract
31 carrier exemption shall apply for a new certificate at the expiration of

1 the prior certificate. The Tax Commissioner shall notify such exemption
2 certificate holders at least sixty days prior to the expiration date of
3 such certificate that the certificate will expire and be null and void as
4 of such date.

5 Sec. 48. Section 77-2704.67, Reissue Revised Statutes of Nebraska,
6 is amended to read:

7 77-2704.67 Sales and use taxes shall not be imposed on the gross
8 receipts from the sale, lease, or rental of and the storage, use, or
9 other consumption in this state of any sale of a membership in ~~or an~~
10 ~~admission to~~ or any purchase by a nationally accredited zoo or aquarium
11 operated by a public agency or nonprofit corporation primarily for
12 educational, scientific, or tourism purposes.

13 Sec. 49. (1) For purposes of this section:

14 (a) Motor vehicle means any self-propelled vehicle that is designed
15 primarily for travel on public roads and that is generally and commonly
16 used to transport persons and property over public roads or a low-speed
17 electric vehicle. Motor vehicle does not include personal delivery
18 devices, electric bicycles, electric scooters, low-power scooters,
19 wheelchairs, or vehicles moved solely by human power;

20 (b) Personal delivery device means an autonomously operated robot
21 that:

22 (i) Is designed and manufactured for the purpose of transporting
23 tangible personal property primarily on sidewalks, crosswalks, and other
24 public rights-of-way that are typically used by pedestrians;

25 (ii) Weighs no more than five hundred fifty pounds, excluding any
26 tangible personal property being transported; and

27 (iii) Is operated at speeds of less than ten miles per hour when on
28 sidewalks, crosswalks, and other public rights-of-way that are typically
29 used by pedestrians;

30 (c) Retail delivery means a retail sale of tangible personal
31 property for delivery by a motor vehicle to the purchaser at a location

1 in this state that includes at least one item of tangible personal
2 property that is subject to the sales and use tax. Each such retail sale
3 is a single retail delivery regardless of the number of shipments
4 necessary to deliver the tangible personal property purchased;

5 (d) Tangible personal property means corporeal personal property.
6 Tangible personal property includes all goods, wares, merchandise,
7 products and commodities, and all tangible or corporeal things and
8 substances that are dealt in and capable of being possessed and
9 exchanged. Tangible personal property does not include newspapers or
10 preprinted newspaper supplements that become attached to or inserted in
11 and distributed with such newspapers; and

12 (e) Wholesale sale means a sale to retail merchants, jobbers,
13 dealers, or wholesalers for resale. Wholesale sale does not include sales
14 to users or consumers not for resale.

15 (2) A fee of fifty cents is hereby imposed on every retail delivery
16 of tangible personal property.

17 (3) The fee imposed by this section shall not apply to:

18 (a) Retail delivery of tangible personal property that is exempt
19 from sales and use taxes;

20 (b) Retail delivery by any entity that is exempt from sales and use
21 taxes;

22 (c) Retail delivery by a new business during the year such business
23 was formed;

24 (d) Retail delivery by a business during any year when the business
25 had less than five hundred thousand dollars in retail sales for the
26 previous year; and

27 (e) Delivery of tangible personal property that is a wholesale sale.

28 (4) The fee shall be paid by the purchaser or seller, collected by
29 the seller, and remitted to and enforced by the Department of Revenue.

30 (5) All fees remitted to the Department of Revenue under this
31 section shall be remitted to the State Treasurer for credit to the

1 General Fund.

2 (6) The Department of Revenue may adopt and promulgate rules and
3 regulations to carry out this section.

4 Sec. 50. Section 77-2715.07, Revised Statutes Supplement, 2023, as
5 amended by Laws 2024, LB937, section 74, Laws 2024, LB1023, section 9,
6 Laws 2024, LB1344, section 9, and Laws 2024, LB1402, section 2, is
7 amended to read:

8 77-2715.07 (1) There shall be allowed to qualified resident
9 individuals as a nonrefundable credit against the income tax imposed by
10 the Nebraska Revenue Act of 1967:

11 (a) A credit equal to the federal credit allowed under section 22 of
12 the Internal Revenue Code; and

13 (b) A credit for taxes paid to another state as provided in section
14 77-2730.

15 (2) There shall be allowed to qualified resident individuals against
16 the income tax imposed by the Nebraska Revenue Act of 1967:

17 (a) For returns filed reporting federal adjusted gross incomes of
18 greater than twenty-nine thousand dollars, a nonrefundable credit equal
19 to twenty-five percent of the federal credit allowed under section 21 of
20 the Internal Revenue Code of 1986, as amended, except that for taxable
21 years beginning or deemed to begin on or after January 1, 2015, such
22 nonrefundable credit shall be allowed only if the individual would have
23 received the federal credit allowed under section 21 of the code after
24 adding back in any carryforward of a net operating loss that was deducted
25 pursuant to such section in determining eligibility for the federal
26 credit;

27 (b) For returns filed reporting federal adjusted gross income of
28 twenty-nine thousand dollars or less, a refundable credit equal to a
29 percentage of the federal credit allowable under section 21 of the
30 Internal Revenue Code of 1986, as amended, whether or not the federal
31 credit was limited by the federal tax liability. The percentage of the

1 federal credit shall be one hundred percent for incomes not greater than
2 twenty-two thousand dollars, and the percentage shall be reduced by ten
3 percent for each one thousand dollars, or fraction thereof, by which the
4 reported federal adjusted gross income exceeds twenty-two thousand
5 dollars, except that for taxable years beginning or deemed to begin on or
6 after January 1, 2015, such refundable credit shall be allowed only if
7 the individual would have received the federal credit allowed under
8 section 21 of the code after adding back in any carryforward of a net
9 operating loss that was deducted pursuant to such section in determining
10 eligibility for the federal credit;

11 (c) A refundable credit as provided in section 77-5209.01 for
12 individuals who qualify for an income tax credit as a qualified beginning
13 farmer or livestock producer under the Beginning Farmer Tax Credit Act
14 for all taxable years beginning or deemed to begin on or after January 1,
15 2006, under the Internal Revenue Code of 1986, as amended;

16 (d) A refundable credit for individuals who qualify for an income
17 tax credit under the Angel Investment Tax Credit Act, the Nebraska
18 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
19 and Development Act, the Reverse Osmosis System Tax Credit Act, or the
20 Volunteer Emergency Responders Incentive Act; and

21 (e)(i) ~~(e)~~ A refundable credit equal to:

22 (A) Ten ~~ten~~ percent of the federal credit allowed under section 32
23 of the Internal Revenue Code of 1986, as amended, for taxable years
24 beginning or deemed to begin prior to January 1, 2025; and

25 (B) Twenty percent of the federal credit allowed under section 32 of
26 the Internal Revenue Code of 1986, as amended, for taxable years
27 beginning or deemed to begin on or after January 1, 2025.

28 (ii) For ~~except that for~~ taxable years beginning or deemed to begin
29 on or after January 1, 2015, the ~~such~~ refundable credit provided in
30 subdivision (2)(e)(i) of this section shall be allowed only if the
31 individual would have received the federal credit allowed under section

1 32 of the code after adding back in any carryforward of a net operating
2 loss that was deducted pursuant to such section in determining
3 eligibility for the federal credit.

4 (3) There shall be allowed to all individuals as a nonrefundable
5 credit against the income tax imposed by the Nebraska Revenue Act of
6 1967:

7 (a) A credit for personal exemptions allowed under section
8 77-2716.01;

9 (b) A credit for contributions to programs or projects certified for
10 tax credit status as provided in the Creating High Impact Economic
11 Futures Act. Each partner, each shareholder of an electing subchapter S
12 corporation, each beneficiary of an estate or trust, or each member of a
13 limited liability company shall report his or her share of the credit in
14 the same manner and proportion as he or she reports the partnership,
15 subchapter S corporation, estate, trust, or limited liability company
16 income;

17 (c) A credit for investment in a biodiesel facility as provided in
18 section 77-27,236;

19 (d) A credit as provided in the New Markets Job Growth Investment
20 Act;

21 (e) A credit as provided in the Nebraska Job Creation and Mainstreet
22 Revitalization Act;

23 (f) A credit to employers as provided in sections 77-27,238 and
24 77-27,240;

25 (g) A credit as provided in the Affordable Housing Tax Credit Act;

26 (h) A credit to grocery store retailers, restaurants, and
27 agricultural producers as provided in section 77-27,241;

28 (i) A credit as provided in the Sustainable Aviation Fuel Tax Credit
29 Act;

30 (j) A credit as provided in the Nebraska Shortline Rail
31 Modernization Act;

1 (k) A credit as provided in the Nebraska Pregnancy Help Act; and

2 (l) A credit as provided in the Caregiver Tax Credit Act.

3 (4) There shall be allowed as a credit against the income tax
4 imposed by the Nebraska Revenue Act of 1967:

5 (a) A credit to all resident estates and trusts for taxes paid to
6 another state as provided in section 77-2730;

7 (b) A credit to all estates and trusts for contributions to programs
8 or projects certified for tax credit status as provided in the Creating
9 High Impact Economic Futures Act; and

10 (c) A refundable credit for individuals who qualify for an income
11 tax credit as an owner of agricultural assets under the Beginning Farmer
12 Tax Credit Act for all taxable years beginning or deemed to begin on or
13 after January 1, 2009, under the Internal Revenue Code of 1986, as
14 amended. The credit allowed for each partner, shareholder, member, or
15 beneficiary of a partnership, corporation, limited liability company, or
16 estate or trust qualifying for an income tax credit as an owner of
17 agricultural assets under the Beginning Farmer Tax Credit Act shall be
18 equal to the partner's, shareholder's, member's, or beneficiary's portion
19 of the amount of tax credit distributed pursuant to subsection (6) of
20 section 77-5211.

21 (5)(a) For all taxable years beginning on or after January 1, 2007,
22 and before January 1, 2009, under the Internal Revenue Code of 1986, as
23 amended, there shall be allowed to each partner, shareholder, member, or
24 beneficiary of a partnership, subchapter S corporation, limited liability
25 company, or estate or trust a nonrefundable credit against the income tax
26 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the
27 partner's, shareholder's, member's, or beneficiary's portion of the
28 amount of franchise tax paid to the state under sections 77-3801 to
29 77-3807 by a financial institution.

30 (b) For all taxable years beginning on or after January 1, 2009,
31 under the Internal Revenue Code of 1986, as amended, there shall be

1 allowed to each partner, shareholder, member, or beneficiary of a
2 partnership, subchapter S corporation, limited liability company, or
3 estate or trust a nonrefundable credit against the income tax imposed by
4 the Nebraska Revenue Act of 1967 equal to the partner's, shareholder's,
5 member's, or beneficiary's portion of the amount of franchise tax paid to
6 the state under sections 77-3801 to 77-3807 by a financial institution.

7 (c) Each partner, shareholder, member, or beneficiary shall report
8 his or her share of the credit in the same manner and proportion as he or
9 she reports the partnership, subchapter S corporation, limited liability
10 company, or estate or trust income. If any partner, shareholder, member,
11 or beneficiary cannot fully utilize the credit for that year, the credit
12 may not be carried forward or back.

13 (6) There shall be allowed to all individuals nonrefundable credits
14 against the income tax imposed by the Nebraska Revenue Act of 1967 as
15 provided in section 77-3604 and refundable credits against the income tax
16 imposed by the Nebraska Revenue Act of 1967 as provided in section
17 77-3605.

18 (7)(a) For taxable years beginning or deemed to begin on or after
19 January 1, 2020, and before January 1, 2026, under the Internal Revenue
20 Code of 1986, as amended, a nonrefundable credit against the income tax
21 imposed by the Nebraska Revenue Act of 1967 in the amount of five
22 thousand dollars shall be allowed to any individual who purchases a
23 residence during the taxable year if such residence:

24 (i) Is located within an area that has been declared an extremely
25 blighted area under section 18-2101.02;

26 (ii) Is the individual's primary residence; and

27 (iii) Was not purchased from a family member of the individual or a
28 family member of the individual's spouse.

29 (b) The credit provided in this subsection shall be claimed for the
30 taxable year in which the residence is purchased. If the individual
31 cannot fully utilize the credit for such year, the credit may be carried

1 forward to subsequent taxable years until fully utilized.

2 (c) No more than one credit may be claimed under this subsection
3 with respect to a single residence.

4 (d) The credit provided in this subsection shall be subject to
5 recapture by the Department of Revenue if the individual claiming the
6 credit sells or otherwise transfers the residence or quits using the
7 residence as his or her primary residence within five years after the end
8 of the taxable year in which the credit was claimed.

9 (e) For purposes of this subsection, family member means an
10 individual's spouse, child, parent, brother, sister, grandchild, or
11 grandparent, whether by blood, marriage, or adoption.

12 (8) There shall be allowed to all individuals refundable credits
13 against the income tax imposed by the Nebraska Revenue Act of 1967 as
14 provided in the Cast and Crew Nebraska Act, the Nebraska Biodiesel Tax
15 Credit Act, the Nebraska Higher Blend Tax Credit Act, the Nebraska
16 Property Tax Incentive Act, the Relocation Incentive Act, and the
17 Renewable Chemical Production Tax Credit Act.

18 (9)(a) For taxable years beginning or deemed to begin on or after
19 January 1, 2022, under the Internal Revenue Code of 1986, as amended, a
20 refundable credit against the income tax imposed by the Nebraska Revenue
21 Act of 1967 shall be allowed to the parent of a stillborn child if:

22 (i) A fetal death certificate is filed pursuant to subsection (1) of
23 section 71-606 for such child;

24 (ii) Such child had advanced to at least the twentieth week of
25 gestation; and

26 (iii) Such child would have been a dependent of the individual
27 claiming the credit.

28 (b) The amount of the credit shall be two thousand dollars.

29 (c) The credit shall be allowed for the taxable year in which the
30 stillbirth occurred.

31 (10) There shall be allowed to all individuals refundable credits

1 against the income tax imposed by the Nebraska Revenue Act of 1967 as
2 provided in section 77-7203 and nonrefundable credits against the income
3 tax imposed by the Nebraska Revenue Act of 1967 as provided in section
4 77-7204.

5 (11) There shall be allowed to all individuals refundable credits
6 against the income tax imposed by the Nebraska Revenue Act of 1967 as
7 provided in section 37 of this act and nonrefundable credits against the
8 income tax imposed by the Nebraska Revenue Act of 1967 as provided in
9 sections 36, 38, and 39 of this act.

10 Sec. 51. Section 77-27,132, Revised Statutes Supplement, 2023, as
11 amended by Laws 2024, LB1108, section 3, is amended to read:

12 77-27,132 (1) There is hereby created a fund to be designated the
13 Revenue Distribution Fund which shall be set apart and maintained by the
14 Tax Commissioner. Revenue not required to be credited to the General Fund
15 or any other specified fund may be credited to the Revenue Distribution
16 Fund. Credits and refunds of such revenue shall be paid from the Revenue
17 Distribution Fund. The balance of the amount credited, after credits and
18 refunds, shall be allocated as provided by the statutes creating such
19 revenue.

20 (2) The Tax Commissioner shall pay to a depository bank designated
21 by the State Treasurer all amounts collected under the Nebraska Revenue
22 Act of 1967. The Tax Commissioner shall present to the State Treasurer
23 bank receipts showing amounts so deposited in the bank, and of the
24 amounts so deposited the State Treasurer shall:

25 (a)(i) For transactions occurring on or after October 1, 2014, and
26 before July 1, 2024, credit to the Game and Parks Commission Capital
27 Maintenance Fund all of the proceeds of the sales and use taxes imposed
28 pursuant to section 77-2703 on the sale or lease of motorboats as defined
29 in section 37-1204, personal watercraft as defined in section 37-1204.01,
30 all-terrain vehicles as defined in section 60-103, and utility-type
31 vehicles as defined in section 60-135.01; and

1 (ii) For transactions occurring on or after July 1, 2024, credit to
2 the Game and Parks Commission Capital Maintenance Fund all of the
3 proceeds of the sales and use taxes imposed pursuant to section 77-2703
4 on the sale or lease of motorboats as defined in section 37-1204,
5 personal watercraft as defined in section 37-1204.01, all-terrain
6 vehicles as defined in section 60-103, and utility-type vehicles as
7 defined in section 60-135.01, and from such proceeds, transfers shall be
8 made to the Nebraska Emergency Medical System Operations Fund as provided
9 in section 37-327.02;

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

18 (c) For transactions occurring on or after July 1, 2013, and before
19 July 1, 2042, of the proceeds of the sales and use taxes derived from
20 transactions other than those listed in subdivisions (2)(a), (b), and (e)
21 of this section from a sales tax rate of one-quarter of one percent,
22 credit monthly eighty-five percent to the Highway Trust Fund and fifteen
23 percent to the Highway Allocation Fund;

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

28 (e) For transactions occurring on or after July 1, 2023, credit to
29 the Department of Transportation Aeronautics Capital Improvement Fund all
30 of the proceeds of the sales and use taxes imposed pursuant to section
31 77-2703 on the sale or lease of aircraft as defined in section 3-101;

1 and -

2 (f) Credit to the Education Future Fund an amount equal to the
3 increase in sales and use tax revenue received as a result of the changes
4 made by this legislative bill. The amount to be credited under this
5 subdivision shall be determined annually by the Tax Commissioner.

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

8 Sec. 52. Section 77-27,142, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 77-27,142 (1) Any incorporated municipality other than a city of the
11 metropolitan class by ordinance of its governing body is hereby
12 authorized to impose a sales and use tax of one-half percent, one
13 percent, one and one-half percent, one and three-quarters percent, or two
14 percent upon the same transactions that are sourced under the provisions
15 of sections 77-2703.01 to 77-2703.04 within such incorporated
16 municipality on which the State of Nebraska is authorized to impose a tax
17 pursuant to the Nebraska Revenue Act of 1967, as amended from time to
18 time. Any city of the metropolitan class by ordinance of its governing
19 body is hereby authorized to impose a sales and use tax of one-half
20 percent, one percent, or one and one-half percent upon the same
21 transactions that are sourced under the provisions of sections 77-2703.01
22 to 77-2703.04 within such city of the metropolitan class on which the
23 State of Nebraska is authorized to impose a tax pursuant to the Nebraska
24 Revenue Act of 1967, as amended from time to time. No sales and use tax
25 shall be imposed pursuant to this section until an election has been held
26 and a majority of the qualified electors have approved such tax pursuant
27 to sections 77-27,142.01 and 77-27,142.02.

28 (2)(a) Any incorporated municipality that proposes to impose a
29 municipal sales and use tax at a rate greater than one and one-half
30 percent or increase a municipal sales and use tax to a rate greater than
31 one and one-half percent shall submit the question of such tax or

1 increase at a primary or general election held within the incorporated
2 municipality. The question shall be submitted upon an affirmative vote by
3 at least seventy percent of all of the members of the governing body of
4 the incorporated municipality.

5 (b) Any rate greater than one and one-half percent shall be used as
6 follows:

7 (i) In a city of the primary class, up to fifteen percent of the
8 proceeds from the rate in excess of one and one-half percent may be used
9 for non-public infrastructure projects of an interlocal agreement or
10 joint public agency agreement with another political subdivision within
11 the municipality or the county in which the municipality is located, and
12 the remaining proceeds shall be used for public infrastructure projects
13 or voter-approved infrastructure related to an economic development
14 program as defined in section 18-2705; and

15 (ii) In any incorporated municipality other than a city of the
16 primary class, the proceeds from the rate in excess of one and one-half
17 percent shall be used for public infrastructure projects or voter-
18 approved infrastructure related to an economic development program as
19 defined in section 18-2705.

20 For purposes of this section, public infrastructure project means
21 and includes, but is not limited to, any of the following projects, or
22 any combination thereof: Public highways and bridges and municipal roads,
23 streets, bridges, and sidewalks; solid waste management facilities;
24 wastewater, storm water, and water treatment works and systems, water
25 distribution facilities, and water resources projects, including, but not
26 limited to, pumping stations, transmission lines, and mains and their
27 appurtenances; hazardous waste disposal systems; resource recovery
28 systems; airports; port facilities; buildings and capital equipment used
29 in the operation of municipal government; convention and tourism
30 facilities; redevelopment projects as defined in section 18-2103; mass
31 transit and other transportation systems, including parking facilities;

1 and equipment necessary for the provision of municipal services.

2 (c) Any rate greater than one and one-half percent shall terminate
3 no more than ten years after its effective date or, if bonds are issued
4 and the local option sales and use tax revenue is pledged for payment of
5 such bonds, upon payment of such bonds and any refunding bonds, whichever
6 date is later, except as provided in subdivision (2)(d) of this section.

7 (d) If a portion of the rate greater than one and one-half percent
8 is stated in the ballot question as being imposed for the purpose of the
9 interlocal agreement or joint public agency agreement described in
10 subdivision (2)(b)(i) or subsection (3) of this section, and such portion
11 is at least one-eighth percent, there shall be no termination date for
12 the rate representing such portion rounded to the next higher one-quarter
13 or one-half percent.

14 (e) For fiscal years beginning prior to July 1, 2025, sections
15 ~~Sections~~ 13-518 to 13-522 apply to the revenue from any such tax or
16 increase.

17 (3)(a) No municipal sales and use tax shall be imposed at a rate
18 greater than one and one-half percent or increased to a rate greater than
19 one and one-half percent unless the municipality is a party to an
20 interlocal agreement pursuant to the Interlocal Cooperation Act or a
21 joint public agency agreement pursuant to the Joint Public Agency Act
22 with a political subdivision within the municipality or the county in
23 which the municipality is located creating a separate legal or
24 administrative entity relating to a public infrastructure project.

25 (b) Except as provided in subdivision (2)(b)(i) of this section,
26 such interlocal agreement or joint public agency agreement shall contain
27 provisions, including benchmarks, relating to the long-term development
28 of unified governance of public infrastructure projects with respect to
29 the parties. The Legislature may provide additional requirements for such
30 agreements, including benchmarks, but such additional requirements shall
31 not apply to any debt outstanding at the time the Legislature enacts such

1 additional requirements. The separate legal or administrative entity
2 created shall not be one that was in existence for one calendar year
3 preceding the submission of the question of such tax or increase at a
4 primary or general election held within the incorporated municipality.

5 (c) Any other public agency as defined in section 13-803 may be a
6 party to such interlocal cooperation agreement or joint public agency
7 agreement.

8 (d) A municipality is not required to use all of the additional
9 revenue generated by a sales and use tax imposed at a rate greater than
10 one and one-half percent or increased to a rate greater than one and one-
11 half percent under this subsection for the purposes of the interlocal
12 cooperation agreement or joint public agency agreement set forth in this
13 subsection.

14 (4) The provisions of subsections (2) and (3) of this section do not
15 apply to the first one and one-half percent of a sales and use tax
16 imposed by a municipality.

17 (5) Notwithstanding any provision of any municipal charter, any
18 incorporated municipality or interlocal agency or joint public agency
19 pursuant to an agreement as provided in subsection (3) of this section
20 may issue bonds in one or more series for any municipal purpose and pay
21 the principal of and interest on any such bonds by pledging receipts from
22 the increase in the municipal sales and use taxes authorized by such
23 municipality. Any municipality which has or may issue bonds under this
24 section may dedicate a portion of its property tax levy authority as
25 provided in section 77-3442 to meet debt service obligations under the
26 bonds. For purposes of this subsection, bond means any evidence of
27 indebtedness, including, but not limited to, bonds, notes including notes
28 issued pending long-term financing arrangements, warrants, debentures,
29 obligations under a loan agreement or a lease-purchase agreement, or any
30 similar instrument or obligation.

31 Sec. 53. Section 77-27,144, Revised Statutes Cumulative Supplement,

1 2022, is amended to read:

2 77-27,144 (1) The Tax Commissioner shall collect the tax imposed by
3 any incorporated municipality concurrently with collection of a state tax
4 in the same manner as the state tax is collected. The Tax Commissioner
5 shall remit monthly the proceeds of the tax to the incorporated
6 municipalities levying the tax, after deducting the amount of refunds
7 made and fifteen percent of the remainder to be credited as follows: (a)
8 Three percent shall be credited to the Municipal Equalization Fund; and
9 (b) twelve percent shall be remitted to the State Treasurer for credit to
10 the Education Future Fund. For fiscal year 2024-25, the incorporated
11 municipalities levying the tax shall be guaranteed to receive total net
12 taxable sales equal to the fiscal year 2023-24 net taxable sales amount
13 plus one percent. For each fiscal year thereafter, the guaranteed taxable
14 sales amount shall increase by one percent ~~three percent of the remainder~~
15 ~~to be credited to the Municipal Equalization Fund.~~

16 (2)(a) Deductions for a refund made pursuant to section 77-4105,
17 77-4106, 77-5725, or 77-5726 and owed by a city of the first class, city
18 of the second class, or village shall be delayed for one year after the
19 refund has been made to the taxpayer. The Department of Revenue shall
20 notify the municipality liable for a refund exceeding one thousand five
21 hundred dollars of the pending refund, the amount of the refund, and the
22 month in which the deduction will be made or begin, except that if the
23 amount of a refund claimed under section 77-4105, 77-4106, 77-5725, or
24 77-5726 exceeds twenty-five percent of the municipality's total sales and
25 use tax receipts, net of any refunds or sales tax collection fees, for
26 the municipality's prior fiscal year, the department shall deduct the
27 refund over the period of one year in equal monthly amounts beginning
28 after the one-year notification period required by this subdivision.

29 (b) Deductions for a refund made pursuant to section 77-4105,
30 77-4106, 77-5725, or 77-5726 and owed by a city of the metropolitan class
31 or city of the primary class shall be made as follows:

1 (i) During calendar year 2023, such deductions shall be made in
2 accordance with subsection (1) of this section; and

3 (ii) During calendar year 2024 and each calendar year thereafter,
4 such deductions shall be made based on estimated amounts as described in
5 this subdivision. On or before March 1, 2023, and on or before March 1 of
6 each year thereafter, the Department of Revenue shall notify each city of
7 the metropolitan class and city of the primary class of the total amount
8 of such refunds that are estimated to be paid during the following
9 calendar year. Such estimated amount shall be used to establish the total
10 amount to be deducted in the following calendar year. The department
11 shall deduct such amount over the following calendar year in twelve equal
12 monthly amounts. Beginning with the notification sent in calendar year
13 2025, the notification shall include any adjustment needed for the prior
14 calendar year to account for any difference between the estimated amount
15 deducted in such prior calendar year and the actual amount of refunds
16 paid in such year.

17 (3) Deductions for a refund made pursuant to the Imagine Nebraska
18 Act shall be delayed as provided in this subsection after the refund has
19 been made to the taxpayer. The Department of Revenue shall notify each
20 municipality liable for a refund exceeding one thousand five hundred
21 dollars of the pending refund and the amount of the refund claimed under
22 the Imagine Nebraska Act. The notification shall be made by March 1 of
23 each year beginning in 2021 and shall be used to establish the refund
24 amount for the following calendar year. The notification shall include
25 any excess or underpayment from the prior calendar year. The department
26 shall deduct the refund over a period of one year in equal monthly
27 amounts beginning in January following the notification. This subsection
28 applies to total annual refunds exceeding one million dollars or twenty-
29 five percent of the municipality's total sales and use tax receipts for
30 the prior fiscal year, whichever is the lesser amount.

31 (4) Deductions for a refund made pursuant to the Urban Redevelopment

1 Act shall be delayed as provided in this subsection after the refund has
2 been made to the taxpayer. The Department of Revenue shall notify each
3 municipality liable for a refund exceeding one thousand five hundred
4 dollars of the pending refund and the amount of the refund claimed under
5 the Urban Redevelopment Act. The notification shall be made by March 1 of
6 each year beginning in 2022 and shall be used to establish the refund
7 amount for the following calendar year. The notification shall include
8 any excess or underpayment from the prior calendar year. The department
9 shall deduct the refund over a period of one year in equal monthly
10 amounts beginning in January following the notification. This subsection
11 applies to total annual refunds exceeding one million dollars or twenty-
12 five percent of the municipality's total sales and use tax receipts for
13 the prior fiscal year, whichever is the lesser amount.

14 (5) The Tax Commissioner shall keep full and accurate records of all
15 money received and distributed under the provisions of the Local Option
16 Revenue Act. When proceeds of a tax levy are received but the identity of
17 the incorporated municipality which levied the tax is unknown and is not
18 identified within six months after receipt, the amount shall be credited
19 to the Municipal Equalization Fund. The municipality may request the
20 names and addresses of the retailers which have collected the tax as
21 provided in subsection (13) of section 77-2711 and may certify an
22 individual to request and review confidential sales and use tax returns
23 and sales and use tax return information as provided in subsection (14)
24 of section 77-2711.

25 (6)(a) Every qualifying business that has filed an application to
26 receive tax incentives under the Employment and Investment Growth Act,
27 the Nebraska Advantage Act, the Imagine Nebraska Act, or the Urban
28 Redevelopment Act shall, with respect to such acts, provide annually to
29 each municipality, in aggregate data, the maximum amount the qualifying
30 business is eligible to receive in the current year in refunds of local
31 sales and use taxes of the municipality and exemptions for the previous

1 year, and the estimate of annual refunds of local sales and use taxes of
2 the municipality and exemptions such business intends to claim in each
3 future year. Such information shall be kept confidential by the
4 municipality unless publicly disclosed previously by the taxpayer or by
5 the State of Nebraska.

6 (b) For purposes of this subsection, municipality means a
7 municipality that has adopted the local option sales and use tax under
8 the Local Option Revenue Act and to which the qualifying business has
9 paid such sales and use tax.

10 (c) The qualifying business shall provide the information to the
11 municipality on or before June 30 of each year.

12 (d) Any amounts held by a municipality to make sales and use tax
13 refunds under the Employment and Investment Growth Act, the Nebraska
14 Advantage Act, the Imagine Nebraska Act, and the Urban Redevelopment Act
15 shall not count toward any budgeted restricted funds limitation as
16 provided in section 13-519 or toward any cash reserve limitation as
17 provided in section 13-504 and shall be excluded from the limitations of
18 the Property Tax Growth Limitation Act.

19 Sec. 54. Section 77-27,235, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 77-27,235 (1) Any producer of electricity generated by a new
22 renewable electric generation facility shall earn a renewable energy tax
23 credit. For electricity generated on or after July 14, 2006, and before
24 October 1, 2007, the credit shall be .075 cent for each kilowatt-hour of
25 electricity generated by a new renewable electric generation facility.
26 For electricity generated on or after October 1, 2007, and before January
27 1, 2010, the credit shall be .1 cent for each kilowatt-hour of
28 electricity generated by a new renewable electric generation facility.
29 For electricity generated on or after January 1, 2010, and before January
30 1, 2013, the credit shall be .075 cent per kilowatt-hour for electricity
31 generated by a new renewable electric generation facility. For

1 electricity generated on or after January 1, 2013, the credit shall be
2 .05 cent per kilowatt-hour for electricity generated by a new renewable
3 electric generation facility. The credit may be earned for production of
4 electricity for ten years after the date that the facility is placed in
5 operation on or after July 14, 2006.

6 (2) For purposes of this section:

7 (a) Electricity generated by a new renewable electric generation
8 facility means electricity that is exclusively produced by a new
9 renewable electric generation facility;

10 (b) Eligible renewable resources means wind, moving water, solar,
11 geothermal, fuel cell, methane gas, or photovoltaic technology; and

12 (c) New renewable electric generation facility means an electrical
13 generating facility located in this state that is first placed into
14 service on or after July 14, 2006, which utilizes eligible renewable
15 resources as its fuel source.

16 (3) The credit allowed under this section may be used to reduce the
17 producer's Nebraska income tax liability or to obtain a refund of state
18 sales and use taxes paid by the producer of electricity generated by a
19 new renewable electric generation facility. A claim to use the credit for
20 refund of the state sales and use taxes paid, either directly or
21 indirectly, by the producer may be filed quarterly for electricity
22 generated during the previous quarter by the twentieth day of the month
23 following the end of the calendar quarter. The credit may be used to
24 obtain a refund of state sales and use taxes paid during the quarter
25 immediately preceding the quarter in which the claim for refund is made,
26 except that the amount refunded under this subsection shall not exceed
27 the amount of the state sales and use taxes paid during the quarter.

28 (4) The Department of Revenue may adopt and promulgate rules and
29 regulations to permit verification of the validity and timeliness of any
30 renewable energy tax credit claimed.

31 (5) The total amount of renewable energy tax credits that may be

1 used by all taxpayers shall be limited to fifty thousand dollars without
2 further authorization from the Legislature.

3 ~~(6) The credit allowed under this section may not be claimed by a~~
4 ~~producer who received a sales tax exemption under section 77-2704.57 for~~
5 ~~the new renewable electric generation facility.~~

6 (6) ~~(7)~~ Interest shall not be allowed on any refund paid under this
7 section.

8 Sec. 55. Section 77-3005, Reissue Revised Statutes of Nebraska, as
9 amended by Laws 2024, LB685, section 11, is amended to read:

10 77-3005 (1) The occupation tax levied and imposed by the Mechanical
11 Amusement Device Tax Act shall be in addition to any and all taxes or
12 fees, of any form whatsoever, now imposed by the State of Nebraska upon
13 the business of operating or distributing mechanical amusement devices,
14 ~~except that payment of the tax and license fees due and owing on or~~
15 ~~before the licensing date of each year shall exempt any such mechanical~~
16 ~~amusement device from the application of the sales tax which would or~~
17 ~~could otherwise be imposed under the Nebraska Revenue Act of 1967.~~
18 ~~Nonpayment of the taxes or fees due and owing on or before the licensing~~
19 ~~date of each year shall render the exemption provided by this section~~
20 ~~inapplicable, and the particular mechanical amusement devices shall then~~
21 ~~be subject to all the provisions of the Nebraska Revenue Act of 1967,~~
22 ~~including the penalty provisions pertaining to the distributor or~~
23 ~~operator of such mechanical amusement devices.~~

24 (2) No political subdivision of the State of Nebraska shall levy or
25 impose any tax on mechanical amusement devices in addition to the taxes
26 imposed by the Mechanical Amusement Device Tax Act.

27 Sec. 56. Section 77-3442, Revised Statutes Supplement, 2023, is
28 amended to read:

29 77-3442 (1) Property tax levies for the support of local governments
30 for fiscal years beginning on or after July 1, 1998, shall be limited to
31 the amounts set forth in this section except as provided in section

1 77-3444.

2 (2)(a)(i) ~~(2)(a)~~ Except as provided in subdivisions (2)(a)(ii), (2)
3 (a)(iii), (2)(b), and (2)(e) of this section, school districts and
4 multiple-district school systems may levy a maximum levy of:

5 (A) Through fiscal year 2024-25, one dollar and five cents per one
6 hundred dollars of taxable valuation of property subject to the levy; -

7 (B) For fiscal year 2025-26, forty cents per one hundred dollars of
8 taxable valuation of property subject to the levy;

9 (C) For fiscal year 2026-27, thirty-five cents per one hundred
10 dollars of taxable valuation of property subject to the levy; and

11 (D) For fiscal year 2027-28 and each fiscal year thereafter, thirty
12 cents per one hundred dollars of taxable valuation of property subject to
13 the levy.

14 (ii) For fiscal year 2025-26 and each fiscal year thereafter, if (A)
15 the amount equal to the sum of (I) the total state aid calculated
16 pursuant to the Tax Equity and Educational Opportunities Support Act for
17 the current school fiscal year plus (II) the product of the maximum levy
18 pursuant to subdivision (2)(a)(i) of this section multiplied by the
19 assessed valuation for the current year is less than (B) the amount equal
20 to the sum, as increased by the base growth percentage as determined
21 pursuant to section 79-3402, of (I) the total state aid calculated
22 pursuant to the Tax Equity and Educational Opportunities Support Act for
23 the prior school fiscal year plus (II) the product of the actual general
24 fund levy of the school district or multiple-district school system for
25 the prior year multiplied by the assessed valuation for such prior year,
26 such school district or multiple-district school system may levy a
27 maximum levy as calculated pursuant to subdivision (2)(a)(iii) of this
28 section.

29 (iii) The maximum levy authorized pursuant to subdivision (2)(a)(ii)
30 of this section shall be the levy rate that when applied to the assessed
31 valuation for the current year equals the difference of (A) the total

1 state aid calculated pursuant to the Tax Equity and Educational
2 Opportunities Support Act for the current school fiscal year subtracted
3 from (B) the sum, as increased by the base growth percentage as
4 determined pursuant to section 79-3402, of (I) the total state aid
5 calculated pursuant to the Tax Equity and Educational Opportunities
6 Support Act for the prior school fiscal year plus (II) the product of the
7 actual general fund levy of the school district or multiple-district
8 school system for the prior year multiplied by the assessed valuation for
9 such prior year.

10 (b) For each fiscal year prior to fiscal year 2017-18, learning
11 communities may levy a maximum levy for the general fund budgets of
12 member school districts of ninety-five cents per one hundred dollars of
13 taxable valuation of property subject to the levy. The proceeds from the
14 levy pursuant to this subdivision shall be distributed pursuant to
15 section 79-1073.

16 (c) Except as provided in subdivision (2)(e) of this section, for
17 each fiscal year prior to fiscal year 2017-18, school districts that are
18 members of learning communities may levy for purposes of such districts'
19 general fund budget and special building funds a maximum combined levy of
20 the difference of one dollar and five cents on each one hundred dollars
21 of taxable property subject to the levy minus the learning community levy
22 pursuant to subdivision (2)(b) of this section for such learning
23 community.

24 (d) Excluded from the limitations in subdivisions (2)(a) and (2)(c)
25 of this section are (i) amounts levied to pay for current and future sums
26 agreed to be paid by a school district to certificated employees in
27 exchange for a voluntary termination of employment occurring prior to
28 September 1, 2017, (ii) amounts levied by a school district otherwise at
29 the maximum levy pursuant to subdivision (2)(a) of this section to pay
30 for current and future qualified voluntary termination incentives for
31 certificated teachers pursuant to subsection (3) of section 79-8,142 that

1 are not otherwise included in an exclusion pursuant to subdivision (2)(d)
2 of this section, (iii) amounts levied by a school district otherwise at
3 the maximum levy pursuant to subdivision (2)(a) of this section to pay
4 for seventy-five percent of the current and future sums agreed to be paid
5 to certificated employees in exchange for a voluntary termination of
6 employment occurring between September 1, 2017, and August 31, 2018, as a
7 result of a collective-bargaining agreement in force and effect on
8 September 1, 2017, that are not otherwise included in an exclusion
9 pursuant to subdivision (2)(d) of this section, (iv) amounts levied by a
10 school district otherwise at the maximum levy pursuant to subdivision (2)
11 (a) of this section to pay for fifty percent of the current and future
12 sums agreed to be paid to certificated employees in exchange for a
13 voluntary termination of employment occurring between September 1, 2018,
14 and August 31, 2019, as a result of a collective-bargaining agreement in
15 force and effect on September 1, 2017, that are not otherwise included in
16 an exclusion pursuant to subdivision (2)(d) of this section, (v) amounts
17 levied by a school district otherwise at the maximum levy pursuant to
18 subdivision (2)(a) of this section to pay for twenty-five percent of the
19 current and future sums agreed to be paid to certificated employees in
20 exchange for a voluntary termination of employment occurring between
21 September 1, 2019, and August 31, 2020, as a result of a collective-
22 bargaining agreement in force and effect on September 1, 2017, that are
23 not otherwise included in an exclusion pursuant to subdivision (2)(d) of
24 this section, (vi) amounts levied in compliance with sections 79-10,110
25 and 79-10,110.02, ~~and~~ (vii) amounts levied to pay for special building
26 funds and sinking funds established for projects commenced prior to April
27 1, 1996, for construction, expansion, or alteration of school district
28 buildings. For purposes of this subsection, commenced means any action
29 taken by the school board on the record which commits the board to expend
30 district funds in planning, constructing, or carrying out the project,
31 and (viii) for fiscal year 2025-26 and each fiscal year thereafter,

1 amounts levied pursuant to section 79-10,120.

2 (e) Federal aid school districts may exceed the maximum levy
3 prescribed by subdivision (2)(a) or (2)(c) of this section only to the
4 extent necessary to qualify to receive federal aid pursuant to Title VIII
5 of Public Law 103-382, as such title existed on September 1, 2001. For
6 purposes of this subdivision, federal aid school district means any
7 school district which receives ten percent or more of the revenue for its
8 general fund budget from federal government sources pursuant to Title
9 VIII of Public Law 103-382, as such title existed on September 1, 2001.

10 (f) For each fiscal year, learning communities may levy a maximum
11 levy of one-half cent on each one hundred dollars of taxable property
12 subject to the levy for elementary learning center facility leases, for
13 remodeling of leased elementary learning center facilities, and for up to
14 fifty percent of the estimated cost for focus school or program capital
15 projects approved by the learning community coordinating council pursuant
16 to section 79-2111.

17 (g) For each fiscal year, learning communities may levy a maximum
18 levy of one and one-half cents on each one hundred dollars of taxable
19 property subject to the levy for early childhood education programs for
20 children in poverty, for elementary learning center employees, for
21 contracts with other entities or individuals who are not employees of the
22 learning community for elementary learning center programs and services,
23 and for pilot projects, except that no more than ten percent of such levy
24 may be used for elementary learning center employees.

25 (3) For each fiscal year through fiscal year 2023-24, community
26 college areas may levy the levies provided in subdivisions (2)(a) through
27 (c) of section 85-1517, in accordance with the provisions of such
28 subdivisions. For fiscal year 2024-25 and each fiscal year thereafter,
29 community college areas may levy the levies provided in subdivisions (2)
30 (a) and (b) of section 85-1517, in accordance with the provisions of such
31 subdivisions. A community college area may exceed the levy provided in

1 subdivision (2)(a) of section 85-1517 by the amount necessary to generate
2 sufficient revenue as described in section 85-1543 or 85-2238. A
3 community college area may exceed the levy provided in subdivision (2)(b)
4 of section 85-1517 by the amount necessary to retire general obligation
5 bonds assumed by the community college area or issued pursuant to section
6 85-1515 according to the terms of such bonds or for any obligation
7 pursuant to section 85-1535 entered into prior to January 1, 1997.

8 (4)(a) Natural resources districts may levy a maximum levy of four
9 and one-half cents per one hundred dollars of taxable valuation of
10 property subject to the levy.

11 (b) Natural resources districts shall also have the power and
12 authority to levy a tax equal to the dollar amount by which their
13 restricted funds budgeted to administer and implement ground water
14 management activities and integrated management activities under the
15 Nebraska Ground Water Management and Protection Act exceed their
16 restricted funds budgeted to administer and implement ground water
17 management activities and integrated management activities for FY2003-04,
18 not to exceed one cent on each one hundred dollars of taxable valuation
19 annually on all of the taxable property within the district.

20 (c) In addition, natural resources districts located in a river
21 basin, subbasin, or reach that has been determined to be fully
22 appropriated pursuant to section 46-714 or designated as overappropriated
23 pursuant to section 46-713 by the Department of Natural Resources shall
24 also have the power and authority to levy a tax equal to the dollar
25 amount by which their restricted funds budgeted to administer and
26 implement ground water management activities and integrated management
27 activities under the Nebraska Ground Water Management and Protection Act
28 exceed their restricted funds budgeted to administer and implement ground
29 water management activities and integrated management activities for
30 FY2005-06, not to exceed three cents on each one hundred dollars of
31 taxable valuation on all of the taxable property within the district for

1 fiscal year 2006-07 and each fiscal year thereafter through fiscal year
2 2017-18.

3 (5) Any educational service unit authorized to levy a property tax
4 pursuant to section 79-1225 may levy a maximum levy of one and one-half
5 cents per one hundred dollars of taxable valuation of property subject to
6 the levy.

7 (6)(a) Incorporated cities and villages which are not within the
8 boundaries of a municipal county may levy a maximum levy of forty-five
9 cents per one hundred dollars of taxable valuation of property subject to
10 the levy plus an additional five cents per one hundred dollars of taxable
11 valuation to provide financing for the municipality's share of revenue
12 required under an agreement or agreements executed pursuant to the
13 Interlocal Cooperation Act or the Joint Public Agency Act. The maximum
14 levy shall include amounts levied to pay for sums to support a library
15 pursuant to section 51-201, museum pursuant to section 51-501, visiting
16 community nurse, home health nurse, or home health agency pursuant to
17 section 71-1637, or statue, memorial, or monument pursuant to section
18 80-202.

19 (b) Incorporated cities and villages which are within the boundaries
20 of a municipal county may levy a maximum levy of ninety cents per one
21 hundred dollars of taxable valuation of property subject to the levy. The
22 maximum levy shall include amounts paid to a municipal county for county
23 services, amounts levied to pay for sums to support a library pursuant to
24 section 51-201, a museum pursuant to section 51-501, a visiting community
25 nurse, home health nurse, or home health agency pursuant to section
26 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

27 (7) Sanitary and improvement districts which have been in existence
28 for more than five years may levy a maximum levy of forty cents per one
29 hundred dollars of taxable valuation of property subject to the levy, and
30 sanitary and improvement districts which have been in existence for five
31 years or less shall not have a maximum levy. Unconsolidated sanitary and

1 improvement districts which have been in existence for more than five
2 years and are located in a municipal county may levy a maximum of eighty-
3 five cents per hundred dollars of taxable valuation of property subject
4 to the levy.

5 (8) Counties may levy or authorize a maximum levy of fifty cents per
6 one hundred dollars of taxable valuation of property subject to the levy,
7 except that five cents per one hundred dollars of taxable valuation of
8 property subject to the levy may only be levied to provide financing for
9 the county's share of revenue required under an agreement or agreements
10 executed pursuant to the Interlocal Cooperation Act or the Joint Public
11 Agency Act. The maximum levy shall include amounts levied to pay for sums
12 to support a library pursuant to section 51-201 or museum pursuant to
13 section 51-501. The county may allocate up to fifteen cents of its
14 authority to other political subdivisions subject to allocation of
15 property tax authority under subsection (1) of section 77-3443 and not
16 specifically covered in this section to levy taxes as authorized by law
17 which do not collectively exceed fifteen cents per one hundred dollars of
18 taxable valuation on any parcel or item of taxable property. The county
19 may allocate to one or more other political subdivisions subject to
20 allocation of property tax authority by the county under subsection (1)
21 of section 77-3443 some or all of the county's five cents per one hundred
22 dollars of valuation authorized for support of an agreement or agreements
23 to be levied by the political subdivision for the purpose of supporting
24 that political subdivision's share of revenue required under an agreement
25 or agreements executed pursuant to the Interlocal Cooperation Act or the
26 Joint Public Agency Act. If an allocation by a county would cause another
27 county to exceed its levy authority under this section, the second county
28 may exceed the levy authority in order to levy the amount allocated.

29 (9) Municipal counties may levy or authorize a maximum levy of one
30 dollar per one hundred dollars of taxable valuation of property subject
31 to the levy. The municipal county may allocate levy authority to any

1 political subdivision or entity subject to allocation under section
2 77-3443.

3 (10) Beginning July 1, 2016, rural and suburban fire protection
4 districts may levy a maximum levy of ten and one-half cents per one
5 hundred dollars of taxable valuation of property subject to the levy if
6 (a) such district is located in a county that had a levy pursuant to
7 subsection (8) of this section in the previous year of at least forty
8 cents per one hundred dollars of taxable valuation of property subject to
9 the levy or (b) such district had a levy request pursuant to section
10 77-3443 in any of the three previous years and the county board of the
11 county in which the greatest portion of the valuation of such district is
12 located did not authorize any levy authority to such district in such
13 year.

14 (11) A regional metropolitan transit authority may levy a maximum
15 levy of ten cents per one hundred dollars of taxable valuation of
16 property subject to the levy for each fiscal year that commences on the
17 January 1 that follows the effective date of the conversion of the
18 transit authority established under the Transit Authority Law into the
19 regional metropolitan transit authority.

20 (12) Property tax levies (a) for judgments, except judgments or
21 orders from the Commission of Industrial Relations, obtained against a
22 political subdivision which require or obligate a political subdivision
23 to pay such judgment, to the extent such judgment is not paid by
24 liability insurance coverage of a political subdivision, (b) for
25 preexisting lease-purchase contracts approved prior to July 1, 1998, (c)
26 for bonds as defined in section 10-134 approved according to law and
27 secured by a levy on property except as provided in section 44-4317 for
28 bonded indebtedness issued by educational service units and school
29 districts, (d) for payments by a public airport to retire interest-free
30 loans from the Division of Aeronautics of the Department of
31 Transportation in lieu of bonded indebtedness at a lower cost to the

1 public airport, and (e) to pay for cancer benefits provided on or after
2 January 1, 2022, pursuant to the Firefighter Cancer Benefits Act are not
3 included in the levy limits established by this section.

4 (13) The limitations on tax levies provided in this section are to
5 include all other general or special levies provided by law.
6 Notwithstanding other provisions of law, the only exceptions to the
7 limits in this section are those provided by or authorized by sections
8 77-3442 to 77-3444.

9 (14) Tax levies in excess of the limitations in this section shall
10 be considered unauthorized levies under section 77-1606 unless approved
11 under section 77-3444.

12 (15) For purposes of sections 77-3442 to 77-3444, political
13 subdivision means a political subdivision of this state and a county
14 agricultural society.

15 (16) For school districts that file a binding resolution on or
16 before May 9, 2008, with the county assessors, county clerks, and county
17 treasurers for all counties in which the school district has territory
18 pursuant to subsection (7) of section 79-458, if the combined levies,
19 except levies for bonded indebtedness approved by the voters of the
20 school district and levies for the refinancing of such bonded
21 indebtedness, are in excess of the greater of (a) one dollar and twenty
22 cents per one hundred dollars of taxable valuation of property subject to
23 the levy or (b) the maximum levy authorized by a vote pursuant to section
24 77-3444, all school district levies, except levies for bonded
25 indebtedness approved by the voters of the school district and levies for
26 the refinancing of such bonded indebtedness, shall be considered
27 unauthorized levies under section 77-1606.

28 Sec. 57. Section 77-3506.03, Reissue Revised Statutes of Nebraska,
29 as amended by Laws 2024, LB126, section 4, is amended to read:

30 77-3506.03 (1) Except as provided in subsection (2) of this section,
31 for homesteads valued at or above the maximum value, the exempt amount

1 for any exemption under section 77-3507 or 77-3508 shall be reduced by
2 ten percent for each two thousand five hundred dollars of value by which
3 the homestead exceeds the maximum value and any homestead which exceeds
4 the maximum value by twenty thousand dollars or more is not eligible for
5 any exemption under section 77-3507 or 77-3508.

6 (2)(a) For homesteads valued at or above the maximum value, the
7 exempt amount shall not be reduced and the homestead shall ~~be remain~~
8 eligible for an exemption under section 77-3507 or 77-3508 for the
9 current year if the homestead:

10 (i) Received an exemption under section 77-3507 or 77-3508 in the
11 previous year or in calendar year 2022, 2023, or 2024;

12 (ii) Was valued below the maximum value plus twenty thousand dollars
13 in such ~~previous~~ year; and

14 (iii) Is not ineligible for an exemption under section 77-3507 or
15 77-3508 for any reason other than as provided in subsection (1) of this
16 section.

17 (b) If a homestead remains eligible for an exemption under
18 subdivision (a) of this subsection for any year, the homestead shall
19 continue to be eligible for each year thereafter unless the homestead is
20 not eligible for such exemption for any reason other than as provided in
21 subsection (1) of this section.

22 (c) The percentage of the exempt amount for a homestead for any year
23 such homestead is valued at or above the maximum value and ~~is remains~~
24 eligible for exemption under this subsection shall be equal to the
25 percentage of the exempt amount for the homestead in the last year the
26 homestead received an exemption under section 77-3507 or 77-3508 and was
27 valued below the maximum value plus twenty thousand dollars.

28 (d) If the homestead's increase in value ~~from the previous year~~ to a
29 value at or above the maximum value is due to improvements to the
30 homestead, this subsection shall not apply to such homestead.

31 (3) This section shall not apply to any exemption under section

1 77-3506.

2 Sec. 58. Section 77-4001, Revised Statutes Supplement, 2023, as
3 amended by Laws 2024, LB1204, section 25, is amended to read:

4 77-4001 Sections 77-4001 to 77-4025, ~~and~~ sections 29 and 30 of this
5 act, and sections 60, 61, and 63 of this act shall be known and may be
6 cited as the Tobacco Products Tax Act.

7 Sec. 59. Section 77-4002, Revised Statutes Supplement, 2023, is
8 amended to read:

9 77-4002 For purposes of the Tobacco Products Tax Act, unless the
10 context otherwise requires, the definitions found in sections 77-4003 to
11 77-4007 and sections 60, 61, and 63 of this act shall be used.

12 Sec. 60. Alternative nicotine product has the same meaning as in
13 section 28-1418.01.

14 Sec. 61. Closed-system nicotine container means a sealed,
15 prefilled, and disposable container of consumable material in which such
16 container is either inserted directly into an electronic nicotine
17 delivery system or sold as an integrated and nonremovable part of an
18 electronic nicotine delivery system, if the consumable material in the
19 container is inaccessible through customary or reasonably foreseeable
20 handling or use.

21 Sec. 62. Section 77-4003.02, Revised Statutes Supplement, 2023, is
22 amended to read:

23 77-4003.02 Electronic nicotine delivery system has the same meaning
24 as in section 28-1418.01. The term includes closed-system nicotine
25 containers and open-system nicotine containers.

26 Sec. 63. Open-system nicotine container means a container of
27 consumable material that is intended to be refillable or that otherwise
28 is intended to make the consumable material accessible to the consumer
29 through customary or reasonably foreseeable handling or use.

30 Sec. 64. Section 77-4007, Revised Statutes Supplement, 2023, is
31 amended to read:

1 77-4007 Tobacco products shall mean (1) cigars, (2) cheroots, (3)
2 stogies, (4) periques, (5) granulated, plug cut, crimp cut, ready rubbed,
3 and other smoking tobacco, (6) snuff, (7) snuff flour, (8) cavendish, (9)
4 plug and twist tobacco, (10) fine cut and other chewing tobacco, (11)
5 shorts, refuse scraps, clippings, cuttings, and sweepings of tobacco,
6 (12) other kinds and forms of tobacco, prepared in such manner as to be
7 suitable for chewing or smoking in a pipe or otherwise or both for
8 chewing and smoking, ~~and~~ (13) electronic nicotine delivery systems, and
9 (14) alternative nicotine products, except that tobacco products shall
10 not mean cigarettes as defined in section 77-2601.

11 Sec. 65. Section 77-4008, Revised Statutes Supplement, 2023, is
12 amended to read:

13 77-4008 (1)(a) A tax is hereby imposed upon the first owner of
14 tobacco products to be sold in this state.

15 (b) The tax on snuff shall be forty-four cents per ounce and a
16 proportionate tax at the like rate on all fractional parts of an ounce.
17 Such tax shall be computed based on the net weight as listed by the
18 manufacturer.

19 (c) The tax on an electronic nicotine delivery system that is a
20 closed-system nicotine container containing three milliliters or less of
21 consumable material shall be thirty five cents per milliliter of
22 consumable material and a proportionate tax at the like rate on all
23 fractional parts of a milliliter.

24 (d) The tax on an electronic nicotine delivery system that is an
25 open-system nicotine container containing more than three milliliters of
26 consumable material shall be thirty ten percent of (i) the purchase price
27 of such electronic nicotine delivery system paid by the first owner or
28 (ii) the price at which the first owner who made, manufactured, or
29 fabricated the electronic nicotine delivery system sells the item to
30 others.

31 (e) For electronic nicotine delivery systems in the possession of

1 retail dealers for which tax has not been paid, the tax under this
2 subsection shall be imposed at the earliest time the retail dealer: (i)
3 Brings or causes to be brought into the state any electronic nicotine
4 delivery system for sale; (ii) makes, manufactures, or fabricates any
5 electronic nicotine delivery system in this state for sale in this state;
6 or (iii) sells any electronic nicotine delivery system to consumers
7 within this state.

8 (f) The tax on alternative nicotine products shall be ten cents per
9 ounce and a proportionate tax at the like rate on all fractional parts of
10 an ounce. Such tax shall be computed based on the net weight as listed by
11 the manufacturer.

12 (g) ~~(f)~~ The tax on tobacco products, other than snuff, and
13 electronic nicotine delivery systems, and alternative nicotine products,
14 shall be twenty percent of (i) the purchase price of such tobacco
15 products paid by the first owner or (ii) the price at which a first owner
16 who made, manufactured, or fabricated the tobacco product sells the items
17 to others.

18 (h) ~~(g)~~ The tax on tobacco products shall be in addition to all
19 other taxes.

20 (2) Whenever any person who is licensed under section 77-4009
21 purchases tobacco products from another person licensed under section
22 77-4009, the seller shall be liable for the payment of the tax.

23 (3) Amounts collected pursuant to this section shall be used and
24 distributed pursuant to section 77-4025.

25 Sec. 66. Section 77-4014, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 77-4014 (1) On or before the tenth day of each calendar month, every
28 person licensed under subsection (1) of section 77-4009 shall file a
29 return with the Tax Commissioner showing either the quantity and the
30 price of each tobacco product brought or caused to be brought into this
31 state for sale or the quantity and the price of each tobacco product

1 made, manufactured, or fabricated in this state for sale in this state,
2 whichever is applicable, during the preceding calendar month. For snuff
3 and alternative nicotine products, such return shall also include the net
4 weight as listed by the manufacturer.

5 (2) Every person licensed pursuant to subsection (2) of section
6 77-4009 shall, in the manner described in subsection (1) of this section,
7 file a return showing in detail the different kinds, quantity, and
8 wholesale sales price of each tobacco product shipped or transported to
9 retailers in this state to be sold by such retailers during the preceding
10 calendar month. For snuff and alternative nicotine products, such return
11 shall also include the net weight as listed by the manufacturer.

12 (3) Returns shall be made upon forms furnished and prescribed by the
13 Tax Commissioner. Each return shall be accompanied by a remittance for
14 the full tax liability shown, less an amount of such liability equal to
15 any amount allowed a payer of the sales and use tax pursuant to
16 subdivision (1)(d) of section 77-2708 as compensation to reimburse the
17 licensee for his or her expenses incurred in complying with the Tobacco
18 Products Tax Act.

19 Sec. 67. Section 77-4017, Reissue Revised Statutes of Nebraska, as
20 amended by Laws 2024, LB1204, section 33, is amended to read:

21 77-4017 (1) Every person licensed or certified under the Tobacco
22 Products Tax Act shall keep complete and accurate records for all places
23 of business, including itemized invoices of tobacco products (a) held,
24 purchased, manufactured, or brought in or caused to be brought into this
25 state or (b) for a person located outside of this state, shipped or
26 transported to retailers in this state. Such records shall be of
27 sufficient detail to identify the manufacturer of each tobacco product
28 held, purchased, manufactured, or brought in or caused to be brought into
29 this state. For snuff and alternative nicotine products, such records
30 shall also include the net weight as listed by the manufacturer.

31 (2) All books, records, and other papers and documents required to

1 be kept by this section shall be preserved for a period of at least three
2 years after the due date of the tax imposed by the Tobacco Products Tax
3 Act unless the Tax Commissioner, in writing, authorizes their destruction
4 or disposal at an earlier date.

5 (3) At any time during usual business hours, duly authorized agents
6 or employees of the Tax Commissioner may enter any place of business of a
7 person licensed or certified under the Tobacco Products Tax Act and
8 inspect the premises, the records required to be kept pursuant to this
9 section, and the tobacco products contained in such place of business for
10 purposes of determining whether or not such person is in full compliance
11 with the act. Refusal to permit such inspection by a duly authorized
12 agent or employee of the Tax Commissioner shall be grounds for
13 revocation, cancellation, or suspension of the license or certification.

14 Sec. 68. Section 77-4025, Revised Statutes Supplement, 2023, as
15 amended by Laws 2024, LB1204, section 36, is amended to read:

16 77-4025 (1) There is hereby created a cash fund in the Department of
17 Revenue to be known as the Tobacco Products Administration Cash Fund. All
18 revenue collected or received by the Tax Commissioner from the license
19 fees, certification fees, and taxes imposed by the Tobacco Products Tax
20 Act shall be remitted to the State Treasurer for credit to the Tobacco
21 Products Administration Cash Fund, except that all such revenue relating
22 to electronic nicotine delivery systems shall be remitted to the State
23 Treasurer for credit as follows:

24 (a) Two-thirds of the tax revenue relating to electronic nicotine
25 delivery systems shall be credited to the Education Future Fund; and

26 (b) All other revenue relating to electronic nicotine delivery
27 systems shall be credited to the General Fund.

28 (2) All costs required for administration of the Tobacco Products
29 Tax Act shall be paid from the Tobacco Products Administration Cash Fund.
30 Credits and refunds allowed under the act shall be paid from the Tobacco
31 Products Administration Cash Fund. Any receipts, after credits and

1 refunds, in excess of the amounts sufficient to cover the costs of
2 administration may be transferred to the General Fund at the direction of
3 the Legislature.

4 (3) Any money in the Tobacco Products Administration Cash Fund
5 available for investment shall be invested by the state investment
6 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
7 State Funds Investment Act.

8 Sec. 69. Section 77-4212, Revised Statutes Supplement, 2023, as
9 amended by Laws 2024, LB126, section 11, is amended to read:

10 77-4212 (1) For tax year 2007, the amount of relief granted under
11 the Property Tax Credit Act shall be one hundred five million dollars.
12 For tax year 2008, the amount of relief granted under the act shall be
13 one hundred fifteen million dollars. It is the intent of the Legislature
14 to fund the Property Tax Credit Act for tax years after tax year 2008
15 using available revenue. For tax year 2017, the amount of relief granted
16 under the act shall be two hundred twenty-four million dollars. For tax
17 year 2020 through tax year 2022, the minimum amount of relief granted
18 under the act shall be two hundred seventy-five million dollars. For tax
19 year 2023, the minimum amount of relief granted under the act shall be
20 three hundred sixty million dollars. For tax year 2024, the minimum
21 amount of relief granted under the act shall be three hundred ninety-five
22 million dollars. For tax year 2025, the minimum amount of relief granted
23 under the act shall be one hundred ninety-five ~~four hundred thirty~~
24 million dollars. For tax year 2026, the minimum amount of relief granted
25 under the act shall be one hundred eighty ~~four hundred forty-five~~ million
26 dollars. For tax year 2027, the minimum amount of relief granted under
27 the act shall be one hundred seventy ~~four hundred sixty~~ million dollars.
28 For tax year 2028, the minimum amount of relief granted under the act
29 shall be one hundred eighty-five ~~four hundred seventy-five~~ million
30 dollars. For tax year 2029, the minimum amount of relief granted under
31 the act shall be the minimum amount from the prior tax year plus a

1 percentage increase equal to the percentage increase, if any, in the
2 total assessed value of all real property in the state from the prior
3 year to the current year, as determined by the Department of Revenue,
4 plus an additional seventy-five million dollars. For tax year 2030 and
5 each tax year thereafter, the minimum amount of relief granted under the
6 act shall be the minimum amount from the prior tax year plus a percentage
7 increase equal to the percentage increase, if any, in the total assessed
8 value of all real property in the state from the prior year to the
9 current year, as determined by the Department of Revenue. If money is
10 transferred or credited to the Property Tax Credit Cash Fund pursuant to
11 any other state law, such amount shall be added to the minimum amount
12 required under this subsection when determining the total amount of
13 relief granted under the act. The relief shall be in the form of a
14 property tax credit which appears on the property tax statement.

15 (2)(a) For tax years prior to tax year 2017, to determine the amount
16 of the property tax credit, the county treasurer shall multiply the
17 amount disbursed to the county under subdivision (4)(a) of this section
18 by the ratio of the real property valuation of the parcel to the total
19 real property valuation in the county. The amount determined shall be the
20 property tax credit for the property.

21 (b) Beginning with tax year 2017, to determine the amount of the
22 property tax credit, the county treasurer shall multiply the amount
23 disbursed to the county under subdivision (4)(b) of this section by the
24 ratio of the credit allocation valuation of the parcel to the total
25 credit allocation valuation in the county. The amount determined shall be
26 the property tax credit for the property.

27 (3) If the real property owner qualifies for a homestead exemption
28 under sections 77-3501 to 77-3529 and section 3 of this act, the owner
29 shall also be qualified for the relief provided in the act to the extent
30 of any remaining liability after calculation of the relief provided by
31 the homestead exemption. If the credit results in a property tax

1 liability on the homestead that is less than zero, the amount of the
2 credit which cannot be used by the taxpayer shall be returned to the
3 Property Tax Administrator by July 1 of the year the amount disbursed to
4 the county was disbursed. The Property Tax Administrator shall
5 immediately credit any funds returned under this subsection to the
6 Property Tax Credit Cash Fund. Upon the return of any funds under this
7 subsection, the county treasurer shall electronically file a report with
8 the Property Tax Administrator, on a form prescribed by the Tax
9 Commissioner, indicating the amount of funds distributed to each taxing
10 unit in the county in the year the funds were returned, any collection
11 fee retained by the county in such year, and the amount of unused credits
12 returned.

13 (4)(a) For tax years prior to tax year 2017, the amount disbursed to
14 each county shall be equal to the amount available for disbursement
15 determined under subsection (1) of this section multiplied by the ratio
16 of the real property valuation in the county to the real property
17 valuation in the state. By September 15, the Property Tax Administrator
18 shall determine the amount to be disbursed under this subdivision to each
19 county and certify such amounts to the State Treasurer and to each
20 county. The disbursements to the counties shall occur in two equal
21 payments, the first on or before January 31 and the second on or before
22 April 1. After retaining one percent of the receipts for costs, the
23 county treasurer shall allocate the remaining receipts to each taxing
24 unit levying taxes on taxable property in the tax district in which the
25 real property is located in the same proportion that the levy of such
26 taxing unit bears to the total levy on taxable property of all the taxing
27 units in the tax district in which the real property is located.

28 (b) Beginning with tax year 2017, the amount disbursed to each
29 county shall be equal to the amount available for disbursement determined
30 under subsection (1) of this section multiplied by the ratio of the
31 credit allocation valuation in the county to the credit allocation

1 valuation in the state. By September 15, the Property Tax Administrator
2 shall determine the amount to be disbursed under this subdivision to each
3 county and certify such amounts to the State Treasurer and to each
4 county. The disbursements to the counties shall occur in two equal
5 payments, the first on or before January 31 and the second on or before
6 April 1. After retaining one percent of the receipts for costs, the
7 county treasurer shall allocate the remaining receipts to each taxing
8 unit, excluding school districts, based on its share of the credits
9 granted to all taxpayers in the taxing unit.

10 (5) For purposes of this section, credit allocation valuation means
11 the taxable value for all real property except agricultural land and
12 horticultural land, one hundred twenty percent of taxable value for
13 agricultural land and horticultural land that is not subject to special
14 valuation, and one hundred twenty percent of taxable value for
15 agricultural land and horticultural land that is subject to special
16 valuation.

17 (6) The State Treasurer shall transfer from the General Fund to the
18 Property Tax Credit Cash Fund one hundred five million dollars by August
19 1, 2007, and one hundred fifteen million dollars by August 1, 2008.

20 (7) The Legislature shall have the power to transfer funds from the
21 Property Tax Credit Cash Fund to the General Fund.

22 Sec. 70. Section 77-4405, Revised Statutes Supplement, 2023, as
23 amended by Laws 2024, LB1317, section 90, and Laws 2024, LB1344, section
24 14, is amended to read:

25 77-4405 (1) If the department finds that creation of the good life
26 district would not exceed the limits prescribed in subsection (4) of
27 section 77-4404 and the project described in the application meets the
28 eligibility requirements of this section, the application shall be
29 approved.

30 (2) A project is eligible if:

31 (a) The applicant demonstrates that the total new development costs

1 of the project will exceed:

2 (i) One billion dollars if the project will be located in a city of
3 the metropolitan class;

4 (ii) Seven hundred fifty million dollars if the project will be
5 located in a city of the primary class;

6 (iii) Five hundred million dollars if the project will be located in
7 a city of the first class, city of the second class, or village within a
8 county with a population of one hundred thousand inhabitants or more; or

9 (iv) One hundred million dollars if the project will be located in a
10 city of the first class, city of the second class, village, or sanitary
11 and improvement district within a county with a population of less than
12 one hundred thousand inhabitants;

13 (b) The applicant demonstrates that the project will directly or
14 indirectly result in the creation of:

15 (i) One thousand new jobs if the project will be located in a city
16 of the metropolitan class;

17 (ii) Five hundred new jobs if the project will be located in a city
18 of the primary class;

19 (iii) Two hundred fifty new jobs if the project will be located in a
20 city of the first class, city of the second class, or village within a
21 county with a population of one hundred thousand inhabitants or more; or

22 (iv) Fifty new jobs if the project will be located in a city of the
23 first class, city of the second class, village, or sanitary and
24 improvement district within a county with a population of less than one
25 hundred thousand inhabitants; and

26 (c)(i) For a project that will be located in a county with a
27 population of one hundred thousand inhabitants or more, the applicant
28 demonstrates that, upon completion of the project, at least twenty
29 percent of sales at the project will be made to persons residing outside
30 the State of Nebraska or the project will generate a minimum of six
31 hundred thousand visitors per year who reside outside the State of

1 Nebraska and the project will attract new-to-market retail to the state
2 and will generate a minimum of three million visitors per year. Students
3 from another state who attend a Nebraska public or private university
4 shall not be counted as out-of-state residents for purposes of this
5 subdivision; or

6 (ii) For a project that will be located in a county with a
7 population of less than one hundred thousand inhabitants, the applicant
8 demonstrates that, upon completion of the project, at least twenty
9 percent of sales at the project will be made to persons residing outside
10 the State of Nebraska. Students from another state who attend a Nebraska
11 public or private university shall not be counted as out-of-state
12 residents for purposes of this subdivision.

13 (3) The applicant must certify that any anticipated diversion of
14 state sales tax revenue will be offset or exceeded by sales tax paid on
15 anticipated development costs, including construction to real property,
16 during the same period.

17 (4) A project is not eligible if:

18 (a) The project includes a licensed racetrack enclosure or an
19 authorized gaming operator as such terms are defined in section 9-1103,
20 except that this subdivision shall not apply to infrastructure or
21 facilities that are (i) publicly owned or (ii) used by or at the
22 direction of the Nebraska State Fair Board, so long as no gaming devices
23 or games of chance are expected to be operated by an authorized gaming
24 operator within any such facilities;

25 (b) The project received funds pursuant to the Shovel-Ready Capital
26 Recovery and Investment Act or the Economic Recovery Act, except that
27 this subdivision shall not apply to any project located in a qualified
28 inland port district; or

29 (c) The project includes any portion of a public or private
30 university.

31 (5) Approval of an application under this section shall establish

1 the good life district as that area depicted in the map accompanying the
2 application as submitted pursuant to subdivision (1)(b) of section
3 77-4404. Such district shall last for thirty years and shall not exceed
4 two thousand acres in size if in a city of the metropolitan class, three
5 thousand acres in size if in any other class of city or village, or, for
6 any good life district created within a qualified inland port district,
7 the size of the qualified inland port district.

8 ~~(6)(a) Prior to July 1, 2024, any transactions occurring within a~~
9 ~~good life district shall be subject to a reduced state sales tax rate as~~
10 ~~provided in subdivision (5) of section 77-2701.02.~~

11 ~~(6) Any (b) On and after July 1, 2024, any transactions occurring~~
12 ~~within a good life district shall be subject to a reduced state sales tax~~
13 ~~rate as provided in subdivision (6) of section 77-2701.02.~~

14 (7) After establishment of a good life district pursuant to this
15 section, a good life district applicant may adjust the boundaries of the
16 district by filing an amended map with the department and updates or
17 supplements to the application materials originally submitted by the good
18 life district applicant to demonstrate the eligibility criteria in
19 subsection (2) of this section will be met after the boundaries are
20 adjusted. The department shall approve the new boundaries on the
21 following conditions:

22 (a) The department determines that the eligibility criteria in
23 subsection (2) of this section will continue to be met after the proposed
24 boundary adjustment based on the materials submitted by the good life
25 district applicant; and

26 (b) For any area being removed from the district:

27 (i) The department shall solicit and receive from the city or
28 village in which all or a portion of the good life district is located
29 confirmation that no area being removed is attributable to local sources
30 of revenue which have been pledged for payment of bonds issued pursuant
31 to the Good Life District Economic Development Act. Confirmation may

1 include resolutions, meeting minutes, or other official measures adopted
2 or taken by the city council or village board of trustees; and

3 (ii) Either the department has received written consent from the
4 owners of real estate proposed to be removed from the good life district,
5 or a hearing is held by the department in the manner described in this
6 subdivision and the department finds that the removal of the affected
7 property is in the best interests of the state and that the removal is
8 consistent with the goals and purposes of the approved application for
9 the good life district. In determining whether removal of the affected
10 property is consistent with the goals and purposes of the approved
11 application for the good life district, the department may consider any
12 formal action taken by the city council or village board of trustees.
13 Proof of such formal action may include resolutions, meeting minutes, or
14 other official measures adopted or taken. Such hearing must be held at
15 least ninety days after delivering written notice via certified mail to
16 the owners of record for the affected real estate proposed to be removed
17 from the good life district. The hearing must be open to the public and
18 for the stated purpose of hearing testimony regarding the proposed
19 removal of property from the good life district. Attendees must be given
20 the opportunity to speak and submit documentary evidence at, prior to, or
21 contemporaneously with such hearing for the department to consider in
22 making its findings.

23 (8) After establishment of a good life district pursuant to this
24 section, but within twelve months after the approval of the original
25 application or after any modification is made to the boundaries of a good
26 life district pursuant to this section, a city or village in which any
27 part of the applicable good life district is located may file a
28 supplemental request to the department to increase the size of the good
29 life district by up to one thousand acres. Such supplemental request
30 shall be accompanied by such materials and certifications necessary to
31 demonstrate that such increase would not negatively impact the criteria

1 that were necessary for the original establishment of such good life
2 district.

3 (9) After establishment of a good life district pursuant to this
4 section and after any modification is made to the boundaries of a good
5 life district pursuant to this section, the department shall transmit to
6 any city or village which includes such good life district within its
7 boundaries or within its extraterritorial zoning jurisdiction (a) all
8 information held by the department related to the application and
9 approval of the application, (b) all documentation which describes the
10 property included within the good life district, and (c) all
11 documentation transmitted to the applicant for such good life district
12 with approval of the application and establishment of the good life
13 district. Such city or village shall be subject to the same
14 confidentiality restrictions as provided in subsection (3) of section
15 77-4404, except that all such documents, plans, and specifications
16 included in the application which the city or village determine define or
17 describe the project may be provided upon written request of any person
18 who owns property in the applicable good life district.

19 (10) After establishment of a good life district that exceeds one
20 thousand acres in size, the good life district applicant may apply to the
21 department to establish development and design standards for the good
22 life district. Such standards may include, but are not limited to,
23 standards for architectural design, landscape design, construction
24 materials, and sustainability, but may not require property owners to
25 utilize specific contractors, professionals, suppliers, or service
26 providers. The department may approve the standards after holding a
27 hearing after one hundred eighty days' notice to all property owners in
28 the district if the department finds that the standards will ensure a
29 comprehensive and cohesive character and aesthetic for development in the
30 good life district, and that the standards will further the purposes of
31 the Good Life Transformational Projects Act. The development and design

1 standards must be commercially reasonable and consistent with terminology
2 and accepted practices in the architecture industry, must not conflict
3 with any building code or other similar law or regulation, and must not
4 impose an undue burden on property owners in the district. If approved,
5 the standards shall apply to all new construction inside of the good life
6 district. Notwithstanding the foregoing, any such standards established
7 by the department shall be in addition and supplemental to any local
8 zoning, building code, comprehensive plan, or similar requirements of the
9 city or village, which requirements of the city or village shall control
10 to the extent of any conflict with any design standards established by
11 the department.

12 (11) Demonstration of meeting the required new development costs for
13 purposes of subdivision (2)(a) of this section may be established by
14 evidence submitted by the good life district applicant, the city or
15 village where the good life district is located, or any other person
16 which submits satisfactory evidence to the department.

17 Sec. 71. Section 77-4602, Revised Statutes Cumulative Supplement,
18 2022, is amended to read:

19 77-4602 (1) Within fifteen days after the end of each month, the Tax
20 Commissioner shall provide a public statement of actual General Fund net
21 receipts, a comparison of such actual net receipts to the monthly
22 estimated net receipts from the most recent forecast provided by the
23 Nebraska Economic Forecasting Advisory Board pursuant to section
24 77-27,158, and a comparison of such actual net receipts to the monthly
25 actual net receipts for the same month of the previous fiscal year.

26 (2) Within fifteen days after the end of each fiscal year, the
27 public statement shall also include (a) a summary of actual General Fund
28 net receipts and estimated General Fund net receipts for the fiscal year
29 as certified pursuant to sections 77-4601 and 77-4603 and (b) a
30 comparison of the actual General Fund net receipts for the fiscal year to
31 the actual General Fund net receipts for the previous fiscal year.

1 (3)(a) This subsection applies on and after July 1, 2025.

2 (b) If actual General Fund net receipts for the most recently
3 completed fiscal year exceed estimated General Fund net receipts for such
4 fiscal year, as reported pursuant to subsection (2) of this section, the
5 Tax Commissioner shall certify the excess amount to the State Treasurer.
6 The State Treasurer shall transfer the excess amount to the Cash Reserve
7 Fund, except as otherwise provided in subdivision (3)(c) of this section.

8 (c) If actual General Fund net receipts for the most recently
9 completed fiscal year exceed one hundred three percent of actual General
10 Fund net receipts for the previous fiscal year, the transfer described in
11 subdivision (3)(b) of this section shall be modified as follows:

12 (i) The amount transferred to the Cash Reserve Fund shall be reduced
13 by the excess amount calculated under subdivision (3)(c) of this section;
14 and

15 (ii) Such excess amount shall be transferred to the Education Future
16 Fund.

17 ~~(3)(a) Within fifteen days after the end of fiscal year 2020-21 and~~
18 ~~each fiscal year thereafter through fiscal year 2022-23, the Tax~~
19 ~~Commissioner shall determine the balance of the Cash Reserve Fund.~~

20 ~~(b) If the balance of the Cash Reserve Fund is less than five~~
21 ~~hundred million dollars:~~

22 ~~(i) The Tax Commissioner shall determine:~~

23 ~~(A) Actual General Fund net receipts for the most recently completed~~
24 ~~fiscal year minus estimated General Fund net receipts for such fiscal~~
25 ~~year as certified pursuant to sections 77-4601 and 77-4603; and~~

26 ~~(B) Actual General Fund net receipts for the most recently completed~~
27 ~~fiscal year minus one hundred three and one-half percent of actual~~
28 ~~General Fund net receipts for the prior fiscal year.~~

29 ~~(ii) If the amounts calculated under subdivisions (3)(b)(i)(A) and~~
30 ~~(3)(b)(i)(B) of this section are both positive numbers, the Tax~~
31 ~~Commissioner shall certify (A) the amount determined under subdivision~~

1 ~~(3)(b)(i)(A) of this section and (B) fifty percent of the amount~~
2 ~~determined under subdivision (3)(b)(i)(B) of this section to the State~~
3 ~~Treasurer. The State Treasurer shall transfer the difference between the~~
4 ~~two certified amounts to the Cash Reserve Fund.~~

5 ~~(iii) If the amount calculated under subdivision (3)(b)(i)(A) of~~
6 ~~this section is a positive number but the amount calculated under~~
7 ~~subdivision (3)(b)(i)(B) of this section is a negative number, the Tax~~
8 ~~Commissioner shall certify the amount determined under subdivision (3)(b)~~
9 ~~(i)(A) of this section to the State Treasurer and the State Treasurer~~
10 ~~shall transfer such certified amount to the Cash Reserve Fund.~~

11 ~~(c) If the balance of the Cash Reserve Fund is five hundred million~~
12 ~~dollars or more:~~

13 ~~(i) The Tax Commissioner shall determine:~~

14 ~~(A) Actual General Fund net receipts for the most recently completed~~
15 ~~fiscal year minus estimated General Fund net receipts for such fiscal~~
16 ~~year as certified pursuant to sections 77-4601 and 77-4603; and~~

17 ~~(B) Actual General Fund net receipts for the most recently completed~~
18 ~~fiscal year minus one hundred three and one-half percent of actual~~
19 ~~General Fund net receipts for the prior fiscal year.~~

20 ~~(ii) If the amounts calculated under subdivisions (3)(c)(i)(A) and~~
21 ~~(3)(c)(i)(B) of this section are both positive numbers, the Tax~~
22 ~~Commissioner shall certify (A) the amount determined under subdivision~~
23 ~~(3)(c)(i)(A) of this section and (B) the amount determined under~~
24 ~~subdivision (3)(c)(i)(B) of this section to the State Treasurer. The~~
25 ~~State Treasurer shall transfer the difference between the two certified~~
26 ~~amounts to the Cash Reserve Fund.~~

27 ~~(iii) If the amount calculated under subdivision (3)(c)(i)(A) of~~
28 ~~this section is a positive number but the amount calculated under~~
29 ~~subdivision (3)(c)(i)(B) of this section is a negative number, the Tax~~
30 ~~Commissioner shall certify the amount determined under subdivision (3)(c)~~
31 ~~(i)(A) of this section to the State Treasurer and the State Treasurer~~

1 ~~shall transfer such certified amount to the Cash Reserve Fund.~~

2 ~~(4)(a) Within fifteen days after the end of fiscal year 2023-24 and~~
3 ~~each fiscal year thereafter, the Tax Commissioner shall determine the~~
4 ~~following:~~

5 ~~(i) Actual General Fund net receipts for the most recently completed~~
6 ~~fiscal year minus estimated General Fund net receipts for such fiscal~~
7 ~~year as certified pursuant to sections 77-4601 and 77-4603; and~~

8 ~~(ii) Fifty percent of the product of actual General Fund net~~
9 ~~receipts for the most recently completed fiscal year times the difference~~
10 ~~between the annual percentage increase in the actual General Fund net~~
11 ~~receipts for the most recently completed fiscal year and the average~~
12 ~~annual percentage increase in the actual General Fund net receipts over~~
13 ~~the twenty previous fiscal years, excluding the year in which the annual~~
14 ~~percentage change in actual General Fund net receipts is the lowest.~~

15 ~~(b) If the number determined under subdivision (4)(a)(i) of this~~
16 ~~section is a positive number, the Tax Commissioner shall immediately~~
17 ~~certify the greater of the two numbers determined under subdivision (4)~~
18 ~~(a) of this section to the director. The State Treasurer shall transfer~~
19 ~~the certified amount from the General Fund to the Cash Reserve Fund upon~~
20 ~~certification by the director of such amount. The transfer shall be made~~
21 ~~according to the following schedule:~~

22 ~~(i) An amount equal to the amount determined under subdivision (4)~~
23 ~~(a)(i) of this section shall be transferred immediately; and~~

24 ~~(ii) The remainder, if any, shall be transferred by the end of the~~
25 ~~subsequent fiscal year.~~

26 ~~(c) If the transfer required under subdivision (4)(b) of this~~
27 ~~section causes the balance in the Cash Reserve Fund to exceed sixteen~~
28 ~~percent of the total budgeted General Fund expenditures for the current~~
29 ~~fiscal year, such transfer shall be reduced so that the balance of the~~
30 ~~Cash Reserve Fund does not exceed such amount.~~

31 ~~(d) Nothing in this subsection prohibits the balance in the Cash~~

1 ~~Reserve Fund from exceeding sixteen percent of the total budgeted General~~
2 ~~Fund expenditures each fiscal year if the Legislature determines it~~
3 ~~necessary to prepare for and respond to budgetary requirements which may~~
4 ~~include, but are not limited to, capital construction projects and~~
5 ~~responses to emergencies.~~

6 Sec. 72. Section 77-6403, Revised Statutes Cumulative Supplement,
7 2022, is amended to read:

8 77-6403 (1) Any county that has a qualified judgment in excess of
9 twenty-five million dollars rendered against it may, upon adoption of a
10 resolution by the affirmative vote of at least a two-thirds majority of
11 all elected members of the county board, impose a sales and use tax of
12 one-half of one percent on transactions that are subject to the state
13 sales and use tax under the Nebraska Revenue Act of 1967, as amended from
14 time to time, and that are sourced as provided in sections 77-2703.01 to
15 77-2703.04 within the county. Any sales and use tax imposed pursuant to
16 this section shall be used to pay the qualified judgment.

17 (2) The Tax Commissioner shall administer all sales and use taxes
18 imposed pursuant to this section. The Tax Commissioner may prescribe
19 forms and adopt and promulgate rules and regulations in conformity with
20 the Nebraska Revenue Act of 1967, as amended, for the making of returns
21 and for the ascertainment, assessment, and collection of taxes. The
22 county shall furnish a certified copy of the resolution imposing the tax
23 to the Tax Commissioner. The tax shall begin on the first day of the
24 first calendar quarter which begins at least sixty days after receipt by
25 the Tax Commissioner of the certified copy of the resolution. The Tax
26 Commissioner shall provide at least thirty days' notice of the adoption
27 of the tax to retailers within the county. Such notice may be provided
28 through the website of the Department of Revenue or by other electronic
29 means.

30 (3) Any sales and use tax imposed pursuant to this section shall
31 terminate on the first day of the first calendar quarter which begins

1 after the qualified judgment has been paid in full or after seven years,
2 whichever is earlier. The county shall notify the Tax Commissioner of the
3 anticipated termination date at least one hundred twenty days in advance.
4 The Tax Commissioner shall provide at least sixty days' notice of the
5 termination date to retailers within the county. Such notice may be
6 provided through the website of the Department of Revenue or by other
7 electronic means.

8 (4) The Tax Commissioner shall collect any sales and use tax imposed
9 pursuant to this section concurrently with collection of a state sales
10 and use tax in the same manner as the state tax is collected. The Tax
11 Commissioner shall remit monthly the proceeds of the tax to the county
12 imposing the tax, after deducting the amount of refunds made and fifteen
13 ~~three~~ percent of the remainder as an administrative fee necessary to
14 defray the cost of collecting the tax and the expenses incident thereto.
15 The Tax Commissioner shall keep full and accurate records of all money
16 received and distributed. All receipts from the fifteen percent ~~three-~~
17 ~~percent~~ administrative fee shall be deposited in the state General Fund.
18 For fiscal year 2024-25, the counties imposing the tax shall be
19 guaranteed to receive total net taxable sales equal to the fiscal year
20 2023-24 net taxable sales amount plus one percent. For each fiscal year
21 thereafter, the guaranteed taxable sales amount shall increase by one
22 percent.

23 (5) Upon any claim of illegal assessment and collection of any sales
24 and use tax imposed pursuant to this section, the taxpayer has the same
25 remedies provided for claims of illegal assessment and collection of the
26 state sales and use tax.

27 (6) All relevant provisions of the Nebraska Revenue Act of 1967, as
28 amended, not inconsistent with this section, shall govern transactions,
29 proceedings, and activities related to any sales and use tax imposed
30 pursuant to this section.

31 (7) For purposes of any sales and use tax imposed pursuant to this

1 section, all retail sales, rentals, and leases, as defined and described
2 in the Nebraska Revenue Act of 1967, shall be sourced as provided in
3 sections 77-2703.01 to 77-2703.04.

4 Sec. 73. Section 77-6702, Revised Statutes Supplement, 2023, is
5 amended to read:

6 77-6702 For purposes of the Nebraska Property Tax Incentive Act:

7 ~~(1) Allowable growth percentage means the percentage increase, if~~
8 ~~any, in the total assessed value of all real property in the state from~~
9 ~~the prior year to the current year, as determined by the department;~~

10 (1) ~~(2)~~ Community college taxes means property taxes levied on real
11 property in this state by a community college area, excluding the
12 following:

13 (a) Any property taxes levied for bonded indebtedness;

14 (b) Any property taxes levied as a result of an override of limits
15 on property tax levies approved by voters pursuant to section 77-3444;
16 and

17 (c) Any property taxes that, as of the time of payment, were
18 delinquent for five years or more;

19 (2) ~~(3)~~ Department means the Department of Revenue;

20 (3) ~~(4)~~ Eligible taxpayer means any individual, corporation,
21 partnership, limited liability company, trust, estate, or other entity
22 that pays school district taxes or community college taxes during a
23 taxable year; and

24 (4) ~~(5)~~ School district taxes means property taxes levied on real
25 property in this state by a school district or multiple-district school
26 system, excluding the following:

27 (a) Any property taxes levied for bonded indebtedness;

28 (b) Any property taxes levied as a result of an override of limits
29 on property tax levies approved by voters pursuant to section 77-3444;
30 and

31 (c) Any property taxes that, as of the time of payment, were

1 delinquent for five years or more.

2 Sec. 74. Section 77-6703, Revised Statutes Supplement, 2023, is
3 amended to read:

4 77-6703 (1) For taxable years beginning or deemed to begin on or
5 after January 1, 2020, and before January 1, 2024, under the Internal
6 Revenue Code of 1986, as amended, there shall be allowed to each eligible
7 taxpayer a refundable credit against the income tax imposed by the
8 Nebraska Revenue Act of 1967 or against the franchise tax imposed by
9 sections 77-3801 to 77-3807. The credit shall be equal to the credit
10 percentage for the taxable year, as set by the department under
11 subsection (2) of this section, multiplied by the amount of school
12 district taxes paid by the eligible taxpayer during such taxable year.

13 ~~(2)(a) For taxable years beginning or deemed to begin during~~
14 ~~calendar year 2020, the department shall set the credit percentage so~~
15 ~~that the total amount of credits for such taxable years shall be one~~
16 ~~hundred twenty-five million dollars;~~

17 ~~(b) For taxable years beginning or deemed to begin during calendar~~
18 ~~year 2021, the department shall set the credit percentage so that the~~
19 ~~total amount of credits for such taxable years shall be one hundred~~
20 ~~twenty-five million dollars plus either (i) the amount calculated for~~
21 ~~such calendar year under subdivision (3)(b)(ii)(B) of section 77-4602 or~~
22 ~~(ii) the amount calculated for such calendar year under subdivision (3)~~
23 ~~(c)(ii)(B) of section 77-4602, whichever is applicable;~~

24 (2)(a) (c) For taxable years beginning or deemed to begin during
25 calendar year 2022, the department shall set the credit percentage so
26 that the total amount of credits for such taxable years shall be five
27 hundred forty-eight million dollars; and

28 (b) (d) For taxable years beginning or deemed to begin during
29 calendar year 2023, the department shall set the credit percentage so
30 that the total amount of credits for such taxable years shall be five
31 hundred sixty million seven hundred thousand dollars. ÷

1 ~~(e) For taxable years beginning or deemed to begin during calendar~~
2 ~~year 2024 through calendar year 2028, the department shall set the credit~~
3 ~~percentage so that the total amount of credits for such taxable years~~
4 ~~shall be the maximum amount of credits allowed in the prior year~~
5 ~~increased by the allowable growth percentage;~~

6 ~~(f) For taxable years beginning or deemed to begin during calendar~~
7 ~~year 2029, the department shall set the credit percentage so that the~~
8 ~~total amount of credits for such taxable years shall be the maximum~~
9 ~~amount of credits allowed in the prior year increased by the allowable~~
10 ~~growth percentage plus an additional seventy-five million dollars; and~~

11 ~~(g) For taxable years beginning or deemed to begin during calendar~~
12 ~~year 2030 and each calendar year thereafter, the department shall set the~~
13 ~~credit percentage so that the total amount of credits for such taxable~~
14 ~~years shall be the maximum amount of credits allowed in the prior year~~
15 ~~increased by the allowable growth percentage.~~

16 (3) If the school district taxes are paid by a corporation having an
17 election in effect under subchapter S of the Internal Revenue Code, a
18 partnership, a limited liability company, a trust, or an estate, the
19 amount of school district taxes paid during the taxable year may be
20 allocated to the shareholders, partners, members, or beneficiaries in the
21 same proportion that income is distributed for taxable years beginning or
22 deemed to begin before January 1, 2021, under the Internal Revenue Code
23 of 1986, as amended. The department shall provide forms and schedules
24 necessary for verifying eligibility for the credit provided in this
25 section and for allocating the school district taxes paid. For taxable
26 years beginning or deemed to begin on or after January 1, 2021, and
27 before January 1, 2024, under the Internal Revenue Code of 1986, as
28 amended, the refundable credit shall be claimed by the corporation having
29 an election in effect under subchapter S of the Internal Revenue Code,
30 the partnership, the limited liability company, the trust, or the estate
31 that paid the school district taxes.

1 (4) For any fiscal year or short year taxpayer, the credit may be
2 claimed in the first taxable year that begins following the calendar year
3 for which the credit percentage was determined. The credit shall be taken
4 for the school district taxes paid by the taxpayer during the immediately
5 preceding calendar year.

6 (5) For the first taxable year beginning or deemed to begin on or
7 after January 1, 2021, and before January 1, 2022, under the Internal
8 Revenue Code of 1986, as amended, for a corporation having an election in
9 effect under subchapter S of the Internal Revenue Code, a partnership, a
10 limited liability company, a trust, or an estate that paid school
11 district taxes in calendar year 2020 but did not claim the credit
12 directly or allocate such school district taxes to the shareholders,
13 partners, members, or beneficiaries as permitted under subsection (3) of
14 this section, there shall be allowed an additional refundable credit.
15 This credit shall be equal to six percent, multiplied by the amount of
16 school district taxes paid during 2020 by the eligible taxpayer.

17 Sec. 75. Section 79-1001, Revised Statutes Supplement, 2023, is
18 amended to read:

19 79-1001 Sections 79-1001 to 79-1033 and section 76 of this act shall
20 be known and may be cited as the Tax Equity and Educational Opportunities
21 Support Act.

22 Sec. 76. (1) For fiscal year 2025-26 and each fiscal year
23 thereafter, prior to remitting any amounts from the Education Future Fund
24 to any school district with respect to equalization aid under the Tax
25 Equity and Educational Opportunities Support Act, the department shall
26 first calculate the redevelopment project funding amount for such school
27 district as follows: (a) Subtract the lesser of (i) the maximum permitted
28 levy rate for the current fiscal year established pursuant to subdivision
29 (2)(a) of section 77-3442 or (ii) the actual levy rate established for
30 such district for the prior fiscal year, from the actual levy rate
31 established for such district for fiscal year 2024-25; (b) determine the

1 amount of such district's taxable valuation for the prior fiscal year
2 which is attributable to divided taxes under section 18-2147 of the
3 Community Development Law; and (c) multiply the difference determined in
4 subdivision (a) of this subsection by the valuation determined in
5 subdivision (b) of this subsection to produce the redevelopment project
6 funding amount for such district.

7 (2) The redevelopment project funding amount calculated in
8 subsection (1) of this section shall be paid from the Education Future
9 Fund on or before January 1 of the applicable fiscal year and shall be
10 remitted by the department to the county where the authority is located
11 for which such divided taxes are payable pursuant to section 18-2147 of
12 the Community Development Law. Such county shall process the
13 redevelopment project funding amount in the same manner as other property
14 taxes collected by the county, and shall remit such redevelopment project
15 funding to the applicable authority, which shall use such funding in the
16 same manner as divided taxes received from the county for the applicable
17 redevelopment project and to pay the principal of, the interest on, and
18 any premiums due in connection with the bonds of, loans, notes, or
19 advances of money to, or indebtedness incurred by the authority for the
20 applicable redevelopment projects. The redevelopment project funding
21 amount paid from the Education Future Fund shall not reduce the amount of
22 equalization aid or other state aid calculated for and payable to any
23 school district.

24 (3) The Legislature hereby finds and declares that the redevelopment
25 project funding provided by this section is necessary for the effective
26 rehabilitation, acquisition, or redevelopment of substandard and blighted
27 property in redevelopment projects located in such school districts, and
28 acknowledges that without the redevelopment project funding provided by
29 this section, the reduction of property tax levy rates for fiscal year
30 2025-26 and each fiscal year thereafter as provided in subdivision (2)(a)
31 of section 77-3442 would impair the ability of each such authority to

1 adequately effect such rehabilitation, acquisition, or redevelopment of
2 the applicable substandard and blighted property and to meet such
3 authority's obligations with respect to the bonds of, loans, notes, or
4 advances of money to, or indebtedness incurred by such authority for the
5 applicable redevelopment projects.

6 Sec. 77. Section 79-1015.01, Revised Statutes Cumulative Supplement,
7 2022, is amended to read:

8 79-1015.01 (1) Local system formula resources shall include local
9 effort rate yield which shall be computed as prescribed in this section.

10 (2) For school fiscal years prior to school fiscal year 2025-26 each
11 school fiscal year except school fiscal years 2017-18 and 2018-19: (a)
12 For state aid certified pursuant to section 79-1022, the local effort
13 rate shall be the maximum levy, for the school fiscal year for which aid
14 is being certified, authorized pursuant to subdivision (2)(a) of section
15 77-3442 less five cents; (b) for the final calculation of state aid
16 pursuant to section 79-1065, the local effort rate shall be the rate
17 which, when multiplied by the total adjusted valuation of all taxable
18 property in local systems receiving equalization aid pursuant to the Tax
19 Equity and Educational Opportunities Support Act, will produce the amount
20 needed to support the total formula need of such local systems when added
21 to state aid appropriated by the Legislature and other actual receipts of
22 local systems described in section 79-1018.01; and (c) the local effort
23 rate yield for such school fiscal years shall be determined by
24 multiplying each local system's total adjusted valuation by the local
25 effort rate.

26 (3) For school fiscal year 2025-26 and each school fiscal year
27 thereafter: (a) For state aid certified pursuant to section 79-1022, the
28 local effort rate shall be the maximum levy, for the school fiscal year
29 for which aid is being certified, authorized pursuant to subdivision (2)
30 (a) of section 77-3442 less two and one-half cents; (b) for the final
31 calculation of state aid pursuant to section 79-1065, the local effort

1 rate shall be the rate which, when multiplied by the total adjusted
2 valuation of all taxable property in local systems receiving equalization
3 aid pursuant to the Tax Equity and Educational Opportunities Support Act,
4 will produce the amount needed to support the total formula need of such
5 local systems when added to state aid appropriated by the Legislature and
6 other actual receipts of local systems described in section 79-1018.01;
7 and (c) the local effort rate yield for such school fiscal years shall be
8 determined by multiplying each local system's total adjusted valuation by
9 the local effort rate.

10 ~~(3) For school fiscal years 2017-18 and 2018-19: (a) For state aid~~
11 ~~certified pursuant to section 79-1022, the local effort rate shall be the~~
12 ~~maximum levy, for the school fiscal year for which aid is being~~
13 ~~certified, authorized pursuant to subdivision (2)(a) of section 77-3442~~
14 ~~less two and ninety-seven hundredths cents; (b) for the final calculation~~
15 ~~of state aid pursuant to section 79-1065, the local effort rate shall be~~
16 ~~the rate which, when multiplied by the total adjusted valuation of all~~
17 ~~taxable property in local systems receiving equalization aid pursuant to~~
18 ~~the Tax Equity and Educational Opportunities Support Act, will produce~~
19 ~~the amount needed to support the total formula need of such local systems~~
20 ~~when added to state aid appropriated by the Legislature and other actual~~
21 ~~receipts of local systems described in section 79-1018.01; and (c) the~~
22 ~~local effort rate yield for such school fiscal years shall be determined~~
23 ~~by multiplying each local system's total adjusted valuation by the local~~
24 ~~effort rate.~~

25 Sec. 78. Section 79-1021, Revised Statutes Supplement, 2023, as
26 amended by Laws 2024, LB1284, section 12, is amended to read:

27 79-1021 (1) The Education Future Fund is created. The fund shall be
28 administered by the department and shall consist of money transferred to
29 the fund by the Legislature and any other money designated for credit to
30 the fund. Transfers may be made from the Education Future Fund to the
31 Computer Science and Technology Education Fund at the direction of the

1 Legislature. Any money in the Education Future Fund available for
2 investment shall be invested by the state investment officer pursuant to
3 the Nebraska Capital Expansion Act and the Nebraska State Funds
4 Investment Act.

5 (2) The fund shall be used only for the following purposes, in order
6 of priority:

7 (a) To fully fund equalization aid under the Tax Equity and
8 Educational Opportunities Support Act;

9 (b) To fund reimbursements related to special education under
10 section 79-1142;

11 (c) To fund foundation aid under the Tax Equity and Educational
12 Opportunities Support Act;

13 (d) To provide property tax relief under the School District
14 Property Tax Relief Act ~~increase funding for school districts in a way~~
15 ~~that results in direct property tax relief, which means a dollar-for-~~
16 ~~dollar replacement of property taxes by a state funding source;~~

17 (e) To provide funding for a grant program created by the
18 Legislature to address teacher turnover rates and keep existing teachers
19 in classrooms;

20 (f) To provide funding to increase career and technical educational
21 classroom opportunities for students, including, but not limited to,
22 computer science education. Such funding must provide students with the
23 academic and technical skills, knowledge, and training necessary to
24 succeed in future careers;

25 (g) To provide funding for a grant program created by the
26 Legislature to provide students the opportunity to have a mentor who will
27 continuously engage with the student directly to aid in the student's
28 professional growth and give ongoing support and encouragement to the
29 student;

30 (h) To provide funding for extraordinary increases in special
31 education expenditures to allow school districts with large, unexpected

1 special education expenditures to more easily meet the needs of all
2 students;

3 (i) To provide funding to help recruit teachers throughout the state
4 by utilizing apprenticeships through a teacher apprenticeship program and
5 an alternative certification process;

6 (j) To provide funding to develop and implement a professional
7 learning system to help provide sustained professional learning and
8 training regarding evidence-based reading instruction and for a grant
9 program relating to dyslexia research; and

10 (k) To provide funding for a pilot project administered by the State
11 Department of Education to provide menstrual products to school
12 districts.

13 (3)(a) The State Treasurer shall transfer one billion dollars from
14 the General Fund to the Education Future Fund in fiscal year 2023-24, on
15 such dates and in such amounts as directed by the budget administrator of
16 the budget division of the Department of Administrative Services.

17 (b) The State Treasurer shall transfer one billion five hundred
18 eight million eight hundred two thousand nine hundred forty-four ~~two~~
19 ~~hundred fifty million~~ dollars from the General Fund to the Education
20 Future Fund in fiscal year 2024-25, on such dates and in such amounts as
21 directed by the budget administrator of the budget division of the
22 Department of Administrative Services.

23 (c) The State Treasurer shall transfer one billion eight hundred
24 twenty-nine million two hundred seventy-three thousand six hundred eight
25 dollars from the General Fund to the Education Future Fund in fiscal year
26 2025-26, on such dates and in such amounts as directed by the budget
27 administrator of the budget division of the Department of Administrative
28 Services.

29 (d) ~~(e)~~ It is the intent of the Legislature that two billion one
30 hundred eleven million one hundred fifty thousand one hundred five ~~two~~
31 ~~hundred fifty million~~ dollars be transferred from the General Fund to the

1 Education Future Fund in fiscal year 2026-27 ~~2025-26~~ and each fiscal year
2 thereafter.

3 Sec. 79. Section 79-10,120, Revised Statutes Cumulative Supplement,
4 2022, is amended to read:

5 79-10,120 (1) The school board or board of education of any school
6 district may establish a special fund for purposes of acquiring sites for
7 school buildings or teacherages, purchasing existing buildings for use as
8 school buildings or teacherages, including the sites upon which such
9 buildings are located, and the erection, alteration, equipping, and
10 furnishing of school buildings or teacherages and additions to school
11 buildings for elementary and high school grades and for no other purpose.
12 The fund shall be established from the proceeds of an annual levy, to be
13 determined by the board, of not to exceed:

14 (a) For fiscal years prior to fiscal year 2025-26, fourteen cents on
15 each one hundred dollars upon the taxable value of all taxable property
16 in the district; and which

17 (b) For fiscal year 2025-26 and each fiscal year thereafter:

18 (i) Ten cents on each one hundred dollars upon the taxable value of
19 all taxable property in the district for any project commenced on or
20 after the operative date of this section; or

21 (ii) Fourteen cents on each one hundred dollars upon the taxable
22 value of all taxable property in the district for any project commenced
23 prior to the operative date of this section.

24 (2) The tax authorized in this section shall be in addition to any
25 other taxes authorized to be levied for school purposes. Such tax shall
26 be levied and collected as are other taxes for school purposes. For
27 fiscal year 2025-26 and each fiscal year thereafter, such tax shall not
28 be subject to the levy limitations provided in section 77-3442.

29 Sec. 80. Section 81-12,193, Revised Statutes Cumulative Supplement,
30 2022, is amended to read:

31 81-12,193 (1) The Nebraska Transformational Project Fund is hereby

1 created. The fund shall receive money from application fees paid under
2 the Nebraska Transformational Projects Act and from appropriations from
3 the Legislature, grants, private contributions, repayments of matching
4 funds, and all other sources. Any money in the fund available for
5 investment shall be invested by the state investment officer pursuant to
6 the Nebraska Capital Expansion Act and the Nebraska State Funds
7 Investment Act.

8 (2) It is the intent of the Legislature that the State Treasurer
9 shall transfer an amount not to exceed three hundred million dollars to
10 the Nebraska Transformational Project Fund. Such transfers shall only
11 occur after the applicant has been selected for participation in the
12 program described in Title VII, Subtitle C, section 740 of Public Law
13 116-92 and commitments totaling one billion three hundred million dollars
14 in total investment, including only federal dollars and private
15 donations, have been secured. In no case shall any transfer occur before
16 fiscal year 2025-26 ~~or before the total amount of refundable credits~~
17 ~~granted annually under the Nebraska Property Tax Incentive Act reaches~~
18 ~~three hundred seventy-five million dollars.~~ Distributions shall only be
19 made from the fund in amounts equal to the amount of private dollars
20 received by the applicant for the project.

21 (3) Any money remaining in the fund after all obligations have been
22 met shall be transferred to the General Fund.

23 Sec. 81. Laws 2024, LB685, section 17, is amended to read:

24 Sec. 17. (1) Except as otherwise provided in subsection (5) of this
25 section, a tax is hereby imposed and levied, in the amount and in
26 accordance with this section, upon the net operating revenue of all cash
27 devices operating within the State of Nebraska for profit or gain either
28 directly or indirectly received. The tax shall be paid in the amount and
29 manner specified in this section.

30 (2) Except as otherwise provided in subsection (5) of this section,
31 beginning on and after July 1, 2025, any distributor of a cash device,

1 and any operator of a cash device if the operator is not subject to a
2 revenue-sharing or other agreement with a distributor who is paying the
3 tax, shall pay a tax for each cash device in operation each calendar
4 quarter during the taxable year. The tax shall be collected by the
5 department and due and payable on January 1, April 1, July 1, and October
6 1 of each year on each cash device in operation during the preceding
7 calendar quarter. For each cash device put into operation on a date
8 subsequent to a quarterly due date that has not been included in
9 computing the tax imposed and levied by the Mechanical Amusement Device
10 Tax Act, the tax shall be due and payable on the immediately succeeding
11 quarterly due date.

12 (3) The amount of the tax imposed and levied under this section
13 shall be twenty five percent of the net operating revenue for each cash
14 device. The quarterly tax shall be submitted on a form prescribed by the
15 Tax Commissioner documenting the total gross and net operating revenue
16 for that quarter.

17 (4) The Tax Commissioner shall remit the taxes collected pursuant to
18 this section to the State Treasurer. The State Treasurer shall credit
19 seventy-five percent of such taxes to the Education Future Fund and shall
20 credit the remaining twenty-five percent for credit as follows:

21 (a) Twenty percent of such remainder to the Charitable Gaming
22 Operations Fund for enforcement of the act and maintenance of the central
23 server;

24 (b) Two and one-half percent of such remainder to the Compulsive
25 Gamblers Assistance Fund;

26 (c) Two and one-half percent of such remainder to the General Fund;

27 (d) Ten percent of such remainder to the Nebraska Tourism Commission
28 Promotional Cash Fund;

29 (e) Forty percent of such remainder to the Property Tax Credit Cash
30 Fund; and

31 (f) Twenty-five ~~The remaining twenty-five percent~~ of such remainder

1 to the county treasurer of the county in which the cash device is located
2 to be distributed as follows: (i) If the cash device is located
3 completely within an unincorporated area of a county, the ~~remaining~~
4 twenty-five percent shall be distributed to the county in which the cash
5 device is located, or (ii) if the cash device is located within the
6 limits of a city or village in such county, one-half of the ~~remaining~~
7 twenty-five percent shall be distributed to such county and one-half of
8 the ~~remaining~~ twenty-five percent shall be distributed to the city or
9 village in which such cash device is located.

10 (5) This section does not apply to cash devices operated by a
11 fraternal benefit society organized and licensed under sections 44-1072
12 to 44-10,109 or a recognized veterans organization as defined in section
13 80-401.01.

14 Sec. 82. Sections 1, 2, 3, 4, 5, 6, 7, 8, 13, 14, 15, 16, 17, 18,
15 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36,
16 37, 38, 39, 40, 41, 42, 43, 45, 46, 47, 48, 51, 52, 53, 54, 55, 56, 58,
17 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76,
18 77, 78, 79, 80, 81, 84, and 86 of this act become operative on October 1,
19 2024. Sections 44, 49, 50, 57, and 85 of this act become operative on
20 January 1, 2025. The other sections of this act become operative on their
21 effective date.

22 Sec. 83. If any section in this act or any part of any section is
23 declared invalid or unconstitutional, the declaration shall not affect
24 the validity or constitutionality of the remaining portions.

25 Sec. 84. Original sections 9-648, 13-324, 13-508, 13-518, 13-2817,
26 14-109, 15-202, 15-203, 16-205, 17-525, 29-3933, 53-160, 72-2305,
27 72-2306, 77-2704.24, 77-2704.27, 77-2704.50, 77-2704.67, 77-27,142,
28 77-27,235, and 77-4014, Reissue Revised Statutes of Nebraska; sections
29 77-382, 77-1776, 77-2602, 77-2701.16, 77-27,144, 77-4602, 77-6403,
30 79-1015.01, 79-10,120, and 81-12,193, Revised Statutes Cumulative
31 Supplement, 2022; sections 77-1632, 77-1633, 77-1701, 77-3442, 77-4002,

1 77-4003.02, 77-4007, 77-4008, 77-6702, 77-6703, and 79-1001, Revised
2 Statutes Supplement, 2023; section 77-3005, Reissue Revised Statutes of
3 Nebraska, as amended by Laws 2024, LB685, section 11; section 77-4017,
4 Reissue Revised Statutes of Nebraska, as amended by Laws 2024, LB1204,
5 section 33; section 9-1,101, Revised Statutes Supplement, 2023, as
6 amended by Laws 2024, LB685, section 1; section 77-2701, Revised Statutes
7 Supplement, 2023, as amended by Laws 2024, LB937, section 67, Laws 2024,
8 LB1023, section 8, and Laws 2024, LB1317, section 80; section 77-2701.02,
9 Revised Statutes Supplement, 2023, as amended by Laws 2024, LB1317,
10 section 81; section 77-2701.04, Revised Statutes Supplement, 2023, as
11 amended by Laws 2024, LB937, section 68, and Laws 2024, LB1317, section
12 82; section 77-27,132, Revised Statutes Supplement, 2023, as amended by
13 Laws 2024, LB1108, section 3; section 77-4001, Revised Statutes
14 Supplement, 2023, as amended by Laws 2024, LB1204, section 25; section
15 77-4025, Revised Statutes Supplement, 2023, as amended by Laws 2024,
16 LB1204, section 36; section 77-4212, Revised Statutes Supplement, 2023,
17 as amended by Laws 2024, LB126, section 11; section 77-4405, Revised
18 Statutes Supplement, 2023, as amended by Laws 2024, LB1317, section 90,
19 and Laws 2024, LB1344, section 14; section 79-1021, Revised Statutes
20 Supplement, 2023, as amended by Laws 2024, LB1284, section 12; and Laws
21 2024, LB685, section 17, are repealed.

22 Sec. 85. Original section 77-2704.13, Reissue Revised Statutes of
23 Nebraska; section 77-3506.03, Reissue Revised Statutes of Nebraska, as
24 amended by Laws 2024, LB126, section 4; and section 77-2715.07, Revised
25 Statutes Supplement, 2023, as amended by Laws 2024, LB937, section 74,
26 Laws 2024, LB1023, section 9, Laws 2024, LB1344, section 9, and Laws
27 2024, LB1402, section 2, are repealed.

28 Sec. 86. The following sections are outright repealed: Sections
29 77-2704.38, 77-2704.51, 77-2704.53, 77-2704.56, 77-2704.57, 77-2704.60,
30 77-2704.61, 77-2704.62, 77-2704.63, and 77-2704.65, Reissue Revised
31 Statutes of Nebraska; section 77-2704.20, Revised Statutes Cumulative

1 Supplement, 2022; and section 18-1208, Reissue Revised Statutes of
2 Nebraska, as amended by Laws 2024, LB1317, section 55.

3 Sec. 87. Since an emergency exists, this act takes effect when
4 passed and approved according to law.