

LEGISLATURE OF NEBRASKA  
ONE HUNDRED EIGHTH LEGISLATURE  
FIRST SPECIAL SESSION

**LEGISLATIVE BILL 16**

Introduced by Erdman, 47.

Read first time July 25, 2024

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections  
2 13-319, 13-501, 13-2813, 60-3,185, 60-3,190, 77-27,148, and 77-3507,  
3 Reissue Revised Statutes of Nebraska, sections 77-201, 77-2004,  
4 77-2005, 77-2006, 77-3508, 77-6406, and 77-6827, Revised Statutes  
5 Cumulative Supplement, 2022, sections 18-2147, 77-3506, 79-1001, and  
6 85-2231, Revised Statutes Supplement, 2023, and section 77-2701,  
7 Revised Statutes Supplement, 2023, as amended by Laws 2024, LB937,  
8 section 67, Laws 2024, LB1023, section 8, and Laws 2024, LB1317,  
9 section 80; to adopt the Nebraska EPIC Option Consumption Tax Act;  
10 to terminate the Nebraska Budget Act, tax-increment financing, the  
11 motor vehicle tax, the motor vehicle fee, the property tax, the  
12 inheritance tax, sales and use taxes, the income tax, the homestead  
13 exemption, the Tax Equity and Educational Opportunities Support Act,  
14 and the Community College Aid Act as prescribed; to change an  
15 application deadline under the Imagine Nebraska Act; and to repeal  
16 the original sections.  
17 Be it enacted by the people of the State of Nebraska,

1           Section 1. Sections 1 to 57 of this act shall be known and may be  
2 cited as the Nebraska EPIC Option Consumption Tax Act, where the acronym  
3 EPIC stands for the elimination of property, income, and corporate taxes.

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

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

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

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

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

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

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

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

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

25           (5) Groceries means food items purchased for personal human  
26 consumption;

27           (6) Gross payments means payments for taxable property or services,  
28 including taxes imposed in the Nebraska EPIC Option Consumption Tax Act;

29           (7)(a) Intangible property includes copyrights, trademarks, patents,  
30 goodwill, financial instruments, securities, commercial paper, debts,  
31 notes and bonds, and other property deemed intangible by common law.

1       (b) Intangible property does not include tangible personal property  
2 or rents or leaseholds of any term thereon, real property or rents or  
3 leaseholds of any term thereon, or computer software;

4       (8) Person means any individual, association, estate, trust,  
5 partnership, corporation, or other entity of any kind;

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

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

18       (c) Taxable property or services purchased by an insurer on behalf  
19 of an insured shall be treated as used to produce, provide, render, or  
20 sell taxable property or services if the premium for the insurance  
21 contract giving rise to the insurer's obligation was subject to tax  
22 pursuant to section 27 of this act.

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

25       (10) Registered seller means a person registered pursuant to section  
26 11 of this act;

27       (11) Responsible officers and partners means:

28       (a) In the case of a corporation, any officer who is the president,  
29 the chief executive officer, a vice president, the secretary, the  
30 treasurer, or the chief financial officer or who serves a similar  
31 function for the corporation;

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

3       (c) In the case of a limited liability company, any officer serving  
4 the function of a corporate president or chief executive officer,  
5 treasurer or chief financial officer, or secretary and any member  
6 actively engaged in the management of the company;

7       (12) Tax Commissioner means the Tax Commissioner of the State of  
8 Nebraska;

9       (13) Tax inclusive fair market value means the fair market value of  
10 taxable property or services plus the tax imposed by the Nebraska EPIC  
11 Option Consumption Tax Act;

12       (14) Taxable employer includes:

13       (a) Any household employing domestic servants; and

14       (b) Any government except for government enterprises as defined in  
15 section 25 of this act;

16       (15)(a) Taxable property or service means:

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

19       (A) Intangible property; and

20       (B) Used property; and

21       (ii) Any service, including any financial intermediation services as  
22 defined in section 27 of this act.

23       (b) For purposes of subdivision (15)(a) of this section, the term  
24 service:

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

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

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

31       (B) By an employer that is a not-for-profit organization as defined

1 in section 26 of this act;

2 (C) By an employer that is a government enterprise as defined in  
3 section 25 of this act; or

4 (D) By taxable employers to employees directly providing education  
5 and training;

6 (16) Used property means:

7 (a) Property on which the tax imposed by the Nebraska EPIC Option  
8 Consumption Tax Act has already been collected and for which no credit  
9 has been allowed;

10 (b) Property that was held other than for a business purpose in a  
11 trade or business as defined in subdivision (2)(b) of section 8 of this  
12 act, on December 31, 2025;

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

15 (d) Property owned by a private citizen prior to January 1, 2026;  
16 and

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

23 Sec. 3. (1) The state income tax imposed pursuant to the Nebraska  
24 Revenue Act of 1967 is hereby repealed effective at the end of the day on  
25 December 31, 2025. The Department of Revenue may collect taxes due from  
26 2025 during calendar year 2026, but income earned in 2026 shall not be  
27 subject to the income tax.

28 (2) The state sales and use taxes imposed pursuant to the Nebraska  
29 Revenue Act of 1967 and all local sales and use taxes imposed pursuant to  
30 the Local Option Revenue Act, the Qualified Judgment Payment Act, and  
31 sections 13-319 and 13-2813 are hereby repealed effective at the end of

1 the day on December 31, 2025. The Department of Revenue may collect sales  
2 and use taxes due from 2025 during calendar year 2026, but no sales and  
3 use taxes shall be imposed on purchases of goods and services beginning  
4 January 1, 2026.

5       Sec. 4. (1) The property tax imposed pursuant to Chapter 77 is  
6 hereby repealed effective at the end of the day on December 31, 2025.  
7 Property taxes due from 2025 may be collected during calendar year 2026,  
8 but no property taxes shall be imposed on real or personal property  
9 beginning January 1, 2026.

10       (2) The motor vehicle tax imposed in section 60-3,185 and the motor  
11 vehicle fee imposed in section 60-3,190 are hereby repealed effective at  
12 the end of the day on December 31, 2025. Such taxes and fees due from  
13 2025 may be collected during calendar year 2026, but no such taxes or  
14 fees shall be imposed beginning January 1, 2026.

15       Sec. 5. The inheritance tax imposed pursuant to sections 77-2001 to  
16 77-2040 is hereby repealed effective at the end of the day on December  
17 31, 2025. Inheritance taxes due from 2025 may be collected during  
18 calendar year 2026, but no inheritance taxes shall be imposed on a  
19 deceased person's estate beginning January 1, 2026.

20       Sec. 6. This section establishes the Nebraska Taxpayer's Bill of  
21 Rights, which shall apply beginning January 1, 2026, and shall include  
22 the following:

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

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

30       (3) The State of Nebraska shall never impose a tax on the property  
31 already owned by its citizens, regardless of whether such property is

1 real or personal, tangible or intangible;

2 (4) The State of Nebraska shall never impose a tax on the estate of  
3 a deceased person or the inheritance of the heirs of a deceased person;

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

7 (6) The Department of Revenue shall be subject to the citizens of  
8 the State of Nebraska by readily correcting errors of taxation and  
9 granting temporary relief to registered sellers suffering hardship due to  
10 the burden of remitting taxes;

11 (7) No service or new good shall ever be subjected to more than one  
12 kind of tax and no additional excise taxes shall be imposed by the State  
13 of Nebraska or any political subdivision thereof beyond those described  
14 in section 8 of this act;

15 (8) The State of Nebraska and any political subdivision thereof  
16 shall be strictly prohibited from imposing a tax on groceries purchased  
17 for off-premises consumption;

18 (9) The State of Nebraska and any political subdivision thereof  
19 shall be strictly prohibited from imposing a tax on services or materials  
20 used to manufacture products, including agricultural products, for sale  
21 to the general public or to enhance services for sale to the general  
22 public; and

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

25 Sec. 7. (1) Beginning January 1, 2026, there is hereby imposed a  
26 tax on the use or consumption in the State of Nebraska of taxable  
27 property or services.

28 (2) The rate of the consumption tax shall be seven and one-half  
29 percent until changed by the Legislature.

30 (3) Counties, cities, and villages may impose an additional  
31 consumption tax not to exceed one percent for the purpose of repaying

1 bonds.

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

4 (5) Except as otherwise provided in this section, the tax shall be  
5 collected by the registered seller. The tax shall constitute a part of  
6 the purchase price and until collected shall be a debt from the purchaser  
7 to the registered seller. The tax required to be collected by the  
8 registered seller from the purchaser constitutes a debt owed by the  
9 registered seller to the State of Nebraska.

10 (6) The registered seller shall, at the time of making the sale,  
11 collect any tax which may be due from the purchaser and shall give to the  
12 purchaser, upon request, a receipt therefor in the manner and form  
13 prescribed by the Nebraska EPIC Option Consumption Tax Act.

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

20 (8) The Tax Commissioner, in order to enforce and facilitate the  
21 proper administration of the consumption tax, may designate such person  
22 or persons as he or she may deem necessary to be tax collectors and  
23 delegate to such persons such authority as is necessary to collect any  
24 such tax which is due and payable to the State of Nebraska. The Tax  
25 Commissioner may require of all persons so designated a surety bond in  
26 favor of the State of Nebraska to insure against any misappropriation of  
27 state funds so collected. The Tax Commissioner may require any tax  
28 official, city, county, or state, to collect the tax on behalf of the  
29 state. All persons designated to or required to collect the tax shall  
30 account for such collections in the manner prescribed by the Tax  
31 Commissioner. Nothing in this subsection shall be so construed as to



1 prevent the Tax Commissioner or his or her employees from collecting any  
2 taxes due and payable to the State of Nebraska.

3 (9) In the sale of new automobiles, trucks, trailers, semitrailers,  
4 and truck-tractors as defined in the Motor Vehicle Registration Act, the  
5 consumption tax shall be paid to the county treasurer of the county where  
6 the transaction took place. In the rental or lease of automobiles,  
7 trucks, trailers, semitrailers, and truck-tractors as defined in the  
8 Motor Vehicle Registration Act, the consumption tax shall be collected by  
9 the lessor on the rental or lease price.

10 (10) In the case of taxable property or services purchased outside  
11 of the State of Nebraska and brought into the State of Nebraska for use  
12 or consumption in the State of Nebraska, the purchaser shall remit the  
13 consumption tax on a form prescribed by the Tax Commissioner. Such form  
14 shall be made available on the Department of Revenue's website. The tax  
15 shall be due the month following the purchase date of the taxable  
16 property or services.

17 (11) In the case of wages or salary paid by a taxable employer which  
18 are taxable services, the employer shall remit the consumption tax in the  
19 month following the date that the wages were paid.

20 (12) Property or services purchased for a business purpose in a  
21 trade or business or for sale outside of the State of Nebraska and sold  
22 untaxed that are subsequently converted to personal use in the State of  
23 Nebraska shall be deemed purchased at the time of conversion and shall be  
24 subject to the consumption tax at the fair market value of the converted  
25 property as of the date of conversion. The tax shall be due as if the  
26 property had been sold at the fair market value during the month of  
27 conversion. The person using or consuming the converted property is  
28 liable for and shall remit the tax on a form prescribed by the Tax  
29 Commissioner.

30 (13) If gross payment for taxable property or services is made in  
31 other than money, then the person responsible for collecting and

1 remitting the tax shall remit the tax in money as if gross payment had  
2 been made in money at the tax inclusive fair market value of the taxable  
3 property or services purchased. This subsection shall not apply if the  
4 tax inclusive fair market value of the property or services being  
5 exchanged is less than twenty-five dollars.

6 (14) Real estate shall be taxed in the following way:

7 (a) The building and sale of a new structure, such as a dwelling, a  
8 barn, a warehouse, or other building, shall be subject to the consumption  
9 tax as long as the building or structure is never to be used for business  
10 purposes;

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

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

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

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

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

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

27 (15) Insurance shall be taxed in the following way:

28 (a) Insurance premiums shall be subject to an insurance premium tax,  
29 which is an excise tax, and shall not be subject to the consumption tax;  
30 and

31 (b) Insurance claims shall not be subject to the consumption tax.

1           Sec. 8. (1) No consumption tax shall be imposed on any taxable  
2 property or service that is subject to an excise tax in this state. For  
3 purposes of this subsection, excise tax means and includes:

4           (a) The tax on motor fuels under section 66-489;

5           (b) The tax on cigarettes under section 77-2602;

6           (c) The taxes on alcohol-related products under sections 53-160,  
7 53-160.04, and 53-162;

8           (d) The tax on insurance premiums under section 77-908;

9           (e) The nameplate capacity tax under section 77-6203;

10           (f) Motor vehicle registration fees under the Motor Vehicle  
11 Registration Act;

12           (g) The aircraft fuel tax under section 3-148;

13           (h) The documentary stamp tax under section 76-901;

14           (i) The petroleum release remedial action fee under section 66-1521;

15           (j) The state and county lodging taxes under the Nebraska Visitors  
16 Development Act;

17           (k) The oil and gas severance tax under section 57-702;

18           (l) The corporate occupation tax under section 21-303;

19           (m) The oil and gas conservation charge under section 57-919;

20           (n) The uranium severance tax under section 57-1202; and

21           (o) All other fees imposed by government entities, including, but  
22 not limited to, campsite rental fees, marriage license fees, and court  
23 filing fees.

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

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

29           (i) For resale;

30           (ii) To produce, provide, render, or sell taxable property or  
31 services; or

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

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

5       (b) For purposes of this section, the term purchased for an  
6 investment purpose means purchased exclusively for purposes of  
7 appreciation or the production of income.

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

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

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

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

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

20       (e) Any person owning or operating a used-book store where only used  
21 books are sold to the general public shall not be held liable for  
22 collecting and remitting the consumption tax.

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

26       (6) No consumption tax shall be imposed on groceries purchased for  
27 off-premises consumption.

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

1 section.

2 (b) Such tax-exempt certificate shall contain a consumption tax  
3 identification number that is unique to the person applying for the  
4 certificate.

5 (c) The Tax Commissioner shall adopt and promulgate rules and  
6 regulations for applying for a tax-exempt certificate by September 1,  
7 2025.

8 (d) By no later than October 1, 2025, the Tax Commissioner shall  
9 create an application for a tax-exempt certificate and shall make such  
10 application available in electronic form on the website of the Department  
11 of Revenue and in paper form at designated offices of the Department of  
12 Revenue as determined by the Tax Commissioner. The Tax Commissioner shall  
13 also mail a paper application form through the United States Postal  
14 Service whenever a written request for such form is received by the Tax  
15 Commissioner and such request contains the name of a business operating  
16 in Nebraska or the name of a person who is a legal resident of Nebraska  
17 and a legal address in the United States of America.

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

23 (f) The registered seller shall keep a record of the tax-exempt  
24 transaction along with the identification number on the tax-exempt  
25 certificate for a period of at least three years following the date of  
26 the transaction. A record of the purchaser's identification number on the  
27 tax-exempt certificate shall normally constitute sufficient evidence to  
28 absolve the registered seller of any illicit wrongdoing or fraud when the  
29 transaction was made. The burden of proof shall lie with the purchaser to  
30 demonstrate that the tax-exempt transaction was a lawful transaction.

31 (g) The Tax Commissioner may issue a tax-exempt certificate in the

1 form of a card with microchip technology to protect the identification  
2 number of the tax-exempt certificate from public view. The Tax  
3 Commissioner may adopt and promulgate rules and regulations for using  
4 such card with registered sellers.

5       Sec. 9. (1) The consumption tax imposed under the Nebraska EPIC  
6 Option Consumption Tax Act is a destination principle tax. This section  
7 shall govern for purposes of determining whether the destination of  
8 taxable property and services is within or outside of the State of  
9 Nebraska.

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

13       (3) The destination of real property, or rents or leaseholds on real  
14 property, shall be the state or territory in which the real property is  
15 located.

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

18       (5)(a) Unless provided otherwise in this section, the destination of  
19 services shall be the state or territory in which the use or consumption  
20 of the services occurred. Allocation of service invoices relating to more  
21 than one jurisdiction shall be on the basis of time or another method  
22 determined by rule and regulation of the Tax Commissioner.

23       (b) The destination of telecommunications services shall be the  
24 residence of the purchaser. Telecommunications services include  
25 telephone, including cell phone, beeper, radio, cable television,  
26 satellite, and computer online or network services.

27       (c) For transportation services where both the origin and the final  
28 destination are within the State of Nebraska, the destination of the  
29 transportation services shall be the State of Nebraska. For  
30 transportation services where the final destination is outside the State  
31 of Nebraska but the origin of the trip is inside the State of Nebraska,

1 the service amount shall be deemed one hundred percent attributable to  
2 the State of Nebraska. For transportation services that originate outside  
3 the State of Nebraska but the final destination is inside the State of  
4 Nebraska, the service amount shall be deemed zero percent attributable to  
5 the State of Nebraska.

6 (d) The destination of electrical services shall be the residence of  
7 the purchaser.

8 (e) The destination of financial intermediation services as defined  
9 in section 27 of this act shall be the location where the transaction  
10 originated.

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

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

17 (A) In the case of rentals and leases of a term of one month or  
18 less, the location where the land vehicle, aircraft, or watercraft was  
19 originally delivered to the renter or lessee; and

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

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

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

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

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

2           (d) Any other information reasonably required by the Tax  
3 Commissioner for the administration, collection, and remittance of the  
4 consumption tax.

5           (2) The Tax Commissioner may adopt and promulgate rules and  
6 regulations granting to registered sellers whose yearly tax liability is  
7 less than three thousand dollars the privilege of remitting consumption  
8 taxes on a quarterly basis, and those whose yearly tax liability is less  
9 than nine hundred dollars the privilege of remitting consumption taxes on  
10 an annual basis.

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

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

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

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

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



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

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

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

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

11           (c) A large seller is required to provide security in an amount  
12 equal to the greater of one hundred thousand dollars or one and one-half  
13 times the seller's average monthly tax liability during the previous six  
14 calendar months. Security may be a cash bond, a bond from a surety  
15 company approved by the Tax Commissioner, a certificate of deposit, or a  
16 state or United States treasury bond. A bond qualifying under this  
17 subdivision must be a continuing instrument for each calendar year or  
18 portion thereof that the bond is in effect. The bond must remain in  
19 effect until the surety or sureties are released and discharged. Failure  
20 to provide security in accordance with this subdivision shall result in  
21 revocation of the large seller's registration. Upon receipt of an  
22 application on a form prescribed by the Tax Commissioner, a large seller  
23 may, at the discretion of the Tax Commissioner, be allowed to operate  
24 without complying with this subdivision for a period not to exceed six  
25 months. If a person has provided security pursuant to this subdivision,  
26 the security or part of the security may be forfeited in favor of the Tax  
27 Commissioner to the extent of the consumption tax due plus any interest  
28 if:

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

31           (ii) Either the time for filing an appeal has passed or the appeal

1 has been denied; and

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

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

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

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

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

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

17 (8) The Tax Commissioner shall establish a system under which a  
18 violation of the Nebraska EPIC Option Consumption Tax Act can be brought  
19 to the attention of the Tax Commissioner for investigation through the  
20 use of a hotline or toll-free telephone number, through online reporting,  
21 or otherwise.

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

26 Sec. 11. (1) Any person liable to collect and remit consumption  
27 taxes as provided in the Nebraska EPIC Option Consumption Tax Act shall  
28 register with the Tax Commissioner, including:

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

30 (b) Any person located outside this state who is engaged in sales of  
31 taxable property or services into this state, including retail sales,

1 remote or internet sales, and the provision of financial intermediation  
2 services.

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

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

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

17 (5) The Tax Commissioner may adopt and promulgate rules and  
18 regulations for the issuing of certificates to persons required to  
19 register under this section.

20 Sec. 12. (1) Registered sellers and other persons shall report  
21 transactions using the cash method of accounting unless an election to  
22 use the accrual method of accounting is made pursuant to subsection (2)  
23 of this section.

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

27 Sec. 13. (1) Any person who is required to register under section  
28 11 of this act but fails to do so prior to notification by the Tax  
29 Commissioner shall be liable for a civil penalty of five hundred dollars.

30 (2)(a) Any person who is required to and who recklessly or willfully  
31 fails to collect taxes imposed by the Nebraska EPIC Option Consumption

1 Tax Act has committed an act of fraud and shall be liable for a civil  
2 penalty equal to the greater of five hundred dollars or twenty percent of  
3 the tax not collected.

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

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

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

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

18 (b) Any person who willfully fails to remit consumption taxes  
19 collected from purchasers shall be guilty of a Class IV felony.

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

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

30 (b) The amount of the penalty under subdivision (6)(a) of this  
31 section shall be doubled with respect to any report filed after a written

1 inquiry regarding such report is received by the taxpayer from the Tax  
2 Commissioner.

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

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

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

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

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

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

27 (10) In addition to other penalty reductions allowed under this  
28 section, any person who is required to pay a civil penalty under the  
29 Nebraska EPIC Option Consumption Tax Act may have such penalty reduced to  
30 one-half the amount owed, at the discretion of the Tax Commissioner, when  
31 it can be shown that the lack of payment was due to hardship or

1 reasonable cause.

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

6 (a) Twenty-five dollars; or

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

8 (12) The tax matters person designated pursuant to section 11 of  
9 this act and responsible officers or partners of a firm shall be jointly  
10 and severally liable for the consumption tax and any penalties imposed  
11 under the act.

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

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

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

25 Sec. 14. In all disputes concerning consumption taxes, the person  
26 engaged in a dispute with the Tax Commissioner shall have the burden of  
27 production of documents and records but the Tax Commissioner shall have  
28 the burden of persuasion. In all disputes concerning an exemption claimed  
29 by the purchaser, if the seller has on file a tax-exempt certificate from  
30 the purchaser and did not have reasonable cause to believe that the  
31 certificate was improperly provided by the purchaser with respect to such

1 purchase, then the burden of production of documents and records relating  
2 to such exemption shall rest with the purchaser and not with the seller.

3 Sec. 15. (1) Persons are subject to administrative summons by the  
4 Tax Commissioner for documents, records, and testimony required by the  
5 Tax Commissioner to accurately determine liability for the consumption  
6 tax. A summons shall be served by the Tax Commissioner by an attested  
7 copy delivered in hand to the person to whom it is directed or left at  
8 his or her last-known address. The summons shall describe with reasonable  
9 certainty what is sought.

10 (2) The Tax Commissioner has the authority to conduct at a  
11 reasonable time and place assessments, examinations, and audits of  
12 persons who are or may be liable to collect and remit the consumption tax  
13 and to examine the books, papers, documents, records, software, and other  
14 data of such persons which may be relevant or material to the  
15 determination of tax due.

16 (3) No administrative summons may be issued by the Tax Commissioner  
17 and no action may be commenced to enforce an administrative summons with  
18 respect to any person if a referral to the Attorney General's office is  
19 in effect with respect to such person relating to a tax imposed by the  
20 Nebraska EPIC Option Consumption Tax Act. Such referral is in effect with  
21 respect to any person if the Tax Commissioner has recommended to the  
22 Attorney General's office a grand jury investigation of such person or a  
23 criminal prosecution of such person that contemplates criminal sanctions  
24 under the act. A referral shall be terminated when:

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

27 (i) Prosecute such person for any offense connected with the tax  
28 laws;

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

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

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

3       Sec. 16. Any person liable to remit consumption taxes shall keep  
4 records in paper or electronic form that are sufficient to determine the  
5 amounts reported, collected, and remitted for a period of three years  
6 after the later of the filing of the report for which the records formed  
7 the basis or the date when the report was due to be filed. Such records  
8 shall include documentation for all sales that were exempt under  
9 subsection (2) of section 8 of this act, including the purchasers' tax-  
10 exempt certificates and tax identification numbers and the net of tax  
11 amounts of purchase. Any purchaser who purchased taxable property or  
12 services but did not pay tax by reason of asserting such an exemption  
13 shall keep records sufficient to determine whether such exemption was  
14 valid for a period of three years after the purchase of taxable property  
15 or services.

16       Sec. 17. (1) For each purchase of taxable property or services for  
17 which a consumption tax is imposed, the registered seller shall provide  
18 the purchaser with a receipt for each transaction that includes:

- 19       (a) The property or service;
- 20       (b) The sales price of such property or service exclusive of tax;
- 21       (c) The amount of consumption tax paid;
- 22       (d) The property or service price inclusive of the consumption tax;
- 23       (e) The consumption tax rate;
- 24       (f) The date that the property or service was purchased;
- 25       (g) The name of the registered seller, retailer, or vendor;
- 26       (h) The address of the registered seller, retailer, or vendor; and
- 27       (i) The registered seller's consumption tax registration number;

28       (2) The tax imposed by the Nebraska EPIC Option Consumption Tax Act  
29 shall apply to all vending machines. For purposes of this subsection,  
30 vending machines are machines that dispense taxable property or services  
31 in exchange for coins or currency. Vending machines shall not be required



1 to dispense the receipt described in subsection (1) of this section.

2 (3) The requirements of subsection (1) of this section shall not  
3 apply in the case of financial intermediation services as defined in  
4 section 27 of this act.

5 Sec. 18. (1) The proceeds of the taxes paid pursuant to the  
6 Nebraska EPIC Option Consumption Tax Act shall be collected by the  
7 Department of Revenue and remitted to the State Treasurer for credit to  
8 the General Fund.

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

12 Sec. 19. (1) The Tax Commissioner may seize property, garnish wages  
13 or salary, and file liens to collect amounts due under the Nebraska EPIC  
14 Option Consumption Tax Act pursuant to enforcement of:

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

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

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

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

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

25 (b) A bond was accepted as security.

26 Sec. 20. Decisions of the Tax Commissioner under the Nebraska EPIC  
27 Option Consumption Tax Act may be appealed, and the appeal shall be in  
28 accordance with the Administrative Procedure Act.

29 Sec. 21. In all disputes concerning consumption taxes, the person  
30 engaged in a dispute with the Tax Commissioner may be entitled to  
31 reasonable attorney's fees, accountancy fees, and other reasonable

1 professional fees incurred in direct relation to the dispute unless the  
2 Tax Commissioner establishes that his or her position was substantially  
3 justified.

4       Sec. 22. No addition to tax shall be made under section 13 of this  
5 act with respect to a period during which a case is pending under Title  
6 11 of the United States Code:

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

10       (2) If (a) such tax was incurred by the debtor before the earlier of  
11 the order for relief or, in the involuntary case, the appointment of a  
12 trustee and (b) the petition was filed before the due date prescribed by  
13 law, including extensions, for filing a return of such tax, or the date  
14 for making the addition to tax occurs on or after the date the petition  
15 was filed.

16       Sec. 23. (1) Any person selling one or more chances is a gaming  
17 sponsor and shall register, in a form prescribed by the Tax Commissioner,  
18 with the Tax Commissioner as a gaming sponsor, except that a not-for-  
19 profit organization as defined in section 26 of this act that has gross  
20 receipts from the sale of chances of less than five thousand dollars  
21 during any calendar year shall not be required to register.

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

26       (a) A random or unpredictable event; or

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

29       (3) The taxable gaming services of a gaming sponsor shall be subject  
30 to the consumption tax. For purposes of this section, taxable gaming  
31 services means the gross receipts of the gaming sponsor from the sale of

1 chances.

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

6 Sec. 24. (1) Purchases of taxable property or services by the  
7 federal government shall be subject to the consumption tax.

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

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

19 (2) For purposes of this section, government enterprise means any  
20 entity owned or operated by a federal, state, or local governmental unit  
21 or political subdivision that receives gross payments from private  
22 persons, except that a government-owned entity shall not be considered a  
23 government enterprise for purposes of this section unless in any calendar  
24 month it has revenue from selling taxable property or services exceeding  
25 one thousand dollars.

26 (3) Government enterprises shall not be subject to tax on purchases  
27 that would not be subject to tax if the government enterprise were a  
28 private enterprise, except that government enterprises may not use such  
29 exemption to serve as a conduit for tax-free purchases by government  
30 units that would otherwise be subject to taxation on purchases pursuant  
31 to section 24 of this act. Transfers of taxable property or services

1 purchased exempt from tax from a government enterprise to such government  
2 unit shall be taxable.

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

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

8 (6) A transfer of funds to a government enterprise by a government  
9 entity without full consideration shall constitute a taxable government  
10 purchase within the meaning of section 24 of this act to the extent that  
11 the transfer of funds exceeds the fair market value of the consideration.

12 Sec. 26. (1) For purposes of this section, not-for-profit  
13 organization means a not-for-profit organization organized and operated  
14 exclusively:

15 (a) For religious purposes;

16 (b) For charitable purposes;

17 (c) For scientific purposes;

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

19 (e) For literary purposes;

20 (f) For educational purposes;

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

22 (h) For labor purposes;

23 (i) For agricultural or horticultural purposes;

24 (j) As chambers of commerce, business leagues, or trade  
25 associations; or

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

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

1           Sec. 27. (1) For purposes of this section:

2           (a) Explicitly charged fees for financial intermediation services  
3 includes:

4           (i) Brokerage fees;

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

7           (iii) Safe deposit box fees;

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

10          (v) Trustees' fees; and

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

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

14          (i) Explicitly charged fees for financial intermediation services;  
15 and

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

17          (c) Gross imputed amount means:

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

20           (A) The excess, if any, of the basic interest rate as described in  
21 section 29 of this act over the rate paid on such investment; and

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

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

25           (A) The excess, if any, of the rate paid on such debt over the basic  
26 interest rate as described in section 29 of this act; and

27           (B) The amount of the debt; and

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

31          (2) For purposes of the Nebraska EPIC Option Consumption Tax Act,

1 the seller of financial intermediation services shall be:

2 (a) In the case of explicitly charged fees for financial  
3 intermediation services, the person who receives the gross payments for  
4 the charged financial intermediation services;

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

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

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

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

20 (5) Any person that provides financial intermediation services to  
21 Nebraska residents must, as a condition of lawfully providing such  
22 services, designate, in a form prescribed by the Tax Commissioner, a tax  
23 representative for purposes of the Nebraska EPIC Option Consumption Tax  
24 Act. The tax representative shall be responsible for ensuring that the  
25 consumption tax is collected and remitted and shall be jointly and  
26 severally liable for collecting and remitting such tax. The Tax  
27 Commissioner may bring an action seeking a temporary restraining order,  
28 an injunction, or such other order as may be appropriate to enforce this  
29 subsection.

30 Sec. 28. (1) For purposes of this section, financing lease means  
31 any lease under which the lessee has the right to acquire the property

1 for fifty percent or less of its fair market value at the end of the  
2 lease term.

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

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

10 (4) In the event that contemporaneous sales prices or property the  
11 same or similar as the leased property is not available, the principal  
12 and interest components of a financing lease shall be disaggregated using  
13 the applicable interest rate as determined under section 30 of this act  
14 plus four percent.

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

18 (6) The financial intermediation services amount with respect to the  
19 interest component of the financing lease shall be subject to the  
20 consumption tax.

21 (7) If the principal component and financial intermediation services  
22 amount with respect to the interest component of a lease have been taxed  
23 pursuant to this section, then the gross lease or rental payments shall  
24 not be subject to additional tax.

25 Sec. 29. For purposes of the Nebraska EPIC Option Consumption Tax  
26 Act, the basic interest rate with respect to a debt instrument,  
27 investment, financing lease, or account shall be the applicable interest  
28 rate as determined under section 30 of this act. For debt instruments,  
29 investments, or accounts of contractually fixed interest, the applicable  
30 interest rate of the month of issuance shall apply. For debt instruments,  
31 investments, or accounts of variable interest rates and which have no

1 reference interest rate, the applicable interest rate shall be the  
2 federal short-term interest rate for each month. For debt instruments,  
3 investments, or accounts of variable interest rates and which have a  
4 reference interest rate, the applicable interest rate shall be the  
5 applicable interest rate for the reference interest rate for each month.

6       Sec. 30. (1) In the case of a debt instrument, investment,  
7 financing lease, or account with a term of not over three years, the  
8 applicable interest rate is the federal short-term rate as determined by  
9 the United States Secretary of the Treasury.

10       (2) In the case of a debt instrument, investment, financing lease,  
11 or account with a term of over three years but not over nine years, the  
12 applicable interest rate is the federal mid-term rate as determined by  
13 the United States Secretary of the Treasury.

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

18       (4) The Tax Commissioner shall publish the applicable rates monthly.  
19 If the United States Secretary of the Treasury ceases to determine or  
20 publish the relevant federal interest rates, the Tax Commissioner shall  
21 determine and publish the applicable rates using the same methodology  
22 used by the Secretary of the Treasury, as nearly as is practical, prior  
23 to the Secretary of the Treasury discontinuing such determination or  
24 publication.

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

28       Sec. 31. (1) Up to one thousand dollars of gross payments per  
29 calendar year shall be exempt from the consumption tax if:

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



1 and

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

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

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

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

10 (3) Up to ten thousand dollars per calendar year of gross payments  
11 received by a person from the sale of financial intermediation services  
12 as defined in section 27 of this act may be claimed as a credit and  
13 applied to the tax imposed by the Nebraska EPIC Option Consumption Tax  
14 Act. The credit provided by this subsection is in addition to other  
15 credits afforded by the act. The credit provided by this subsection shall  
16 not be available to large sellers as defined in section 10 of this act.

17 (4) If a registered seller provides taxable property or services to  
18 a person either as a gift, prize, or reward or as remuneration for  
19 employment and such taxable property or services were not previously  
20 subject to tax, then the provision of such taxable property or services  
21 by the registered seller shall be deemed the conversion of such taxable  
22 property or services to personal use and subject to tax pursuant to  
23 subsection (12) of section 7 of this act at the tax inclusive fair market  
24 value of such taxable property or services.

25 (5) The substance of a transaction shall prevail over its form if:

26 (a) The transaction has no bona fide economic purpose; and

27 (b) The transaction is designed to evade the tax imposed by the  
28 Nebraska EPIC Option Consumption Tax Act.

29 (6) When the last day prescribed for performing any action required  
30 by the Nebraska EPIC Option Consumption Tax Act falls on a Saturday,  
31 Sunday, or legal holiday, the performance of such action shall be

1 considered timely if it is performed on the next day which is not a  
2 Saturday, Sunday, or legal holiday.

3       Sec. 32. (1) Inventory held by a trade or business at the close of  
4 business on December 31, 2025, shall be considered qualified inventory if  
5 it is sold:

6       (a) Before December 31, 2026;

7       (b) By a registered seller; and

8       (c) Subject to the tax imposed by the Nebraska EPIC Option  
9 Consumption Tax Act.

10       (2) For purposes of this section, qualified inventory shall have the  
11 cost that it had for federal income tax purposes for the trade or  
12 business as of December 31, 2025, including any amounts capitalized by  
13 reason of section 263A of the Internal Revenue Code of 1986.

14       (3) The trade or business which held the qualified inventory at the  
15 close of business on December 31, 2025, shall be entitled to a  
16 transitional inventory credit equal to the cost of the qualified  
17 inventory, as determined in accordance with subsection (2) of this  
18 section, times the rate of the consumption tax imposed by section 7 of  
19 this act.

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

24       (5) Qualified inventory held by registered sellers that sell such  
25 qualified inventory not subject to the consumption tax shall be eligible  
26 for the transitional inventory credit only if that business, or a  
27 business that has successor rights pursuant to subsection (6) of this  
28 section, receives certification in a form satisfactory to the Tax  
29 Commissioner that the qualified inventory was subsequently sold subject  
30 to the consumption tax.

31       (6) The trade or business entitled to the transitional inventory

1 credit may sell the right to receive such transitional inventory credit  
2 to the purchaser of the qualified inventory that gave rise to the credit  
3 entitlement. Any purchaser of such qualified inventory, or property or  
4 services into which the qualified inventory has been incorporated, may  
5 sell the right to such transitional inventory credit to a subsequent  
6 purchaser of such qualified inventory, or property or services into which  
7 the qualified inventory has been incorporated.

8       Sec. 33. (1) At least seven calendar days before the commencement  
9 of an examination of the books and records of a registered seller, the  
10 Department of Revenue shall provide to the registered seller through the  
11 United States Postal Service a pamphlet written in simple and  
12 nontechnical language containing the Nebraska Taxpayer's Bill of Rights  
13 listed in section 6 of this act along with a statement explaining the  
14 taxpayer's right to be represented by legal counsel during an  
15 examination, a statement explaining the taxpayer's right to file an  
16 appeal, and a statement explaining the taxpayer's right to know the  
17 criteria and procedures used to select persons for such examinations.

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

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

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

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

28       (4) Except in cases involving suspected criminal violations of the  
29 tax law or other criminal activity, the Department of Revenue shall  
30 conduct an examination of a registered seller during the regular business  
31 hours of 8:00 a.m. to 5:00 p.m. Central Standard Time, or Mountain

1 Standard Time whenever the examination takes place where Mountain  
2 Standard Time applies, during the weekdays of Monday through Friday after  
3 providing written notice of the examination through the United States  
4 Postal Service at least fifteen days prior to the date of the  
5 examination. A registered seller who refuses a proposed time for an  
6 examination on the grounds that the proposed examination date and time  
7 would cause an undue burden or hardship must contact the Department of  
8 Revenue to arrange an alternative date and time for such examination. The  
9 alternative date and time must be agreeable to both the Department of  
10 Revenue and the registered seller within reason and must be scheduled no  
11 later than ninety days from the date of the original notice.

12 (5) At all stages of an examination and in any appeal of an  
13 assessment, a registered seller is entitled to be assisted or  
14 represented, at his or her own expense, by an authorized representative.  
15 The Department of Revenue shall prescribe a form by which the registered  
16 seller may designate a person to represent him or her in the conduct of  
17 any proceedings, including collection proceedings, resulting from action  
18 taken by the Department of Revenue. In the absence of this form, the  
19 Department of Revenue or the applicable court may accept such other  
20 evidence that a person is the authorized representative of a registered  
21 seller as it considers appropriate. This subsection shall not be  
22 construed as authorizing the practice of law before the Department of  
23 Revenue or any court of law in the State of Nebraska by a person who is  
24 not a licensed attorney.

25 (6) A registered seller shall be allowed to make a video or audio  
26 recording of any in-person interview with any officer or employee of the  
27 Department of Revenue, including the Tax Commissioner, whenever such  
28 interview relates to any assessment, examination, or investigation of the  
29 registered seller's tax liabilities. However, the registered seller must  
30 provide reasonable advance notice to the Department of Revenue of his or  
31 her intent to record the interview. Any such recording shall be at the

1 registered seller's expense and with the registered seller's own  
2 equipment. Unless it can be shown that the recording has been altered,  
3 edited, or tampered with in any way, such recording shall be permitted as  
4 evidence in a court of law.

5 (7) The Tax Commissioner or any other employee of the Department of  
6 Revenue shall be allowed to make a video or audio recording of any  
7 interview with a registered seller if the registered seller is making a  
8 video or audio recording of the interview or if reasonable advance notice  
9 is given to the registered seller before the interview. The Tax  
10 Commissioner or an employee of the Department of Revenue shall provide  
11 the registered seller with a transcript or a copy of the recording, but  
12 only if the registered seller interviewed provides reimbursement for the  
13 cost of the transcript or reproduction of the recording. Any such  
14 reproductive cost shall be reasonable as prescribed by rules and  
15 regulations adopted and promulgated by the Tax Commissioner.

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

19 Sec. 34. (1) The Department of Revenue shall maintain a continuing  
20 education program to train employees of the department and to provide  
21 them with a current knowledge of state and applicable federal tax laws.

22 (2) Beginning in the year 2027, the Tax Commissioner shall prepare  
23 an annual report and present such report in person to the Revenue  
24 Committee of the Legislature concerning information about the number and  
25 kind of audits, assessments, or examinations conducted by the Department  
26 of Revenue throughout the previous year. The Revenue Committee shall bear  
27 the responsibility for scheduling the Tax Commissioner's annual report.

28 (3) The Department of Revenue shall be strictly forbidden from using  
29 the amount of consumption taxes assessed by an employee of the Department  
30 of Revenue as the basis for evaluating an employee's performance on the  
31 job.

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

4       (5) If the Tax Commissioner or the Department of Revenue fails to  
5 comply with any of the provisions of the Nebraska EPIC Option Consumption  
6 Tax Act, such failure shall not prevent the Tax Commissioner or the  
7 Department of Revenue from assessing any tax as provided in the act nor  
8 shall it excuse any registered seller from timely complying with any time  
9 limitations imposed by the act. However, if the Tax Commissioner or the  
10 Department of Revenue fails to substantially comply with the provisions  
11 of the act, the Tax Commissioner shall, upon application by the  
12 registered seller or other good cause shown, abate any penalties  
13 otherwise arising from an assessment or examination.

14       (6) The Tax Commissioner shall abate any penalty attributable to  
15 erroneous written advice furnished to a registered seller by an employee  
16 of the Department of Revenue. However, this subsection shall apply only  
17 if the Department of Revenue's employee provided the written advice in  
18 good faith while acting in his or her official capacity, the written  
19 advice was reasonably relied upon by the registered seller and was in  
20 response to a specific written request of the registered seller, and the  
21 penalty did not result from the registered seller's failure to provide  
22 adequate or accurate information.

23       Sec. 35. (1) The Tax Commissioner may enter into written agreements  
24 to allow any registered seller to pay the consumption tax in installment  
25 payments if the Tax Commissioner determines that such an agreement will  
26 facilitate the collection of such tax. Such agreements shall be entered  
27 into only regarding a tax that has been finally assessed by the Tax  
28 Commissioner or the Department of Revenue and not appealed, and such  
29 agreements shall not exceed a period lasting more than twelve months,  
30 except that any such agreement may be renewed at the discretion of the  
31 Tax Commissioner for succeeding periods not to exceed twelve months.

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

3       (a) Information provided by the registered seller to the Tax  
4 Commissioner prior to the date of such agreement was inaccurate or  
5 incomplete;

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

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

11       (d) The financial condition of the registered seller has  
12 significantly changed;

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

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

17       (3) The Tax Commissioner shall have sole authority and discretion to  
18 enter into or to amend, modify, or terminate any installment payment  
19 agreement provided for under this section. The Tax Commissioner shall  
20 adopt and promulgate rules and regulations necessary for the  
21 implementation of this section.

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

26       Sec. 36. (1) All reports and report information provided to the Tax  
27 Commissioner or the Department of Revenue pursuant to the Nebraska EPIC  
28 Option Consumption Tax Act shall be deemed confidential, and except as  
29 otherwise authorized in the act, no officer or employee, or former  
30 officer or employee, of the State of Nebraska or any other person who has  
31 been provided access to tax information shall disclose any such

1 information to anyone employed outside of the Department of Revenue. Any  
2 violation of this subsection is a Class IV felony.

3 (2) The Tax Commissioner or an employee of the Department of Revenue  
4 may disclose a report or report information of a registered seller to  
5 such registered seller, the tax matters person associated with the  
6 registered seller, the spouse or adult child of the registered seller, or  
7 another person authorized to represent the registered seller.

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

11 (4) In the case of a deceased person, the Tax Commissioner or an  
12 employee of the Department of Revenue may disclose a report or report  
13 information to:

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

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

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

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

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

27 (7) The Tax Commissioner or an employee of the Department of Revenue  
28 may disclose a report or report information to the Revenue Committee of  
29 the Legislature, the Appropriations Committee of the Legislature, or the  
30 Executive Board of the Legislative Council if such report or information  
31 does not identify any particular person, unless such person consents in



1 writing to the disclosure of such information.

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

4 (9) Disclosure of a report or report information by officers,  
5 agents, or employees of the Department of Revenue to other officers,  
6 agents, or employees of the Department of Revenue in the ordinary course  
7 of tax administration activities shall not constitute unlawful disclosure  
8 of the report or report information.

9 (10) Upon request by the Governor, the Tax Commissioner shall  
10 furnish reports and report information to such officers, agents, and  
11 employees of the State of Nebraska as the Governor may prescribe by rule  
12 and regulation or by executive order for the purpose of, and only to the  
13 extent necessary for, statistical activities authorized by law.

14 (11) The Tax Commissioner or an employee of the Department of  
15 Revenue may provide reports or report information for purposes of  
16 academic research to researchers working at the University of Nebraska,  
17 researchers working in the Nebraska state college system, researchers  
18 working in the community college system, or researchers working in a  
19 private college or university within the State of Nebraska if such  
20 reports or report information does not identify any particular person.

21 Sec. 37. Interest on any final assessment shall accrue from the  
22 date of entry of the final assessment on the total amount of its  
23 components, including tax, interest, and any penalty, as one lump-sum  
24 amount.

25 Sec. 38. Except as provided in subsection (3) of section 7 of this  
26 act, nothing in the Nebraska EPIC Option Consumption Tax Act shall limit  
27 the ability of counties, cities, or villages from imposing a separate  
28 consumption tax within the limits of the county, city, or village.

29 Sec. 39. (1) Beginning in 2026, state agencies shall submit annual  
30 budget requests for the operations of their respective state agencies to  
31 the Governor and to the chairperson of the Appropriations Committee of

1 the Legislature by September 15.

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

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

10 (4) Notwithstanding the limit provided in subsection (2) of this  
11 section, in the event of a natural disaster where the Governor has  
12 declared the affected area as a disaster area, a state agency may  
13 petition the Legislature for an increase of such agency's budget of up to  
14 but not more than five percent.

15 (5) This section applies to both the University of Nebraska and the  
16 Nebraska state college system. The Board of Regents of the University of  
17 Nebraska shall submit the budget request for the University of Nebraska  
18 as prescribed in this section. The Board of Trustees of the Nebraska  
19 State Colleges shall submit the budget request for the Nebraska state  
20 colleges as prescribed in this section.

21 (6) Nothing in this section shall preclude the Legislature from  
22 appropriating additional funds for relief or aid from the Cash Reserve  
23 Fund.

24 Sec. 40. (1) Beginning in 2026, the Governor shall submit a  
25 comprehensive annual statewide budget to the Legislature by December 1.  
26 The Appropriations Committee of the Legislature shall approve and submit  
27 a bill or bills for such comprehensive annual statewide budget for  
28 approval by the Legislature. Such bill or bills shall balance expenses  
29 with state revenue projected by the Nebraska Economic Forecasting  
30 Advisory Board.

31 (2) Disbursement of consumption tax revenue shall be the sole

1 responsibility of the State Treasurer.

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

5 (4) Consumption tax revenue for political subdivisions shall be  
6 administered and disbursed by the State Treasurer as provided in sections  
7 41 to 57 of this act.

8 Sec. 41. For purposes of sections 41 to 47 of this act:

9 (1) Board means the Budget Equalization and Review Board created in  
10 section 42 of this act;

11 (2) Political subdivision means any political subdivision of this  
12 state other than a school district;

13 (3) Regional representative means an individual who is appointed to  
14 the board to represent one of the five regions described in section 42 of  
15 this act;

16 (4) Secretary means the Secretary of the Budget Equalization and  
17 Review Board; and

18 (5) SEND score means the special expenditure needs distribution  
19 score calculated under section 46 of this act.

20 Sec. 42. (1) There is hereby created the Budget Equalization and  
21 Review Board. The purpose of the board is to ensure that all ninety-three  
22 Nebraska counties and all political subdivisions in this state receive  
23 adequate representation regarding funding for their operations.

24 (2) The board shall consist of seven members comprised of five  
25 regional representatives, the secretary, and the Auditor of Public  
26 Accounts or his or her designee. The five regional representatives shall  
27 have the right to vote on all matters and shall represent the five  
28 regions described in subsection (3) of this section. Each regional  
29 representative shall meet all of the qualifications required for a county  
30 commissioner. A person shall not be eligible to become a regional  
31 representative unless he or she has attained the age of twenty-five

1 years, is a registered voter, and has resided in a county within the  
2 relevant region for a period of at least one year prior to taking office.  
3 A regional representative shall not hold any other elected office or  
4 serve any other governmental entity while serving as a regional  
5 representative. The secretary shall be a nonvoting, ex officio member of  
6 the board. The Auditor of Public Accounts or his or her designee shall  
7 also be a nonvoting, ex officio member of the board. Regional  
8 representatives may hire staff as needed to assist them in their work.

9 (3) One regional representative and one alternate shall be appointed  
10 to represent each of the following regions:

11 (a) The Fort Atkinson Region, which shall include the counties of  
12 Cass, Sarpy, Douglas, Saunders, Washington, Dodge, Colfax, Platte, Burt,  
13 Cuming, Stanton, Madison, Thurston, Wayne, Pierce, Dakota, Dixon, and  
14 Cedar;

15 (b) The St. Deroin Fort Region, which shall include the counties of  
16 Butler, Polk, Hamilton, York, Seward, Lancaster, Otoe, Nemaha, Johnson,  
17 Richardson, Pawnee, Gage, Saline, Fillmore, Clay, Jefferson, Thayer, and  
18 Nuckolls;

19 (c) The Fort Hartsuff Region, which shall include the counties of  
20 Keya Paha, Boyd, Knox, Antelope, Holt, Rock, Brown, Garfield, Wheeler,  
21 Loup, Blaine, Custer, Valley, Greeley, Sherman, Howard, Boone, Nance, and  
22 Merrick;

23 (d) The Fort McPherson Region, which shall include the counties of  
24 Perkins, Lincoln, Dawes, Buffalo, Hall, Adams, Kearney, Phelps, Gosper,  
25 Frontier, Hayes, Chase, Dundy, Hitchcock, Red Willow, Furnas, Harlan,  
26 Franklin, and Webster; and

27 (e) The Fort Robinson Region, which shall include the counties of  
28 Sioux, Scotts Bluff, Banner, Kimball, Cheyenne, Morrill, Box Butte,  
29 Dawes, Sheridan, Cherry, Garden, Deuel, Grant, Arthur, Keith, Hooker,  
30 Thomas, McPherson, and Logan.

31 (4) Regional representatives and alternates shall be appointed in

1 the following manner:

2 (a) In June 2025, the county board of each of the eighteen counties  
3 within the Fort Atkinson Region shall appoint a representative from their  
4 respective county to serve on a search committee. The eighteen members of  
5 such search committee shall appoint, by way of a majority vote, a  
6 regional representative for the Fort Atkinson Region and an alternate,  
7 who shall both serve four-year terms beginning on January 1, 2026. In  
8 June 2029 and in June of every fourth year thereafter, the search  
9 committee process shall be repeated, with each subsequent appointee  
10 serving a four-year term beginning on January 1 of the relevant year. A  
11 regional representative or alternate may serve two consecutive four-year  
12 terms. Whenever a vacancy exists or whenever circumstances prevent the  
13 regional representative from performing his or her duties, the alternate  
14 may substitute for the regional representative or may fill the vacancy  
15 until the next scheduled appointment;

16 (b) In June 2025, the county board of each of the eighteen counties  
17 within the St. Deroir Fort Region shall appoint a representative from  
18 their respective county to serve on a search committee. The eighteen  
19 members of such search committee shall appoint, by way of a majority  
20 vote, a regional representative for the St. Deroir Fort Region and an  
21 alternate, who shall both serve two-year terms beginning on January 1,  
22 2026. In June 2027 and in June of every fourth year thereafter, the  
23 search committee process shall be repeated, with each subsequent  
24 appointee serving a four-year term beginning on January 1 of the relevant  
25 year. The initial regional representative and alternate may serve the  
26 initial two-year term and two additional four-year terms. Each subsequent  
27 regional representative and alternate may serve two consecutive four-year  
28 terms. Whenever a vacancy exists or whenever circumstances prevent the  
29 regional representative from performing his or her duties, the alternate  
30 may substitute for the regional representative or may fill the vacancy  
31 until the next scheduled appointment;

1       (c) In June 2025, the county board of each of the nineteen counties  
2 within the Fort Hartsuff Region shall appoint a representative from their  
3 respective county to serve on a search committee. The nineteen members of  
4 such search committee shall appoint, by way of a majority vote, a  
5 regional representative for the Fort Hartsuff Region and an alternate,  
6 who shall both serve four-year terms beginning on January 1, 2026. In  
7 June 2029 and in June of every fourth year thereafter, the search  
8 committee process shall be repeated, with each subsequent appointee  
9 serving a four-year term beginning on January 1 of the relevant year. A  
10 regional representative or alternate may serve two consecutive four-year  
11 terms. Whenever a vacancy exists or whenever circumstances prevent the  
12 regional representative from performing his or her duties, the alternate  
13 may substitute for the regional representative or may fill the vacancy  
14 until the next scheduled appointment;

15       (d) In June 2025, the county board of each of the nineteen counties  
16 within the Fort McPherson Region shall appoint a representative from  
17 their respective county to serve on a search committee. The nineteen  
18 members of such search committee shall appoint, by way of a majority  
19 vote, a regional representative for the Fort McPherson Region and an  
20 alternate, who shall both serve two-year terms beginning on January 1,  
21 2026. In June 2027 and in June of every fourth year thereafter, the  
22 search committee process shall be repeated, with each subsequent  
23 appointee serving a four-year term beginning on January 1 of the relevant  
24 year. The initial regional representative and alternate may serve the  
25 initial two-year term and two additional four-year terms. Each subsequent  
26 regional representative and alternate may serve two consecutive four-year  
27 terms. Whenever a vacancy exists or whenever circumstances prevent the  
28 regional representative from performing his or her duties, the alternate  
29 may substitute for the regional representative or may fill the vacancy  
30 until the next scheduled appointment; and

31       (e) In June 2025, the county board of each of the nineteen counties

1 within the Fort Robinson Region shall appoint a representative from their  
2 respective county to serve on a search committee. The nineteen members of  
3 such search committee shall appoint, by way of a majority vote, a  
4 regional representative for the Fort Robinson Region and an alternate,  
5 who shall both serve four-year terms beginning on January 1, 2026. In  
6 June 2029 and in June of every fourth year thereafter, the search  
7 committee process shall be repeated, with each subsequent appointee  
8 serving a four-year term beginning on January 1 of the relevant year. A  
9 regional representative or alternate may serve two consecutive four-year  
10 terms. Whenever a vacancy exists or whenever circumstances prevent the  
11 regional representative from performing his or her duties, the alternate  
12 may substitute for the regional representative or may fill the vacancy  
13 until the next scheduled appointment.

14 (5) The members of the board shall elect from among the regional  
15 representatives a chairperson to oversee the operations of the board and  
16 a vice-chairperson to assist the chairperson in such duties.

17 (6) The board shall meet at least once per quarter throughout the  
18 calendar year, and the meetings of the board shall be subject to the Open  
19 Meetings Act.

20 (7) Regional representatives shall be compensated at a rate of  
21 eighty thousand dollars per year until changed by the Legislature.  
22 Alternates shall be compensated at a rate of ten thousand dollars per  
23 year, and they shall not be prohibited from working for a secondary,  
24 nongovernmental employer. Otherwise, the requirements for an alternate  
25 shall be the same as for a regional representative. Regional  
26 representatives and alternates shall also be entitled to receive  
27 reimbursement for expenses incurred incident to their service on the  
28 board as provided in sections 81-1174 to 81-1177.

29 Sec. 43. (1) The Secretary of the Budget Equalization and Review  
30 Board shall be appointed by the Governor and shall serve at the pleasure  
31 of the Governor. The secretary shall serve for a term of four years

1 beginning in the year 2026 and may be reappointed by the Governor to  
2 serve additional terms of office. The secretary shall be a certified  
3 public accountant.

4 (2) The secretary shall create a manual for preparing budgets for  
5 use by political subdivisions. The manual shall include clear directions  
6 for filling out and filing any required budget forms and shall be written  
7 in consultation with the Auditor of Public Accounts and the five regional  
8 representatives. The manual shall be approved by a majority vote of the  
9 regional representatives. The manual shall be updated as needed, but any  
10 changes shall be approved by a majority vote of the regional  
11 representatives. Any proposed changes to the manual shall be reported to  
12 the regional representatives no less than seven days prior to a vote on  
13 such changes.

14 (3) The secretary shall be responsible for maintaining a website for  
15 the board. The website shall include a concise biography of each regional  
16 representative and the secretary. Within three calendar days after the  
17 manual described in subsection (2) of this section has been approved, the  
18 secretary shall make it publicly available on the website.

19 (4) The secretary shall advise the regional representatives on  
20 procedures contained in the manual, but the regional representatives  
21 shall act as the liaisons between the political subdivisions within their  
22 respective regions and the board.

23 (5) The secretary shall record the minutes of any board meetings,  
24 shall post the minutes of each board meeting on the website described in  
25 subsection (3) of this section in a timely manner, and shall make any  
26 such minutes available to the public.

27 (6) The secretary shall serve the regional representatives by  
28 performing any additional tasks assigned to the secretary by a majority  
29 vote of the regional representatives.

30 (7) The secretary shall be compensated at a rate of eighty thousand  
31 dollars per year until changed by the Legislature. The secretary shall



1 also be entitled to receive reimbursement for expenses incurred while in  
2 the performance of his or her duties as provided in sections 81-1174 to  
3 81-1177.

4       Sec. 44. The manual described in section 43 of this act shall  
5 include the following schedule for preparing budgets:

6       (1) On or before the second Monday in May of each calendar year,  
7 each county shall send in writing to each political subdivision located  
8 or headquartered within the county a request to prepare a preliminary  
9 budget proposal, which shall include an itemized estimate of the probable  
10 revenue needed for the ensuing fiscal year, actual expenses for the  
11 previous five years, a five-year average of expenses, and any requests  
12 for additional expenditures. The request to prepare a preliminary budget  
13 proposal shall include a thirty-day deadline for submission of such  
14 proposal;

15       (2) Each county and political subdivision shall prepare a  
16 preliminary budget proposal and shall make such preliminary budget  
17 proposal available to the public in written or electronic form no later  
18 than the second Monday in June. Each preliminary budget proposal shall  
19 include an itemized estimate of probable revenue needed for the ensuing  
20 fiscal year, actual expenses for the previous five years, a five-year  
21 average of expenses, and any requests for additional expenditures. The  
22 five-year average of expenses represents the maximum amount of funding  
23 that a county or political subdivision shall receive from the state;

24       (3) If a preliminary budget proposal for a county or political  
25 subdivision includes a request for additional expenditures which exceeds  
26 the five-year average of expenses for the county or political subdivision  
27 by more than two and one-half percent, the county or political  
28 subdivision shall schedule a public hearing for its preliminary budget  
29 proposal to be held between the dates of July 1 and July 30. Public  
30 notice of the hearing shall be given ten business days prior to the date  
31 of the hearing. The agenda for any such public hearing shall include a

1 reasonable amount of time for questions and comments from the public.  
2 Additional hearing dates may be scheduled at the discretion of the  
3 governing body of the county or political subdivision;

4 (4) Each county and political subdivision shall make any necessary  
5 changes to its preliminary budget proposal and approve the proposal by a  
6 majority vote of the governing body of such county or political  
7 subdivision. Political subdivisions shall submit such proposal to the  
8 county in which the political subdivision is located or headquartered by  
9 August 30. Each proposal shall include an itemized estimate of probable  
10 revenue needed for the ensuing fiscal year, actual expenses for the  
11 previous five years, a five-year average of expenses, and any requests  
12 for additional expenditures;

13 (5) Each county shall prepare a countywide budget proposal which  
14 includes the county's preliminary budget proposal along with the  
15 preliminary budget proposals submitted by the political subdivisions  
16 located or headquartered within the county. Under no circumstances shall  
17 the county alter a preliminary budget proposal submitted by a political  
18 subdivision;

19 (6) Each county shall submit the countywide budget proposal to the  
20 regional representative for the county, to the secretary, and to the  
21 Auditor of Public Accounts on or before September 15. The countywide  
22 budget proposal shall conform to the standardized form as prescribed in  
23 the manual and shall include the county's and each political  
24 subdivision's itemized estimate of probable revenue needed for the  
25 ensuing fiscal year, actual expenses for the previous five years, a five-  
26 year average of expenses, and any requests for additional expenditures;

27 (7) By September 24, each regional representative shall notify each  
28 county in his or her region and each political subdivision located or  
29 headquartered within a county in his or her region, indicating whether  
30 the preliminary budget proposal submitted by such county or political  
31 subdivision conforms to the standards described in the manual. If the

1 regional representative, the secretary, and the Auditor of Public  
2 Accounts find that a preliminary budget proposal is unsatisfactory, the  
3 county or political subdivision shall have until October 15 to correct  
4 the proposal and submit a revised proposal to the regional  
5 representative, the secretary, and the Auditor of Public Accounts. If the  
6 revised budget proposal remains unsatisfactory after the October 15  
7 deadline, the regional representative shall have authority to make any  
8 necessary revisions to the budget proposal;

9       (8) Each regional representative shall make a comprehensive report  
10 for all of the countywide budget proposals within his or her respective  
11 region and shall submit such comprehensive report to the board for  
12 approval no later than October 25. Each comprehensive report shall also  
13 be posted to the website described in section 43 of this act for public  
14 viewing by October 25. Each comprehensive report shall require a majority  
15 vote of the regional representatives for approval before it can be  
16 included in the statewide report described in subdivision (9) of this  
17 section; and

18       (9) The secretary shall prepare a statewide report consisting of all  
19 comprehensive reports approved under subdivision (8) of this section. The  
20 statewide report shall be approved by a majority vote of the regional  
21 representatives. Once approved, the secretary shall submit the statewide  
22 report to the Governor and to the chairperson of the Appropriations  
23 Committee of the Legislature by November 15. The secretary shall also  
24 make the report available for public viewing on the website described in  
25 section 43 of this act by November 15.

26       Sec. 45. (1) There is hereby created the County Trust Fund. The  
27 fund shall be used to supply counties and political subdivisions with  
28 adequate funds to run their respective operations. The Appropriations  
29 Committee of the Legislature shall use the statewide report received  
30 under section 44 of this act to determine the amount to be transferred  
31 each year to the County Trust Fund. The State Treasurer shall transfer

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

5 (2) Each county and political subdivision shall establish a separate  
6 bank account for its operations and shall supply the State Treasurer with  
7 the bank account number and routing number for such account. The State  
8 Treasurer shall use such information to make electronic transfers from  
9 the County Trust Fund into such bank accounts each month in a manner that  
10 is compliant with the annual budget passed by the Legislature.

11 Sec. 46. (1) There is hereby created the County Stabilization Fund.  
12 The purpose of the County Stabilization Fund is to assist counties with  
13 additional or unexpected expenditures. The Legislature may transfer money  
14 into the County Stabilization Fund as needed, but at no time shall the  
15 balance of the County Stabilization Fund exceed ten percent of the total  
16 amount transferred for the year into the County Trust Fund pursuant to  
17 section 45 of this act. If the balance of the County Stabilization Fund  
18 exceeds such amount, the State Treasurer shall transfer the excess to the  
19 Cash Reserve Fund. Any money in the County Stabilization Fund available  
20 for investment shall be invested by the state investment officer pursuant  
21 to the Nebraska Capital Expansion Act and the Nebraska State Funds  
22 Investment Act.

23 (2) The Legislature shall have sole authority to determine the  
24 distributions to be made from the County Stabilization Fund.  
25 Distributions from the fund shall be made annually to each county as  
26 nonrepayable grants based on each county's SEND score. Each county's SEND  
27 score shall be calculated by the regional representative for such county  
28 using the method described in subsection (3) of this section.

29 (3) A county's SEND score shall reflect the amount that a county  
30 needs to provide standardized quality countywide services to the  
31 residents of the county and shall be calculated in the following manner:

1       (a) A public service needs score shall be calculated. The public  
2 service needs score measures the amount of revenue a county needs to  
3 provide for basic public services, such as fire departments and police  
4 departments. A complete list of public service needs shall be included in  
5 the manual. To calculate the public service needs score, highways and  
6 hospitals shall be excluded from the calculation. All other services  
7 shall be included. A five-year average cost per person for such services  
8 shall be established. The public service needs score shall be the five-  
9 year average cost per person multiplied by the population of the county;

10       (b) A highway maintenance score shall be calculated. The highway  
11 maintenance score measures the amount that a county is expected to spend  
12 to maintain its streets, roads, and highways. A complete list of  
13 expenditures for streets, roads, and highways shall be included in the  
14 manual. The highway maintenance score begins by determining the average  
15 amount spent per mile each year by the county to maintain its streets,  
16 roads, and highways. The highway maintenance score is then calculated by  
17 taking the average spending per mile for the previous five-year period  
18 and multiplying that number by the number of miles of streets, roads, and  
19 highways that the county is responsible for servicing. Streets, roads,  
20 and highways that are under the care of a municipality or township shall  
21 not be included in the highway maintenance score unless the county is  
22 under contract with the municipality or township to maintain such  
23 streets, roads, or highways;

24       (c) A hospital score shall be calculated. The hospital score  
25 measures the added burden that some counties in Nebraska have for  
26 maintaining hospitals. The hospital score begins by determining the  
27 average amount spent per person each year by the county for maintaining  
28 the county's hospitals. The hospital score is then calculated by taking  
29 the average spending per person for the previous five-year period and  
30 multiplying that number by the population of the county; and

31       (d) The SEND score shall be calculated by adding together the public

1 service needs score, the highway maintenance score, and the hospital  
2 score.

3 (4) The regional representative shall calculate and include the SEND  
4 scores for each county in his or her region in the comprehensive report  
5 submitted to the board under subdivision (8) of section 44 of this act,  
6 and the secretary shall include the SEND scores in the statewide report  
7 submitted to the Governor and the chairperson of the Appropriations  
8 Committee of the Legislature under subdivision (9) of section 44 of this  
9 act. The reports shall include each county's public service needs score,  
10 highway maintenance score, hospital score, and overall SEND score. In  
11 deciding what to fund each year, the Legislature may give preference to  
12 counties with an unusually high public service needs score, highway  
13 maintenance score, or hospital score. Otherwise, the Legislature shall  
14 give preference to counties with the highest overall SEND scores, however  
15 each county shall receive money from the County Stabilization Fund  
16 annually.

17 (5) For purposes of this section, hospital means any facility that  
18 is staffed and equipped for performing surgical procedures or for  
19 treating and housing persons with infectious or contagious diseases.

20 Sec. 47. (1) There is hereby created the County Rainy Day Fund. The  
21 purpose of the County Rainy Day Fund is to provide money to counties that  
22 are recovering from a fire, a flood, a tornado, or any other kind of  
23 natural disaster which destroys buildings or structures used for  
24 governmental purposes or to renovate uninhabitable properties. No  
25 property shall be considered uninhabitable until it has been declared  
26 permanently uninhabitable by an inspector designated by the local public  
27 health department or county board and has remained uninhabited for a  
28 period of no less than one hundred eighty days. A structure may be  
29 considered permanently uninhabitable when the structure is unstable and  
30 is subject to collapse in part or in whole, the structure is allowing  
31 elemental intrusion, or an unresolved safety hazard exists within the

1 structure. The Legislature may transfer money into the County Rainy Day  
2 Fund as needed, but at no time shall the balance of the County Rainy Day  
3 Fund exceed eight percent of the total amount transferred for the year  
4 into the County Trust Fund pursuant to section 45 of this act. If the  
5 balance of the County Rainy Day Fund exceeds such amount, the State  
6 Treasurer shall transfer the excess to the Cash Reserve Fund. Any money  
7 in the County Rainy Day Fund available for investment shall be invested  
8 by the state investment officer pursuant to the Nebraska Capital  
9 Expansion Act and the Nebraska State Funds Investment Act.

10 (2) The County Rainy Day Fund shall be used solely for the purposes  
11 of repairing structures, replacing structures, or providing for temporary  
12 shelters or temporary structures for purposes of county, municipal, or  
13 township government work or work associated with any political  
14 subdivision included in the countywide budget. The Legislature shall have  
15 sole authority for determining whether distributions should be made from  
16 the County Rainy Day Fund, except that whenever the Legislature stands in  
17 recess for a period of at least five calendar days following a fire,  
18 flood, tornado, or any other kind of natural disaster and the Governor  
19 declares a state of emergency, the Governor may by way of executive order  
20 withdraw money from the County Rainy Day Fund to repair damaged buildings  
21 or structures or to provide for temporary shelters or temporary  
22 structures for purposes of county, municipal, or township work, including  
23 any work associated with a political subdivision included in the  
24 countywide budget. Distributions from the fund shall be made as  
25 nonrepayable grants.

26 Sec. 48. For purposes of sections 48 to 57 of this act:

27 (1) Board means the School Equalization and Review Board created in  
28 section 49 of this act;

29 (2) Regional representative means an individual who is appointed to  
30 the board to represent one of the five regions described in section 49 of  
31 this act; and

1           (3) Secretary means the Secretary of the School Equalization and  
2 Review Board.

3           Sec. 49. (1) There is hereby created the School Equalization and  
4 Review Board. The purpose of the board is to ensure that school districts  
5 receive adequate representation regarding funding for their operations.

6           (2) The board shall consist of seven members comprised of five  
7 regional representatives, the secretary, and the Auditor of Public  
8 Accounts or his or her designee. The five regional representatives shall  
9 have the right to vote on all matters and shall represent the five  
10 regions described in subsection (3) of this section. A person shall not  
11 be eligible to become a regional representative unless he or she has  
12 attained the age of twenty-five years, is a registered voter, and has  
13 resided in a county within the relevant region for a period of at least  
14 one year prior to taking office. A regional representative shall not hold  
15 any other elected office, serve any other governmental entity, or be  
16 actively engaged in the teaching profession while serving as a regional  
17 representative. The secretary shall be a nonvoting, ex officio member of  
18 the board. The Auditor of Public Accounts or his or her designee shall  
19 also be a nonvoting, ex officio member of the board. Regional  
20 representatives may hire staff as needed to assist them in their work.

21           (3) One regional representative and one alternate shall be appointed  
22 to represent each of the following regions:

23           (a) The Fort Atkinson Region, which shall include the counties of  
24 Cass, Sarpy, Douglas, Saunders, Washington, Dodge, Colfax, Platte, Burt,  
25 Cuming, Stanton, Madison, Thurston, Wayne, Pierce, Dakota, Dixon, and  
26 Cedar;

27           (b) The St. Deroin Fort Region, which shall include the counties of  
28 Butler, Polk, Hamilton, York, Seward, Lancaster, Otoe, Nemaha, Johnson,  
29 Richardson, Pawnee, Gage, Saline, Fillmore, Clay, Jefferson, Thayer, and  
30 Nuckolls;

31           (c) The Fort Hartsuff Region, which shall include the counties of



1 Keya Paha, Boyd, Knox, Antelope, Holt, Rock, Brown, Garfield, Wheeler,  
2 Loup, Blaine, Custer, Valley, Greeley, Sherman, Howard, Boone, Nance, and  
3 Merrick;

4 (d) The Fort McPherson Region, which shall include the counties of  
5 Perkins, Lincoln, Dawes, Buffalo, Hall, Adams, Kearney, Phelps, Gosper,  
6 Frontier, Hayes, Chase, Dundy, Hitchcock, Red Willow, Furnas, Harlan,  
7 Franklin, and Webster; and

8 (e) The Fort Robinson Region, which shall include the counties of  
9 Sioux, Scotts Bluff, Banner, Kimball, Cheyenne, Morrill, Box Butte,  
10 Dawes, Sheridan, Cherry, Garden, Deuel, Grant, Arthur, Keith, Hooker,  
11 Thomas, McPherson, and Logan.

12 (4) Regional representatives and alternates shall be appointed in  
13 the following manner:

14 (a) In June 2025, the county board of each of the eighteen counties  
15 within the Fort Atkinson Region shall appoint a representative from their  
16 respective county to serve on a search committee. The eighteen members of  
17 such search committee shall appoint, by way of a majority vote, a  
18 regional representative for the Fort Atkinson Region and an alternate,  
19 who shall both serve two-year terms beginning on January 1, 2026. In June  
20 2027 and in June of every fourth year thereafter, the search committee  
21 process shall be repeated, with each subsequent appointee serving a four-  
22 year term beginning on January 1 of the relevant year. The initial  
23 regional representative and alternate may serve the initial two-year term  
24 and two additional four-year terms. Each subsequent regional  
25 representative and alternate may serve two consecutive four-year terms.  
26 Whenever a vacancy exists or whenever circumstances prevent the regional  
27 representative from performing his or her duties, the alternate may  
28 substitute for the regional representative or may fill the vacancy until  
29 the next scheduled appointment;

30 (b) In June 2025, the county board of each of the eighteen counties  
31 within the St. Deroyn Fort Region shall appoint a representative from

1 their respective county to serve on a search committee. The eighteen  
2 members of such search committee shall appoint, by way of a majority  
3 vote, a regional representative for the St. Deroin Fort Region and an  
4 alternate, who shall both serve four-year terms beginning on January 1,  
5 2026. In June 2029 and in June of every fourth year thereafter, the  
6 search committee process shall be repeated, with each subsequent  
7 appointee serving a four-year term beginning on January 1 of the relevant  
8 year. A regional representative or alternate may serve two consecutive  
9 four-year terms. Whenever a vacancy exists or whenever circumstances  
10 prevent the regional representative from performing his or her duties,  
11 the alternate may substitute for the regional representative or may fill  
12 the vacancy until the next scheduled appointment;

13 (c) In June 2025, the county board of each of the nineteen counties  
14 within the Fort Hartsuff Region shall appoint a representative from their  
15 respective county to serve on a search committee. The nineteen members of  
16 such search committee shall appoint, by way of a majority vote, a  
17 regional representative for the Fort Hartsuff Region and an alternate,  
18 who shall both serve two-year terms beginning on January 1, 2026. In June  
19 2027 and in June of every fourth year thereafter, the search committee  
20 process shall be repeated, with each subsequent appointee serving a four-  
21 year term beginning on January 1 of the relevant year. The initial  
22 regional representative and alternate may serve the initial two-year term  
23 and two additional four-year terms. Each subsequent regional  
24 representative and alternate may serve two consecutive four-year terms.  
25 Whenever a vacancy exists or whenever circumstances prevent the regional  
26 representative from performing his or her duties, the alternate may  
27 substitute for the regional representative or may fill the vacancy until  
28 the next scheduled appointment;

29 (d) In June 2025, the county board of each of the nineteen counties  
30 within the Fort McPherson Region shall appoint a representative from  
31 their respective county to serve on a search committee. The nineteen

1 members of such search committee shall appoint, by way of a majority  
2 vote, a regional representative for the Fort McPherson Region and an  
3 alternate, who shall both serve four-year terms beginning on January 1,  
4 2026. In June 2029 and in June of every fourth year thereafter, the  
5 search committee process shall be repeated, with each subsequent  
6 appointee serving a four-year term beginning on January 1 of the relevant  
7 year. A regional representative or alternate may serve two consecutive  
8 four-year terms. Whenever a vacancy exists or whenever circumstances  
9 prevent the regional representative from performing his or her duties,  
10 the alternate may substitute for the regional representative or may fill  
11 the vacancy until the next scheduled appointment; and

12 (e) In June 2025, the county board of each of the nineteen counties  
13 within the Fort Robinson Region shall appoint a representative from their  
14 respective county to serve on a search committee. The nineteen members of  
15 such search committee shall appoint, by way of a majority vote, a  
16 regional representative for the Fort Robinson Region and an alternate,  
17 who shall both serve two-year terms beginning on January 1, 2026. In June  
18 2027 and in June of every fourth year thereafter, the search committee  
19 process shall be repeated, with each subsequent appointee serving a four-  
20 year term beginning on January 1 of the relevant year. The initial  
21 regional representative and alternate may serve the initial two-year term  
22 and two additional four-year terms. Each subsequent regional  
23 representative and alternate may serve two consecutive four-year terms.  
24 Whenever a vacancy exists or whenever circumstances prevent the regional  
25 representative from performing his or her duties, the alternate may  
26 substitute for the regional representative or may fill the vacancy until  
27 the next scheduled appointment.

28 (5) The members of the board shall elect from among the regional  
29 representatives a chairperson to oversee the operations of the board and  
30 a vice-chairperson to assist the chairperson in such duties.

31 (6) The board shall meet at least once per quarter throughout the

1 calendar year, and the meetings of the board shall be subject to the Open  
2 Meetings Act.

3 (7) Regional representatives shall be compensated at a rate of  
4 eighty thousand dollars per year until changed by the Legislature.  
5 Alternates shall be compensated at a rate of ten thousand dollars per  
6 year, and they shall not be prohibited from working for a secondary,  
7 nongovernmental employer. Otherwise, the requirements for an alternate  
8 shall be the same as for a regional representative. Regional  
9 representatives and alternates shall also be entitled to receive  
10 reimbursement for expenses incurred incident to their service on the  
11 board as provided in sections 81-1174 to 81-1177.

12 Sec. 50. (1) The Secretary of the School Equalization and Review  
13 Board shall be appointed by the Governor and shall serve at the pleasure  
14 of the Governor. The secretary shall serve for a term of four years  
15 beginning in the year 2026 and may be reappointed by the Governor to  
16 serve additional terms of office. The secretary shall be a certified  
17 public accountant or have at least four years of experience as a school  
18 superintendent.

19 (2) The secretary shall create a manual for preparing budgets for  
20 use by school districts. The manual shall include clear directions for  
21 filling out and filing any required budget forms and shall be written in  
22 consultation with the Auditor of Public Accounts and the five regional  
23 representatives. The manual shall be approved by a majority vote of the  
24 regional representatives. The manual shall be updated as needed, but any  
25 changes shall be approved by a majority vote of the regional  
26 representatives. Any proposed changes to the manual shall be reported to  
27 the regional representatives no less than seven days prior to a vote on  
28 such changes.

29 (3) The secretary shall be responsible for maintaining a website for  
30 the board. The website shall include a concise biography of each regional  
31 representative and the secretary. Within three calendar days after the

1 manual described in subsection (2) of this section has been approved, the  
2 secretary shall make it publicly available on the website.

3 (4) The secretary shall advise the regional representatives on  
4 procedures contained in the manual, but the regional representatives  
5 shall act as the liaisons between the schools within their respective  
6 regions and the board.

7 (5) The secretary shall record the minutes of any board meetings,  
8 shall post the minutes of each board meeting on the website described in  
9 subsection (3) of this section in a timely manner, and shall make any  
10 such minutes available to the public.

11 (6) The secretary shall serve the regional representatives by  
12 performing any additional tasks assigned to the secretary by a majority  
13 vote of the regional representatives.

14 (7) The secretary shall be compensated at a rate of eighty thousand  
15 dollars per year until changed by the Legislature. The secretary shall  
16 also be entitled to receive reimbursement for expenses incurred while in  
17 the performance of his or her duties as provided in sections 81-1174 to  
18 81-1177.

19 Sec. 51. The manual described in section 50 of this act shall  
20 include the following schedule for preparing budgets:

21 (1) Each school board shall prepare an annual budget proposal by the  
22 second Monday of June of each calendar year which shall apply to the  
23 ensuing school year. The annual budget proposal shall include an average  
24 per-student cost for each of the schools within the school district. The  
25 school board shall use the number of registered students in each school  
26 on April 30 of the current calendar year to determine the average per-  
27 student cost for the ensuing school year. The school board shall also  
28 include in its annual budget proposal a district-wide average per-student  
29 cost along with any other requests for additional expenditures per  
30 school. The annual budget proposal shall include the school district's  
31 budgets from the five previous years along with a five-year average. The

1 five-year average, plus two percent, shall represent the minimum amount  
2 of funding that a school district shall receive from the state. The  
3 annual budget proposal shall be made available for viewing by the public  
4 on the school district's website no later than June 30;

5 (2) Each school board shall make any necessary adjustments to its  
6 annual budget proposal and shall approve the annual budget proposal no  
7 later than July 30 and shall post the revised budget proposal to the  
8 school district's website no later than August 10;

9 (3) Upon approval of the annual budget proposal, each school board  
10 shall submit its annual budget proposal to its regional representative,  
11 to the secretary, and to the Auditor of Public Accounts by August 15;

12 (4) The regional representative for the school district, the  
13 secretary, and the Auditor of Public Accounts shall review the school  
14 district's budget proposal, and the regional representative shall notify  
15 the school district whether the budget proposal conforms to the standards  
16 as outlined in the manual by August 30. If the regional representative,  
17 the secretary, and the Auditor of Public Accounts find that a school  
18 district's budget proposal is unsatisfactory, the school board shall have  
19 until September 30 to correct the proposal and submit a revised proposal  
20 to the regional representative, the secretary, and the Auditor of Public  
21 Accounts. If the revised budget proposal remains unsatisfactory after the  
22 September 30 deadline, the regional representative, in consultation with  
23 the secretary and the Auditor of Public Accounts, shall make any  
24 necessary revisions to the budget proposal;

25 (5) Each regional representative shall submit a region-wide report  
26 of all of the school districts within the representative's jurisdiction  
27 to the board for approval. Each region-wide report shall require a  
28 majority vote of the regional representatives for approval before it can  
29 be included in the statewide report described in subdivision (6) of this  
30 section; and

31 (6) The secretary shall prepare a statewide report consisting of all

1 region-wide reports approved under subdivision (5) of this section. The  
2 statewide report shall be approved by a majority vote of the regional  
3 representatives. Once approved, the secretary shall submit the statewide  
4 report to the Governor and to the chairperson of the Appropriations  
5 Committee of the Legislature by November 15. The secretary shall also  
6 make the report available for public viewing on the website described in  
7 section 50 of this act by November 15.

8       Sec. 52. (1) There is hereby created the Education Trust Fund. The  
9 purpose of the Education Trust Fund is to provide for the free  
10 instruction in the common schools of this state as required under Article  
11 VII, section 1, of the Constitution of Nebraska. In order to ensure that  
12 all students between the ages of five and twenty-one years attending the  
13 common schools in this state have the opportunity to receive a free  
14 education, the Legislature shall transfer money into the Education Trust  
15 Fund annually to cover the five-year average operational costs per school  
16 plus two percent for all public schools operating within the state.

17       (2) The Appropriations Committee of the Legislature shall use the  
18 statewide report received under section 51 of this act to determine the  
19 amount to be transferred each year to the Education Trust Fund. The State  
20 Treasurer shall transfer money to the Education Trust Fund as directed by  
21 the Legislature. Any money in the fund available for investment shall be  
22 invested by the state investment officer pursuant to the Nebraska Capital  
23 Expansion Act and the Nebraska State Funds Investment Act.

24       (3) Each school district shall establish a separate bank account for  
25 its operations and shall supply the State Treasurer with the bank account  
26 number and routing number for such account. The State Treasurer shall use  
27 such information to make electronic transfers from the Education Trust  
28 Fund into such bank accounts each month in a manner that is compliant  
29 with the annual budget passed by the Legislature.

30       Sec. 53. (1) There is hereby created the Education Stabilization  
31 Fund. The purpose of the Education Stabilization Fund is to ensure that

1 every school district receives adequate funding for its operations. The  
2 Legislature may transfer money into the Education Stabilization Fund as  
3 needed, but at no time shall the balance of the Education Stabilization  
4 Fund exceed ten percent of the total amount transferred for the year into  
5 the Education Trust Fund pursuant to section 52 of this act. If the  
6 balance of the Education Stabilization Fund exceeds such amount, the  
7 State Treasurer shall transfer the excess to the Cash Reserve Fund. Any  
8 money in the Education Stabilization Fund available for investment shall  
9 be invested by the state investment officer pursuant to the Nebraska  
10 Capital Expansion Act and the Nebraska State Funds Investment Act.

11 (2) The Legislature shall have sole authority to determine the  
12 distributions to be made from the Education Stabilization Fund.  
13 Distributions from the fund shall be made annually to each school  
14 district as nonrepayable grants based on each school district's  
15 stabilization score. Each school district's stabilization score shall be  
16 calculated by the regional representative according to the uniform  
17 procedure outlined by the Secretary of the School Equalization and Review  
18 Board in the manual described in section 50 of this act. The  
19 stabilization scores shall include the following:

20 (a) A special student needs score shall be calculated by adding  
21 together the number of students with physical disabilities, the number of  
22 special education students, the number of students with learning  
23 disabilities, and the number of students learning English as a second  
24 language on April 30 and dividing that number by the total number of  
25 students enrolled in the district on April 30. If a student fits into  
26 more than one of the categories listed in this subdivision, he or she  
27 shall be included in the total for each such category;

28 (b) A transportation score shall be calculated by adding up the  
29 total number of miles traveled by school buses and parents throughout the  
30 school district during the month of April and dividing that number by  
31 thirty. The number of miles traveled by school buses and parents shall



1 include transportation of students to and from school, for field trips,  
2 and for after school activities;

3 (c) A technology score shall be calculated by adding up the number  
4 of computers owned by the school district on April 30 and dividing that  
5 number by the total number of students enrolled in the district on April  
6 30;

7 (d) A textbook score shall be calculated by adding up the number of  
8 textbooks owned by the school district on April 30 and dividing that  
9 number by the total number of students enrolled in the district on April  
10 30;

11 (e) A poverty score shall be calculated by adding up the total  
12 number of students receiving federally subsidized school lunches during  
13 the month of April and dividing that number by the total number of  
14 students enrolled in the school district on April 30; and

15 (f) The stabilization score shall be calculated by adding together  
16 the special student needs score, the transportation score, the technology  
17 score, the textbook score, and the poverty score.

18 (3) The regional representative shall include the stabilization  
19 score for each school district within his or her jurisdiction in the  
20 region-wide report submitted to the board under subdivision (5) of  
21 section 51 of this act, and the Secretary of the School Equalization and  
22 Review Board shall include the stabilization scores in the statewide  
23 report submitted to the Governor and the chairperson of the  
24 Appropriations Committee of the Legislature under subdivision (6) of  
25 section 51 of this act. The reports shall include each school district's  
26 special student needs score, transportation score, technology score,  
27 textbook score, poverty score, and overall stabilization score. In  
28 deciding what to fund each year, the Legislature may give preference to  
29 school districts with an unusually high special student needs score,  
30 transportation score, technology score, textbook score, or poverty score.  
31 Otherwise, the Legislature shall give preference to school districts with

1 the highest overall stabilization scores.

2       Sec. 54. (1) There is hereby created the Education Facilities and  
3 Growth Fund. The purpose of the Education Facilities and Growth Fund is  
4 to provide money to school districts for the construction of new  
5 buildings and facilities, the maintenance of current buildings and  
6 facilities, and growth promotion. The Legislature may transfer money into  
7 the Education Facilities and Growth Fund as needed, but at no time shall  
8 the balance of the Education Facilities and Growth Fund exceed eight  
9 percent of the total amount transferred for the year into the Education  
10 Trust Fund pursuant to section 52 of this act. If the balance of the  
11 Education Facilities and Growth Fund exceeds such amount, the State  
12 Treasurer shall transfer the excess to the Cash Reserve Fund. Any money  
13 in the Education Facilities and Growth Fund available for investment  
14 shall be invested by the state investment officer pursuant to the  
15 Nebraska Capital Expansion Act and the Nebraska State Funds Investment  
16 Act.

17       (2) The Education Facilities and Growth Fund shall be used solely  
18 for the purposes of building new structures or facilities, repairing or  
19 replacing current structures or facilities, promoting new programs,  
20 expanding current programs, or enhancing current programs.

21       (3) Each regional representative shall include requests for projects  
22 to be funded from the Education Facilities and Growth Fund each year in  
23 the region-wide report submitted to the board pursuant to subdivision (5)  
24 of section 51 of this act. The secretary shall include such requests in  
25 the statewide report submitted to the Governor and the chairperson of the  
26 Appropriations Committee of the Legislature pursuant to subdivision (6)  
27 of section 51 of this act.

28       (4) The Legislature shall have sole authority for determining which  
29 projects receive funding each year from the Education Facilities and  
30 Growth Fund. Distributions from the fund shall be made as nonrepayable  
31 grants.

1           Sec. 55. (1) There is hereby created the School Facilities  
2 Assessment Committee. The purpose of the committee is to assess the  
3 conditions of the facilities belonging to Nebraska's public school  
4 districts, develop plans for the construction of new facilities and  
5 maintenance of existing structures, and oversee the distribution of funds  
6 for capital projects. No later than April 30 of each calendar year, the  
7 committee shall submit a report of the needs of public school district  
8 facilities to the School Facilities and Growth Commission.

9           (2) The committee shall consist of five members who shall be  
10 appointed by the Commissioner of Education and may be removed by the  
11 Governor. The five members of the committee shall have the right to vote  
12 on all matters, and one member of the committee shall reside in each of  
13 the five regions of the School Equalization and Review Board. A member of  
14 the committee shall not reside in the same region as another member of  
15 the committee. The members of the committee shall follow the policies as  
16 set forth by the School Facilities and Growth Commission. No later than  
17 April 30 of each calendar year, the committee shall submit a report of  
18 school districts' facilities needs to the School Facilities and Growth  
19 Commission.

20           (3) The members of the committee shall elect from among the members  
21 a chairperson to oversee the operations of the committee, a vice-  
22 chairperson to assist the chairperson in such duties, and a secretary  
23 responsible for keeping the minutes of the committee's meetings and  
24 writing the report of the needs of public school district facilities.

25           (4) The committee shall meet at least once per quarter throughout  
26 the calendar year, and the meetings of the committee shall be subject to  
27 the Open Meetings Act.

28           (5) Members of the committee shall be compensated at a rate of sixty  
29 thousand dollars per year until changed by the Legislature. Members of  
30 the committee shall also be entitled to receive reimbursement for  
31 expenses incurred incident to their service on the committee as provided

1 in sections 81-1174 to 81-1177.

2       Sec. 56. (1) There is hereby created the School Programs and Growth  
3 Committee. The purpose of the committee is to measure the growth of  
4 Nebraska's public school districts, assess the needs for new or expanded  
5 programs, and oversee the distribution of funds for such new or expanded  
6 programs. No later than April 30 of each calendar year, the committee  
7 shall submit a report of the growth needs of public school district  
8 facilities to the School Programs and Growth Commission.

9       (2) The committee shall consist of five members who shall be  
10 appointed by the Commissioner of Education and may be removed by the  
11 Governor. The five members shall have the right to vote on all matters,  
12 and one member of the committee shall reside in each of the five regions  
13 of the School Equalization and Review Board. A member of the committee  
14 shall not reside in the same region as another member of the committee.  
15 The members of the committee shall follow the policies as set forth by  
16 the School Facilities and Growth Commission.

17       (3) The members of the committee shall elect from among the members  
18 a chairperson to oversee the operations of the committee, a vice-  
19 chairperson to assist the chairperson in such duties, and a secretary  
20 responsible for keeping the minutes of the committee's meetings and  
21 writing the report of the growth needs of public school districts.

22       (4) The committee shall meet at least once per quarter throughout  
23 the calendar year, and the meetings of the committee shall be subject to  
24 the Open Meetings Act.

25       (5) Members of the committee shall be compensated at a rate of sixty  
26 thousand dollars per year until changed by the Legislature. Members of  
27 the committee shall also be entitled to receive reimbursement for  
28 expenses incurred incident to their service on the committee as provided  
29 in sections 81-1174 to 81-1177.

30       Sec. 57. (1) There is hereby created the School Facilities and  
31 Growth Commission. The purpose of the commission is to establish the

1 policies to be used for measuring the conditions of existing public  
2 school district facilities, the procedures for assessing the need for new  
3 structures or new facilities, the methodology for measuring public school  
4 district growth, and the procedures for assessing the need for new or  
5 expanded programs. The commission shall submit an annual report of  
6 recommended capital improvement projects, new facilities, and new  
7 programs and growth potential to the Secretary of the School Equalization  
8 and Review Board.

9 (2) The commission shall consist of five members who shall be  
10 appointed by the Governor, subject to approval by the Legislature. The  
11 members of the commission may be removed by the Governor. The five  
12 members of the commission shall have the right to vote on all matters,  
13 and one member of the commission shall reside in each of the five regions  
14 of the School Equalization and Review Board. A member of the commission  
15 shall not reside in the same region as another member of the commission.

16 (3) The members of the commission shall elect from among the members  
17 a chairperson to oversee the operations of the commission, a vice-  
18 chairperson to assist the chairperson in such duties, and a secretary  
19 responsible for keeping the minutes of the commission's meetings and  
20 writing the report of recommended capital improvement projects, new  
21 facilities, and new programs and growth potential.

22 (4) The commission shall meet at least once per quarter throughout  
23 the calendar year, and the meetings of the commission shall be subject to  
24 the Open Meetings Act.

25 (5) Members of the commission shall be compensated at a rate of  
26 seventy thousand dollars per year until changed by the Legislature.  
27 Members of the commission shall also be entitled to receive reimbursement  
28 for expenses incurred incident to their service on the commission as  
29 provided in sections 81-1174 to 81-1177.

30 Sec. 58. Section 13-319, Reissue Revised Statutes of Nebraska, is  
31 amended to read:

1           13-319 Any county by resolution of the governing body may impose a  
2 sales and use tax of one-half percent, one percent, or one and one-half  
3 percent upon the same transactions sourced as provided in sections  
4 77-2703.01 to 77-2703.04 within the county, but outside any incorporated  
5 municipality which has adopted a local sales tax pursuant to section  
6 77-27,142, on which the state is authorized to impose a tax pursuant to  
7 the Nebraska Revenue Act of 1967, as amended from time to time. Any sales  
8 and use tax imposed pursuant to this section must be used (1) to finance  
9 public safety services provided by a public safety commission, (2) to  
10 provide the county share of funds required under any other agreement  
11 executed under the Interlocal Cooperation Act or Joint Public Agency Act,  
12 or (3) to finance public safety services provided by the county. A sales  
13 and use tax shall not be imposed pursuant to this section until an  
14 election has been held and a majority of the qualified electors have  
15 approved the tax pursuant to sections 13-322 and 13-323. A sales and use  
16 tax shall not be imposed pursuant to this section if the county is  
17 imposing a tax pursuant to section 77-6403. Any sales and use tax imposed  
18 pursuant to this section shall terminate as provided in section 3 of this  
19 act.

20           Sec. 59. Section 13-501, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22           13-501 (1) Sections 13-501 to 13-513 shall be known and may be  
23 cited as the Nebraska Budget Act.

24           (2) The Nebraska Budget Act shall apply until January 1, 2026. On  
25 and after such date, the budgetary process shall be governed by the  
26 Nebraska EPIC Option Consumption Tax Act.

27           Sec. 60. Section 13-2813, Reissue Revised Statutes of Nebraska, is  
28 amended to read:

29           13-2813 (1) A municipal county by ordinance of its council may  
30 impose a sales and use tax of one-half percent, one percent, or one and  
31 one-half percent upon the same transactions within the entire municipal

1 county on which the state is authorized to impose a tax pursuant to the  
2 Nebraska Revenue Act of 1967, as amended from time to time.

3 (2) A municipal county shall not impose a new sales and use tax,  
4 increase the tax, or extend the territory of an existing sales and use  
5 tax until an election is held and a majority of the registered voters as  
6 provided in section 13-2810 have approved the tax, increase, or  
7 extension. The ballot issue proposing approval of a new sales and use tax  
8 or the increase or territorial extension of an existing sales and use tax  
9 may be combined with the issue proposing creation of a municipal county.

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

12 Sec. 61. Section 18-2147, Revised Statutes Supplement, 2023, is  
13 amended to read:

14 18-2147 (1) Any redevelopment plan as originally approved or as  
15 later modified pursuant to section 18-2117 may contain a provision that  
16 any ad valorem tax levied upon real property, or any portion thereof, in  
17 a redevelopment project for the benefit of any public body shall be  
18 divided, for the applicable period described in subsection (4) of this  
19 section, as follows:

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

1 the date of the valuation notice. All provisions of section 77-1502  
2 except dates for filing of a protest, the period for hearing protests,  
3 and the date for mailing notice of the county board of equalization's  
4 decision are applicable to any protest filed pursuant to this section.  
5 The county board of equalization shall decide any protest filed pursuant  
6 to this section within thirty days after the filing of the protest. The  
7 county clerk shall mail a copy of the decision made by the county board  
8 of equalization on protests pursuant to this section to the authority or  
9 owner within seven days after the board's decision. Any decision of the  
10 county board of equalization may be appealed to the Tax Equalization and  
11 Review Commission, in accordance with section 77-5013, within thirty days  
12 after the date of the decision;

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

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



1           (2) To the extent that a redevelopment plan authorizes the division  
2 of ad valorem taxes levied upon only a portion of the real property  
3 included in such redevelopment plan, any improvements funded by such  
4 division of taxes shall be related to the redevelopment plan that  
5 authorized such division of taxes.

6           (3)(a) For any redevelopment plan located in a city of the  
7 metropolitan class that includes a division of taxes, as provided in this  
8 section, that produces, in whole or in part, funds to be used directly or  
9 indirectly for (i) new construction, rehabilitation, or acquisition of  
10 housing for households with annual incomes below the area median income  
11 for households and located within six hundred yards of a public passenger  
12 streetcar or (ii) new construction, rehabilitation, or acquisition of  
13 single-family housing or condominium housing used as primary residences  
14 for individuals with annual incomes below the area median income for  
15 individuals, such housing shall be deemed related to the redevelopment  
16 plan that authorized such division of taxes regardless of whether such  
17 housing is or will be located on real property within such redevelopment  
18 plan, as long as such housing supports activities occurring on or  
19 identified in such redevelopment plan.

20           (b) During each fiscal year in which the funds described in  
21 subdivision (a) of this subsection are available, the authority and city  
22 shall make best efforts to allocate not less than thirty percent of such  
23 funds to single-family housing deemed related to the redevelopment plan  
24 described under such subdivision.

25           (c) In selecting projects to receive funding, the authority and city  
26 shall develop a qualified allocation plan and give first priority to  
27 financially viable projects that serve the lowest income occupants for  
28 the longest period of time.

29           (4)(a) For any redevelopment plan for which more than fifty percent  
30 of the property in the redevelopment project area has been declared an  
31 extremely blighted area in accordance with section 18-2101.02, ad valorem

1 taxes shall be divided for a period not to exceed twenty years after the  
2 effective date as identified in the project redevelopment contract or in  
3 the resolution of the authority authorizing the issuance of bonds  
4 pursuant to section 18-2124.

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

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

16 (6) Beginning August 1, 2006, all notices of the provision for  
17 dividing ad valorem taxes shall be sent by the authority to the county  
18 assessor on forms prescribed by the Property Tax Administrator. The  
19 notice shall be sent to the county assessor on or before August 1 of the  
20 year of the effective date of the provision. Failure to satisfy the  
21 notice requirement of this section shall result in the taxes, for all  
22 taxable years affected by the failure to give notice of the effective  
23 date of the provision, remaining undivided and being paid into the funds  
24 for each public body receiving property taxes generated by the property  
25 in the redevelopment project. However, the redevelopment project  
26 valuation for the remaining division of ad valorem taxes in accordance  
27 with subdivisions (1)(a) and (b) of this section shall be the last  
28 certified valuation for the taxable year prior to the effective date of  
29 the provision to divide the taxes for the remaining portion of the  
30 twenty-year or fifteen-year period pursuant to subsection (4) of this  
31 section.

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

4           Sec. 62. Section 60-3,185, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6           60-3,185 A motor vehicle tax is imposed on motor vehicles registered  
7 for operation upon the highways of this state, except:

8           (1) Motor vehicles exempt from the registration fee in section  
9 60-3,160;

10           (2) One motor vehicle owned and used for his or her personal  
11 transportation by a disabled or blind veteran of the United States Armed  
12 Forces as defined in section 77-202.23 whose disability or blindness is  
13 recognized by the United States Department of Veterans Affairs and who  
14 was discharged or otherwise separated with a characterization of  
15 honorable if an application for the exemption has been approved under  
16 subsection (1) of section 60-3,189;

17           (3) Motor vehicles owned by Indians who are members of an Indian  
18 tribe;

19           (4) Motor vehicles owned by a member of the United States Armed  
20 Forces serving in this state in compliance with military or naval orders  
21 or his or her spouse if such servicemember or spouse is a resident of a  
22 state other than Nebraska;

23           (5) Motor vehicles owned by the state and its governmental  
24 subdivisions and exempt as provided in subdivision (1)(a) or (b) of  
25 section 77-202;

26           (6) Motor vehicles owned and used exclusively by an organization or  
27 society qualified for a tax exemption provided in subdivision (1)(c) or  
28 (d) of section 77-202 if an application for the exemption provided in  
29 this subdivision has been approved under subsection (2) of section  
30 60-3,189; and

31           (7) Trucks, trailers, or combinations thereof registered under

1 section 60-3,198.

2 The motor vehicle tax imposed pursuant to this section shall  
3 terminate as provided in section 4 of this act.

4 Sec. 63. Section 60-3,190, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6 60-3,190 (1) A motor vehicle fee is imposed on all motor vehicles  
7 registered for operation in this state. An owner of a motor vehicle which  
8 is exempt from the imposition of a motor vehicle tax pursuant to section  
9 60-3,185 shall also be exempt from the imposition of the motor vehicle  
10 fee imposed pursuant to this section.

11 (2) The department shall annually determine the motor vehicle fee on  
12 each motor vehicle registered pursuant to this section and shall cause a  
13 notice of the amount to be delivered to the registrant. The notice shall  
14 be combined with the notice of the motor vehicle tax required by section  
15 60-3,186.

16 (3) The motor vehicle fee schedules are set out in this subsection  
17 and subsection (4) of this section. Except for automobiles with a value  
18 when new of less than \$20,000, and for assembled, reconstructed-  
19 designated, and replica-designated automobiles, the fee shall be  
20 calculated by multiplying the base fee times the fraction which  
21 corresponds to the age category of the automobile as shown in the  
22 following table:

23	YEAR	FRACTION
24	First through fifth	1.00
25	Sixth through tenth	.70
26	Eleventh and over	.35

27 (4) The base fee shall be:

28 (a) Automobiles, with a value when new of less than \$20,000, and  
29 assembled, reconstructed-designated, and replica-designated automobiles –  
30 \$5

31 (b) Automobiles, with a value when new of \$20,000 through \$39,999 –

1 \$20

2 (c) Automobiles, with a value when new of \$40,000 or more – \$30

3 (d) Motorcycles and autocycles – \$10

4 (e) Recreational vehicles and cabin trailers – \$10

5 (f) Trucks over seven tons and buses – \$30

6 (g) Trailers other than semitrailers – \$10

7 (h) Semitrailers – \$30

8 (i) Former military vehicles – \$10

9 (j) Minitrucks – \$10

10 (k) Low-speed vehicles – \$10.

11 (5) The motor vehicle tax, motor vehicle fee, and registration fee  
12 shall be paid to the county treasurer prior to the registration of the  
13 motor vehicle for the following registration period. After retaining one  
14 percent of the motor vehicle fee collected for costs, the remaining  
15 proceeds shall be remitted to the State Treasurer for credit to the Motor  
16 Vehicle Fee Fund. The State Treasurer shall return funds from the Motor  
17 Vehicle Fee Fund remitted by a county treasurer which are needed for  
18 refunds or credits authorized by law.

19 (6)(a) The Motor Vehicle Fee Fund is created. On or before the last  
20 day of each calendar quarter, the State Treasurer shall distribute all  
21 funds in the Motor Vehicle Fee Fund as follows: (i) Fifty percent to the  
22 county treasurer of each county, amounts in the same proportion as the  
23 most recent allocation received by each county from the Highway  
24 Allocation Fund; and (ii) fifty percent to the treasurer of each  
25 municipality, amounts in the same proportion as the most recent  
26 allocation received by each municipality from the Highway Allocation  
27 Fund. Any money in the fund available for investment shall be invested by  
28 the state investment officer pursuant to the Nebraska Capital Expansion  
29 Act and the Nebraska State Funds Investment Act.

30 (b) Funds from the Motor Vehicle Fee Fund shall be considered local  
31 revenue available for matching state sources.

1 (c) All receipts by counties and municipalities from the Motor  
2 Vehicle Fee Fund shall be used for road, bridge, and street purposes.

3 (7) For purposes of subdivisions (4)(a), (b), (c), and (f) of this  
4 section, automobiles or trucks includes all trucks and combinations of  
5 trucks or truck-tractors, except those trucks, trailers, or semitrailers  
6 registered under section 60-3,198, and the fee is based on the gross  
7 vehicle weight rating as reported by the manufacturer.

8 (8) Current model year vehicles are designated as first-year motor  
9 vehicles for purposes of the schedules.

10 (9) When a motor vehicle is registered which is newer than the  
11 current model year by the manufacturer's designation, the motor vehicle  
12 is subject to the initial motor vehicle fee for six registration periods.

13 (10) Assembled vehicles other than assembled, reconstructed-  
14 designated, or replica-designated automobiles shall follow the schedules  
15 for the motor vehicle body type.

16 (11) The motor vehicle fee imposed pursuant to this section shall  
17 terminate as provided in section 4 of this act.

18 Sec. 64. Section 77-201, Revised Statutes Cumulative Supplement,  
19 2022, is amended to read:

20 77-201 (1) Except as provided in subsections (2) through (4) and (6)  
21 of this section, all real property in this state, not expressly exempt  
22 therefrom, shall be subject to taxation and shall be valued at its actual  
23 value.

24 (2) Agricultural land and horticultural land as defined in section  
25 77-1359 shall constitute a separate and distinct class of property for  
26 purposes of property taxation, shall be subject to taxation, unless  
27 expressly exempt from taxation, and shall be valued at seventy-five  
28 percent of its actual value, except that for school district taxes levied  
29 to pay the principal and interest on bonds that are approved by a vote of  
30 the people on or after January 1, 2022, such land shall be valued at  
31 fifty percent of its actual value.

1           (3) Agricultural land and horticultural land actively devoted to  
2 agricultural or horticultural purposes which has value for purposes other  
3 than agricultural or horticultural uses and which meets the  
4 qualifications for special valuation under section 77-1344 shall  
5 constitute a separate and distinct class of property for purposes of  
6 property taxation, shall be subject to taxation, and shall be valued for  
7 taxation at seventy-five percent of its special valuation as defined in  
8 section 77-1343, except that for school district taxes levied to pay the  
9 principal and interest on bonds that are approved by a vote of the people  
10 on or after January 1, 2022, such land shall be valued at fifty percent  
11 of its special valuation as defined in section 77-1343.

12           (4) Historically significant real property which meets the  
13 qualifications for historic rehabilitation valuation under sections  
14 77-1385 to 77-1394 shall be valued for taxation as provided in such  
15 sections.

16           (5) Tangible personal property, not including motor vehicles,  
17 trailers, and semitrailers registered for operation on the highways of  
18 this state, shall constitute a separate and distinct class of property  
19 for purposes of property taxation, shall be subject to taxation, unless  
20 expressly exempt from taxation, and shall be valued at its net book  
21 value. Tangible personal property transferred as a gift or devise or as  
22 part of a transaction which is not a purchase shall be subject to  
23 taxation based upon the date the property was acquired by the previous  
24 owner and at the previous owner's Nebraska adjusted basis. Tangible  
25 personal property acquired as replacement property for converted property  
26 shall be subject to taxation based upon the date the converted property  
27 was acquired and at the Nebraska adjusted basis of the converted property  
28 unless insurance proceeds are payable by reason of the conversion. For  
29 purposes of this subsection, (a) converted property means tangible  
30 personal property which is compulsorily or involuntarily converted as a  
31 result of its destruction in whole or in part, theft, seizure,

1 requisition, or condemnation, or the threat or imminence thereof, and no  
2 gain or loss is recognized for federal or state income tax purposes by  
3 the holder of the property as a result of the conversion and (b)  
4 replacement property means tangible personal property acquired within two  
5 years after the close of the calendar year in which tangible personal  
6 property was converted and which is, except for date of construction or  
7 manufacture, substantially the same as the converted property.

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

10 Sec. 65. Section 77-2004, Revised Statutes Cumulative Supplement,  
11 2022, is amended to read:

12 77-2004 (1) In the case of a father, mother, grandfather,  
13 grandmother, brother, sister, son, daughter, child or children legally  
14 adopted as such in conformity with the laws of the state where adopted,  
15 any lineal descendant, any lineal descendant legally adopted as such in  
16 conformity with the laws of the state where adopted, any person to whom  
17 the deceased for not less than ten years prior to death stood in the  
18 acknowledged relation of a parent, or the spouse or surviving spouse of  
19 any such persons, the rate of tax shall be:

20 (a) For decedents dying prior to January 1, 2023, one percent of the  
21 clear market value of the property received by each person in excess of  
22 forty thousand dollars; and

23 (b) For decedents dying on or after January 1, 2023, one percent of  
24 the clear market value of the property received by each person in excess  
25 of one hundred thousand dollars.

26 (2) Any interest in property, including any interest acquired in the  
27 manner set forth in section 77-2002, which may be valued at a sum less  
28 than or equal to the applicable exempt amount under subsection (1) of  
29 this section shall not be subject to tax. In addition the homestead  
30 allowance, exempt property, and family maintenance allowance shall not be  
31 subject to tax. Interests passing to the surviving spouse by will, in the



1 manner set forth in section 77-2002, or in any other manner shall not be  
2 subject to tax. Any interest passing to a person described in subsection  
3 (1) of this section who is under twenty-two years of age shall not be  
4 subject to tax.

5 (3) The tax imposed pursuant to this section shall terminate as  
6 provided in section 5 of this act.

7 Sec. 66. Section 77-2005, Revised Statutes Cumulative Supplement,  
8 2022, is amended to read:

9 77-2005 (1) In the case of an uncle, aunt, niece, or nephew related  
10 to the deceased by blood or legal adoption, or other lineal descendant of  
11 the same, or the spouse or surviving spouse of any of such persons, the  
12 rate of tax shall be:

13 (a) For decedents dying prior to January 1, 2023, thirteen percent  
14 of the clear market value of the property received by each person in  
15 excess of fifteen thousand dollars; and

16 (b) For decedents dying on or after January 1, 2023, eleven percent  
17 of the clear market value of the property received by each person in  
18 excess of forty thousand dollars.

19 (2) If the clear market value of the beneficial interest is less  
20 than or equal to the applicable exempt amount under subsection (1) of  
21 this section, it shall not be subject to tax. In addition, any interest  
22 passing to a person described in subsection (1) of this section who is  
23 under twenty-two years of age shall not be subject to tax.

24 (3) The tax imposed pursuant to this section shall terminate as  
25 provided in section 5 of this act.

26 Sec. 67. Section 77-2006, Revised Statutes Cumulative Supplement,  
27 2022, is amended to read:

28 77-2006 (1) In all other cases the rate of tax shall be:

29 (a) For decedents dying prior to January 1, 2023, eighteen percent  
30 of the clear market value of the beneficial interests received by each  
31 person in excess of ten thousand dollars; and

1 (b) For decedents dying on or after January 1, 2023, fifteen percent  
2 of the clear market value of the beneficial interests received by each  
3 person in excess of twenty-five thousand dollars.

4 (2) If the clear market value of the beneficial interest is less  
5 than or equal to the applicable exempt amount under subsection (1) of  
6 this section, it shall not be subject to any tax. In addition, any  
7 interest passing to a person who is under twenty-two years of age shall  
8 not be subject to tax.

9 (3) The tax imposed pursuant to this section shall terminate as  
10 provided in section 5 of this act.

11 Sec. 68. Section 77-2701, Revised Statutes Supplement, 2023, as  
12 amended by Laws 2024, LB937, section 67, Laws 2024, LB1023, section 8,  
13 and Laws 2024, LB1317, section 80, is amended to read:

14 77-2701 (1) Sections 77-2701 to 77-27,135.01, 77-27,222, 77-27,235,  
15 77-27,236, and 77-27,238 to 77-27,241, section 71 of this act, section 11  
16 of this act, and section 84 of this act shall be known and may be cited  
17 as the Nebraska Revenue Act of 1967.

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

21 Sec. 69. Section 77-27,148, Reissue Revised Statutes of Nebraska, is  
22 amended to read:

23 77-27,148 (1) Sections 77-27,142 to 77-27,148 may be cited as the  
24 Local Option Revenue Act.

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

27 Sec. 70. Section 77-3506, Revised Statutes Supplement, 2023, is  
28 amended to read:

29 77-3506 (1) All homesteads in this state shall be assessed for  
30 taxation the same as other property, except that there shall be exempt  
31 from taxation, on any homestead described in subsection (2) of this

1 section, one hundred percent of the exempt amount.

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

4 (a) A veteran who was discharged or otherwise separated with a  
5 characterization of honorable or general (under honorable conditions),  
6 who is drawing compensation from the United States Department of Veterans  
7 Affairs because of one hundred percent service-connected permanent  
8 disability, and who is not eligible for total exemption under sections  
9 77-3526 to 77-3528;

10 (b) An unremarried surviving spouse of a veteran described in  
11 subdivision (2)(a) of this section or a surviving spouse of such a  
12 veteran who remarries after attaining the age of fifty-seven years;

13 (c) A veteran who was discharged or otherwise separated with a  
14 characterization of honorable or general (under honorable conditions),  
15 who is drawing compensation from the United States Department of Veterans  
16 Affairs because of one hundred percent service-connected temporary  
17 disability, and who is not eligible for total exemption under sections  
18 77-3526 to 77-3528, an unremarried spouse of such a veteran, or a  
19 surviving spouse of such a veteran who remarries after attaining the age  
20 of fifty-seven years;

21 (d) An unremarried surviving spouse of any veteran, including a  
22 veteran other than a veteran described in section 80-401.01, who was  
23 discharged or otherwise separated with a characterization of honorable or  
24 general (under honorable conditions) and who died because of a service-  
25 connected disability or a surviving spouse of such a veteran who  
26 remarries after attaining the age of fifty-seven years;

27 (e) An unremarried surviving spouse of a serviceman or servicewoman,  
28 including a veteran other than a veteran described in section 80-401.01,  
29 whose death while on active duty was service-connected or a surviving  
30 spouse of such a serviceman or servicewoman who remarries after attaining  
31 the age of fifty-seven years; and

1 (f) An unremarried surviving spouse of a serviceman or servicewoman  
2 who died while on active duty during the periods described in section  
3 80-401.01 or a surviving spouse of such a serviceman or servicewoman who  
4 remarries after attaining the age of fifty-seven years.

5 (3) Application for exemption under subdivision (2)(a) of this  
6 section shall be required in every subsequent year evenly divisible by  
7 five and shall include certification of the status described in  
8 subdivision (2)(a) of this section from the United States Department of  
9 Veterans Affairs. Application for exemption under subdivision (2)(b),  
10 (c), (d), (e), or (f) of this section shall be required annually and  
11 shall include certification of the status described in subdivision (2)  
12 (b), (c), (d), (e), or (f) of this section from the United States  
13 Department of Veterans Affairs, except that such certification of status  
14 shall only be required in every subsequent year evenly divisible by five.

15 (4) The exemption provided in this section shall only apply with  
16 respect to years in which a property tax is imposed. The exemption shall  
17 terminate when property tax terminates in accordance with section 4 of  
18 this act.

19 Sec. 71. Section 77-3507, Reissue Revised Statutes of Nebraska, is  
20 amended to read:

21 77-3507 (1) All homesteads in this state shall be assessed for  
22 taxation the same as other property, except that there shall be exempt  
23 from taxation on homesteads of qualified claimants a percentage of the  
24 exempt amount as limited by section 77-3506.03. The percentage of the  
25 exempt amount shall be determined based on the household income of a  
26 claimant pursuant to subsections (2) through (4) of this section.

27 (2) For 2014, for a qualified married or closely related claimant,  
28 the percentage of the exempt amount for which the claimant shall be  
29 eligible shall be the percentage in Column B which corresponds with the  
30 claimant's household income in Column A in the table found in this  
31 subsection.

1	Column A	Column B
2	Household Income	Percentage
3	In Dollars	Of Relief
4	0 through 31,600	100
5	31,601 through 33,300	90
6	33,301 through 35,000	80
7	35,001 through 36,700	70
8	36,701 through 38,400	60
9	38,401 through 40,100	50
10	40,101 through 41,800	40
11	41,801 through 43,500	30
12	43,501 through 45,200	20
13	45,201 through 46,900	10
14	46,901 and over	0

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

19	Column A	Column B
20	Household Income	Percentage
21	In Dollars	Of Relief
22	0 through 26,900	100
23	26,901 through 28,300	90
24	28,301 through 29,700	80
25	29,701 through 31,100	70
26	31,101 through 32,500	60
27	32,501 through 33,900	50
28	33,901 through 35,300	40
29	35,301 through 36,700	30
30	36,701 through 38,100	20

1	38,101 through 39,500	10
2	39,501 and over	0

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

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

22 Sec. 72. Section 77-3508, Revised Statutes Cumulative Supplement,  
23 2022, is amended to read:

24 77-3508 (1)(a) All homesteads in this state shall be assessed for  
25 taxation the same as other property, except that there shall be exempt  
26 from taxation, on any homestead described in subdivision (b) of this  
27 subsection, a percentage of the exempt amount as limited by section  
28 77-3506.03. The exemption shall be based on the household income of a  
29 claimant pursuant to subsections (2) through (4) of this section.

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

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

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

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

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

13 (c) Application for the exemption described in subdivision (a) of  
14 this subsection shall include certification from a qualified medical  
15 physician, physician assistant, or advanced practice registered nurse for  
16 subdivisions (b)(i) through (b)(iii) of this subsection, certification  
17 from the United States Department of Veterans Affairs affirming that the  
18 homeowner is totally disabled due to non-service-connected accident or  
19 illness for subdivision (b)(i) of this subsection, or certification from  
20 the Department of Health and Human Services for subdivision (b)(iv) of  
21 this subsection. Such certification from a qualified medical physician,  
22 physician assistant, or advanced practice registered nurse or from the  
23 Department of Health and Human Services shall be made on forms prescribed  
24 by the Department of Revenue. If an individual described in subdivision  
25 (b)(i), (ii), (iii), or (iv) of this subsection is granted a homestead  
26 exemption pursuant to this section for any year, such individual shall  
27 not be required to submit the certification required under this  
28 subdivision in succeeding years if no change in medical condition has  
29 occurred, except that the county assessor or the Tax Commissioner may  
30 request such certification to verify that no change in medical condition  
31 has occurred.

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

6	Column A	Column B
7	Household Income	Percentage
8	In Dollars	Of Relief
9	0 through 34,700	100
10	34,701 through 36,400	90
11	36,401 through 38,100	80
12	38,101 through 39,800	70
13	39,801 through 41,500	60
14	41,501 through 43,200	50
15	43,201 through 44,900	40
16	44,901 through 46,600	30
17	46,601 through 48,300	20
18	48,301 through 50,000	10
19	50,001 and over	0

20 (3) For 2014, for a single claimant as described in subsection (1)  
21 of this section, the percentage of the exempt amount for which the  
22 claimant shall be eligible shall be the percentage in Column B which  
23 corresponds with the claimant's household income in Column A in the table  
24 found in this subsection.

25	Column A	Column B
26	Household Income	Percentage
27	In Dollars	Of Relief
28	0 through 30,300	100
29	30,301 through 31,700	90
30	31,701 through 33,100	80



1	33,101 through 34,500	70
2	34,501 through 35,900	60
3	35,901 through 37,300	50
4	37,301 through 38,700	40
5	38,701 through 40,100	30
6	40,101 through 41,500	20
7	41,501 through 42,900	10
8	42,901 and over	0

9 (4) For exemption applications filed in calendar years 2015 through  
10 2017, the income eligibility amounts in subsections (2) and (3) of this  
11 section shall be adjusted by the percentage determined pursuant to the  
12 provisions of section 1(f) of the Internal Revenue Code of 1986, as it  
13 existed prior to December 22, 2017. For exemption applications filed in  
14 calendar year 2018 and each calendar year thereafter, the income  
15 eligibility amounts in subsections (2) and (3) of this section shall be  
16 adjusted by the percentage change in the Consumer Price Index for All  
17 Urban Consumers published by the federal Bureau of Labor Statistics from  
18 the twelve months ending on August 31, 2016, to the twelve months ending  
19 on August 31 of the year preceding the applicable calendar year. The  
20 income eligibility amounts shall be adjusted for cumulative inflation  
21 since 2014. If any amount is not a multiple of one hundred dollars, the  
22 amount shall be rounded to the next lower multiple of one hundred  
23 dollars.

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

28 Sec. 73. Section 77-6406, Revised Statutes Cumulative Supplement,  
29 2022, is amended to read:

30 77-6406 Any sales and use tax imposed pursuant to the The Qualified  
31 Judgment Payment Act shall terminate as provided in section 3 of this act

1 ~~terminates on January 1, 2027.~~

2       Sec. 74. Section 77-6827, Revised Statutes Cumulative Supplement,  
3 2022, is amended to read:

4       77-6827 (1) In order to utilize the incentives allowed in the  
5 Imagine Nebraska Act, the taxpayer shall file an application with the  
6 director, on a form developed by the director, requesting an agreement.

7       (2) The application shall:

8       (a) Identify the taxpayer applying for incentives;

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

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

14       (d) Identify the required levels of employment and investment for  
15 the various incentives listed within section 77-6831 that will govern the  
16 agreement. The taxpayer may identify different levels of employment and  
17 investment until the first December 31 following the end of the ramp-up  
18 period on a form approved by the director. The identified levels of  
19 employment and investment will govern all years covered under the  
20 agreement;

21       (e) Identify whether the agreement is for a single qualified  
22 location, all qualified locations within a county, all qualified  
23 locations in more than one county, or all qualified locations within the  
24 state;

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

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

30       (h) Acknowledge that the taxpayer understands the requirements for  
31 providing a sufficient package of benefits to its employees as specified

1 in the Imagine Nebraska Act; and

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

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

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

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

23 (6) There shall be no new applications for incentives filed under  
24 this section after the effective date of this act ~~December 31, 2030~~. All  
25 complete applications filed on or before the effective date of this act  
26 ~~December 31, 2030~~, shall be considered by the director and approved if  
27 the location or locations and taxpayer qualify for benefits, subject to  
28 the base authority limitations provided in section 77-6839. Agreements  
29 may be executed with regard to complete applications filed on or before  
30 the effective date of this act ~~December 31, 2030~~. All agreements pending,  
31 approved, or entered into before such date shall continue in full force

1 and effect.

2 (7) The State Treasurer shall pay any taxpayer entitled to credits  
3 under the Imagine Nebraska Act that are unused on January 1, 2026, an  
4 annual payment equal to ten percent of such credits on November 15 of  
5 each year for ten years.

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

8 79-1001 (1) Sections 79-1001 to 79-1033 shall be known and may be  
9 cited as the Tax Equity and Educational Opportunities Support Act.

10 (2) The Tax Equity and Educational Opportunities Support Act shall  
11 apply until January 1, 2026. On and after such date, funding for the  
12 public schools shall be governed by the Nebraska EPIC Option Consumption  
13 Tax Act.

14 Sec. 76. Section 85-2231, Revised Statutes Supplement, 2023, is  
15 amended to read:

16 85-2231 (1) Sections 85-2231 to 85-2238 shall be known and may be  
17 cited as the Community College Aid Act.

18 (2) The Community College Aid Act shall apply until January 1, 2026.  
19 On and after such date, community colleges shall be funded as provided in  
20 the Nebraska EPIC Option Consumption Tax Act.

21 Sec. 77. Original sections 13-319, 13-501, 13-2813, 60-3,185,  
22 60-3,190, 77-27,148, and 77-3507, Reissue Revised Statutes of Nebraska,  
23 sections 77-201, 77-2004, 77-2005, 77-2006, 77-3508, 77-6406, and  
24 77-6827, Revised Statutes Cumulative Supplement, 2022, sections 18-2147,  
25 77-3506, 79-1001, and 85-2231, Revised Statutes Supplement, 2023, and  
26 section 77-2701, Revised Statutes Supplement, 2023, as amended by Laws  
27 2024, LB937, section 67, Laws 2024, LB1023, section 8, and Laws 2024,  
28 LB1317, section 80, are repealed.