

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 117**

Introduced by Holdcroft, 36.

Read first time January 10, 2025

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend section
- 2 77-2704.13, Reissue Revised Statutes of Nebraska; to provide a sales
- 3 and use tax exemption for electricity, natural gas, propane, and
- 4 sewer utilities as prescribed; to provide an operative date; and to
- 5 repeal the original section.
- 6 Be it enacted by the people of the State of Nebraska,

1           **Section 1.** Section 77-2704.13, Reissue Revised Statutes of Nebraska,  
2 is amended to read:

3           77-2704.13 Sales and use taxes shall not be imposed on the gross  
4 receipts from the sale, lease, or rental of and the storage, use, or  
5 other consumption in this state of:

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

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

17          (3) Sales and purchases of utilities including electricity, natural  
18 gas, propane, and sewer for residential use. For purposes of this  
19 subdivision, residential use includes, but is not limited to, (a) use at  
20 a primary residence that is an apartment where the cost of such utilities  
21 is paid as a separate line-item charge from rent and (b) use at a  
22 commercial property where the primary use of the property is as one or  
23 more primary residences; and

24          (4) ~~(3)~~ Sales and purchases of water used for irrigation of  
25 agricultural lands and manufacturing purposes.

26          **Sec. 2.** This act becomes operative on January 1, 2026.

27          **Sec. 3.** Original section 77-2704.13, Reissue Revised Statutes of  
28 Nebraska, is repealed.