

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 265**

Introduced by Sorrentino, 39.

Read first time January 15, 2025

Committee: Business and Labor

1 A BILL FOR AN ACT relating to labor; to amend sections 48-602, 48-648,  
2 48-649.01, 48-657, 48-3405, 81-407, and 81-1201.21, Reissue Revised  
3 Statutes of Nebraska, and sections 48-622.01, 48-622.02, and  
4 48-649.03, Revised Statutes Cumulative Supplement, 2024; to  
5 eliminate certain funds and change certain references to funds; to  
6 change provisions relating to the state unemployment insurance tax  
7 rate and the Workforce Development Program Cash Fund; to eliminate  
8 the Nebraska Worker Training Board; to harmonize provisions; to  
9 provide an operative date; to repeal the original sections; to  
10 outright repeal section 48-622.03, Reissue Revised Statutes of  
11 Nebraska; and to declare an emergency.  
12 Be it enacted by the people of the State of Nebraska,

1           **Section 1.** Section 48-602, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3           48-602 For purposes of the Employment Security Law, unless the  
4 context otherwise requires:

5           (1) Agricultural labor means services performed:

6           (a) On a farm, in the employ of any employer, in connection with  
7 cultivating the soil or in connection with raising or harvesting any  
8 agricultural or horticultural commodity, including the raising, shearing,  
9 feeding, caring for, training, and management of livestock, bees,  
10 poultry, fur-bearing animals, and wildlife;

11           (b) In the employ of the owner, tenant, or other operator of a farm,  
12 in connection with the operation, management, conservation, improvement,  
13 or maintenance of such farm and its tools and equipment or in salvaging  
14 timber or clearing land of brush and other debris left by a windstorm, if  
15 the major part of such service is performed on a farm;

16           (c) In connection with the production or harvesting of any commodity  
17 in connection with the operation or maintenance of ditches, canals,  
18 reservoirs, or waterways, not owned or operated for profit, used  
19 exclusively for supplying and storing water for farming purposes;

20           (d)(i) In the employ of the operator of a farm in handling,  
21 planting, drying, packing, packaging, processing, freezing, grading,  
22 storing, or delivering to storage or to market or to a carrier for  
23 transportation to market, in its unmanufactured state, any agricultural  
24 or horticultural commodity, but only if such operator produced more than  
25 one-half of the commodity with respect to which such service is  
26 performed, or (ii) in the employ of a group of operators of farms, or a  
27 cooperative organization of which such operators are members, in the  
28 performance of service described in subdivision (1)(d)(i) of this  
29 section, but only if such operators produced more than one-half of the  
30 commodity with respect to which such service is performed. Subdivisions  
31 (1)(d)(i) and (ii) of this section shall not be deemed to be applicable

1 with respect to service performed in connection with commercial canning  
2 or commercial freezing or in connection with any agricultural or  
3 horticultural commodity after its delivery to a terminal market for  
4 distribution for consumption; or

5 (e) On a farm operated for profit if such service is not in the  
6 course of the employer's trade or business;

7 (2) Base period means the first four of the last five completed  
8 calendar quarters immediately preceding the first day of an individual's  
9 benefit year, except that if the individual is not monetarily eligible  
10 for unemployment benefits as determined pursuant to section 48-627.01  
11 based upon wages paid during the first four of the five most recently  
12 completed calendar quarters, the department shall make a redetermination  
13 of monetary eligibility based upon an alternative base period which  
14 consists of the last four completed calendar quarters immediately  
15 preceding the first day of the claimant's benefit year;

16 (3) Benefits means the money payments payable to an individual with  
17 respect to his or her unemployment;

18 (4) Benefit year, with respect to any individual, means the one-year  
19 period beginning with the first day of the first week with respect to  
20 which the individual first files a valid claim for benefits, and  
21 thereafter the one-year period beginning with the first day of the first  
22 week with respect to which the individual next files a valid claim for  
23 benefits after the termination of his or her last preceding benefit year.  
24 Any claim for benefits made in accordance with section 48-629 shall be  
25 deemed to be a valid claim for the purpose of this subdivision if the  
26 individual has been paid the wages for insured work required under  
27 section 48-627.01. For the purposes of this subdivision a week with  
28 respect to which an individual files a valid claim shall be deemed to be  
29 in, within, or during that benefit year which includes the greater part  
30 of such week;

31 (5) Calendar quarter means the period of three consecutive calendar

1 months ending on March 31, June 30, September 30, or December 31, or the  
2 equivalent thereof as the Commissioner of Labor may by rule and  
3 regulation prescribe;

4 (6) Client means any individual, partnership, limited liability  
5 company, corporation, or other legally recognized entity that contracts  
6 with a professional employer organization to obtain professional employer  
7 services relating to worksite employees through a professional employer  
8 agreement;

9 (7) Combined tax means the employer liability consisting of  
10 contributions and the state unemployment insurance tax;

11 (8) Combined tax rate means the rate which is applied to wages to  
12 determine the combined taxes due;

13 (9) Commissioner means the Commissioner of Labor;

14 (10) Commodity means an agricultural commodity as defined in section  
15 15(g) of the federal Agricultural Marketing Act, as amended, 12 U.S.C.  
16 1141j;

17 (11) Contribution rate means the percentage of the combined tax rate  
18 used to determine the contribution portion of the combined tax;

19 (12) Contributions means that portion of the combined tax based upon  
20 the contribution rate portion of the combined tax rate which is deposited  
21 in the state Unemployment Compensation Fund as required by sections  
22 48-648 and 48-649 to 48-649.04;

23 (13) Crew leader means an individual who furnishes individuals to  
24 perform service in agricultural labor for any other person, pays, either  
25 on his or her own behalf or on behalf of such other person, the  
26 individuals so furnished by him or her for the service in agricultural  
27 labor performed by them, and has not entered into a written agreement  
28 with such other person under which such individual is designated as an  
29 employee of such other person;

30 (14) Department means the Department of Labor;

31 (15) Employers engaged in the construction industry means all

1 employers primarily engaged in business activities classified as sector  
2 23 business activities under the North American Industry Classification  
3 System;

4 (16) Employment office means a free public employment office or  
5 branch thereof, operated by this state or maintained as a part of a  
6 state-controlled system of public employment offices, including public  
7 employment offices operated by an agency of a foreign government;

8 (17) Farm means stock, dairy, poultry, fruit, fur-bearing animal,  
9 and truck farms, plantations, ranches, nurseries, ranges, greenhouses, or  
10 other similar structures used primarily for the raising of agricultural  
11 or horticultural commodities, and orchards;

12 (18) Fund means the Unemployment Compensation Fund established by  
13 section 48-617 to which all contributions and payments in lieu of  
14 contributions required and from which all benefits provided shall be  
15 paid;

16 (19) Hearing officer means a person employed by the Department of  
17 Labor who conducts hearings, contested cases, or other proceedings  
18 pursuant to the Employment Security Law;

19 (20) Hospital means an institution which has been licensed,  
20 certified, or approved by the Department of Health and Human Services as  
21 a hospital;

22 (21) Insured work means employment for employers;

23 (22) Leave of absence means any absence from work: (a) Mutually and  
24 voluntarily agreed to by the employer and the employee; (b) mutually and  
25 voluntarily agreed to between the employer and the employee's bargaining  
26 agent; or (c) to which the employee is entitled as a matter of state or  
27 federal law;

28 (23) Paid vacation leave means a period of time while employed or  
29 following separation from employment in which the individual renders no  
30 services to the employer but is entitled to receive vacation pay equal to  
31 or exceeding his or her base weekly wage;

1 (24) Payments in lieu of contributions means the money payments to  
2 the Unemployment Compensation Fund required by sections 48-649.04,  
3 48-652, 48-660.01, and 48-661;

4 (25) Professional employer agreement means a written professional  
5 employer services contract whereby:

6 (a) A professional employer organization agrees to provide payroll  
7 services, employee benefit administration, or personnel services for a  
8 majority of the employees providing services to the client at a client  
9 worksite;

10 (b) The agreement is intended to be ongoing rather than temporary in  
11 nature; and

12 (c) Employer responsibilities for worksite employees, including  
13 those of hiring, firing, and disciplining, are shared between the  
14 professional employer organization and the client by contract. The term  
15 professional employer agreement shall not include a contract between a  
16 parent corporation, company, or other entity and a wholly owned  
17 subsidiary;

18 (26) Professional employer organization means any individual,  
19 partnership, limited liability company, corporation, or other legally  
20 recognized entity that enters into a professional employer agreement with  
21 a client or clients for a majority of a client's workforce at a client  
22 worksite. The term professional employer organization does not include an  
23 insurer as defined in section 44-103 or a temporary help firm;

24 (27) Standard rate means the rate assigned to category twenty for  
25 that year under section 48-649.03. The standard rate shall be not less  
26 than five and four-tenths percent of the employer's annual taxable  
27 payroll;

28 (28) State includes, in addition to the states of the United States  
29 of America, any dependency of the United States, the Commonwealth of  
30 Puerto Rico, the Virgin Islands, and the District of Columbia;

31 (29) State unemployment insurance tax means that portion of the

1 combined tax which is based upon the state unemployment insurance tax  
2 rate portion of the combined tax rate and which is deposited in the  
3 Workforce Development Program Cash State Unemployment Insurance Trust  
4 Fund as required by sections 48-648 and 48-649 to 48-649.04;

5 (30) State unemployment insurance tax rate means the percentage of  
6 the combined tax rate used to determine the state unemployment insurance  
7 tax portion of the combined tax;

8 (31) Temporary employee means an employee of a temporary help firm  
9 assigned to work for the clients of such temporary help firm;

10 (32) Temporary help firm means a firm that hires its own employees  
11 and assigns them to clients to support or supplement the client's  
12 workforce in work situations such as employee absences, temporary skill  
13 shortages, seasonal workloads, and special assignments and projects;

14 (33) Unemployed means an individual during any week in which the  
15 individual performs no service and with respect to which no wages are  
16 payable to the individual or any week of less than full-time work if the  
17 wages payable with respect to such week are less than the individual's  
18 weekly benefit amount, but does not include any individual on a leave of  
19 absence or on paid vacation leave. When an agreement between the employer  
20 and a bargaining unit representative does not allocate vacation pay  
21 allowance or pay in lieu of vacation to a specified period of time during  
22 a period of temporary layoff or plant shutdown, the payment by the  
23 employer or his or her designated representative will be deemed to be  
24 wages as defined in this section in the week or weeks the vacation is  
25 actually taken;

26 (34) Unemployment Trust Fund means the trust fund in the Treasury of  
27 the United States of America established under section 904 of the federal  
28 Social Security Act, 42 U.S.C. 1104, as such section existed on January  
29 1, 2015, which receives credit from the state Unemployment Compensation  
30 Fund;

31 (35) Wages, except with respect to services performed in employment

1 as provided in subdivisions (4)(c) and (d) of section 48-604, means all  
2 remuneration for personal services, including commissions and bonuses,  
3 remuneration for personal services paid under a contract of hire, and the  
4 cash value of all remunerations in any medium other than cash. The  
5 reasonable cash value of remuneration in any medium other than cash shall  
6 be estimated and determined in accordance with rules and regulations  
7 adopted and promulgated by the commissioner. Wages includes tips which  
8 are received while performing services which constitute employment and  
9 which are included in a written statement furnished to the employer  
10 pursuant to section 6053(a) of the Internal Revenue Code as defined in  
11 section 49-801.01.

12 With respect to services performed in employment in agricultural  
13 labor as is provided in subdivision (4)(c) of section 48-604, wages means  
14 cash remuneration and the cash value of commodities not intended for  
15 personal consumption by the worker and his or her immediate family for  
16 such services. With respect to services performed in employment in  
17 domestic service as is provided in subdivision (4)(d) of section 48-604,  
18 wages means cash remuneration for such services.

19 The term wages does not include:

20 (a) The amount of any payment, including any amount paid by an  
21 employer for insurance or annuities or into a fund to provide for such  
22 payment, made to, or on behalf of, an individual in employment or any of  
23 his or her dependents under a plan or system established by an employer  
24 which makes provision for such individuals generally or for a class or  
25 classes of such individuals, including any amount paid by an employer for  
26 insurance or annuities or into a fund to provide for any such payment, on  
27 account of (i) sickness or accident disability, except, in the case of  
28 payments made to an employee or any of his or her dependents, this  
29 subdivision (i) shall exclude from wages only payments which are received  
30 under a workers' compensation law, (ii) medical and hospitalization  
31 expenses in connection with sickness or accident disability, or (iii)



1 death;

2 (b) The payment by an employer, without deduction from the  
3 remuneration of the employee, of the tax imposed upon an employee under  
4 section 3101 of the Internal Revenue Code as defined in section  
5 49-801.01;

6 (c) Any payment on account of sickness or accident disability, or  
7 medical or hospitalization expenses in connection with sickness or  
8 accident disability, made by an employer to, or on behalf of, an  
9 individual after the expiration of six calendar months following the last  
10 calendar month in which such individual worked for such employer;

11 (d) Any payment made to, or on behalf of, an individual or his or  
12 her beneficiary (i) from or to a trust described in section 401(a) of the  
13 Internal Revenue Code as defined in section 49-801.01 which is exempt  
14 from tax under section 501(a) of the Internal Revenue Code as defined in  
15 section 49-801.01 at the time of such payment unless such payment is made  
16 to an employee of the trust as remuneration for services rendered as such  
17 employee and not as a beneficiary of the trust or (ii) under or to an  
18 annuity plan which, at the time of such payment, meets the requirements  
19 of section 401 of the Internal Revenue Code as defined in section  
20 49-801.01;

21 (e) Any payment made to, or on behalf of, an employee or his or her  
22 beneficiary (i) under a simplified employee pension as defined by the  
23 commissioner, (ii) under or to an annuity contract as defined by the  
24 commissioner, other than a payment for the purchase of such contract  
25 which is made by reason of a salary reduction agreement, whether  
26 evidenced by a written instrument or otherwise, (iii) under or to an  
27 exempt governmental deferred compensation plan as defined by the  
28 commissioner, (iv) to supplement pension benefits under a plan or trust,  
29 as defined by the commissioner, to take into account some portion or all  
30 of the increase in the cost of living since retirement, but only if such  
31 supplemental payments are under a plan which is treated as a welfare

1 plan, or (v) under a cafeteria benefits plan;

2 (f) Remuneration paid in any medium other than cash to an individual  
3 for service not in the course of the employer's trade or business;

4 (g) Benefits paid under a supplemental unemployment benefit plan  
5 which satisfies the eight points set forth in Internal Revenue Service  
6 Revenue Ruling 56-249 as the ruling existed on January 1, 2015, and is in  
7 compliance with the standards set forth in Internal Revenue Service  
8 Revenue Rulings 58-128 and 60-330 as the rulings existed on January 1,  
9 2015; and

10 (h) Remuneration for service performed in the employ of any state in  
11 the exercise of his or her duties as a member of the Army National Guard  
12 or Air National Guard or in the employ of the United States of America as  
13 a member of any military reserve unit;

14 (36) Week means such period of seven consecutive days as the  
15 commissioner may by rule and regulation prescribe;

16 (37) Week of unemployment with respect to any individual means any  
17 week during which he or she performs less than full-time work and the  
18 wages payable to him or her with respect to such week are less than his  
19 or her weekly benefit amount;

20 (38) Wholly owned subsidiary means a corporation, company, or other  
21 entity which has eighty percent or more of its outstanding voting stock  
22 or membership owned or controlled, directly or indirectly, by the parent  
23 entity; and

24 (39) Worksite employee has the same meaning as the term covered  
25 employee in section 48-2702.

26 **Sec. 2.** Section 48-622.01, Revised Statutes Cumulative Supplement,  
27 2024, is amended to read:

28 48-622.01 ~~(1)~~—There is hereby created in the state treasury a  
29 special fund to be known as the State Unemployment Insurance Trust Fund.  
30 The fund terminates on July 1, 2025, and the State Treasurer shall  
31 transfer any money in the fund on such date to the Workforce Development

1 ~~Program Cash Fund. Beginning July 1, 2025, all All state unemployment~~  
2 ~~insurance tax collected under sections 48-648 to 48-661, less refunds,~~  
3 ~~shall be paid into the Workforce Development Program Cash Fund fund.~~  
4 ~~Transfers may be made from the fund to the General Fund and the Workforce~~  
5 ~~Development Program Cash Fund at the direction of the Legislature. Such~~  
6 ~~money shall be held in trust for payment of unemployment insurance~~  
7 ~~benefits. Any money in the State Unemployment Insurance Trust Fund~~  
8 ~~available for investment shall be invested by the state investment~~  
9 ~~officer pursuant to the Nebraska Capital Expansion Act and the Nebraska~~  
10 ~~State Funds Investment Act, except that interest earned on money in the~~  
11 ~~fund shall be credited to the Nebraska Training and Support Cash Fund at~~  
12 ~~the end of each calendar quarter.~~

13 ~~(2) The commissioner shall have the authority to determine when and~~  
14 ~~in what amounts withdrawals from the State Unemployment Insurance Trust~~  
15 ~~Fund for payment of benefits are necessary. Amounts withdrawn for payment~~  
16 ~~of benefits shall be immediately forwarded to the Secretary of the~~  
17 ~~Treasury of the United States of America to the credit of the state's~~  
18 ~~account in the Unemployment Trust Fund, any provision of law in this~~  
19 ~~state relating to the deposit, administration, release, or disbursement~~  
20 ~~of money in the possession or custody of this state to the contrary~~  
21 ~~notwithstanding.~~

22 ~~(3) If and when the state unemployment insurance tax ceases to exist~~  
23 ~~as determined by the Governor, all money then in the State Unemployment~~  
24 ~~Insurance Trust Fund less accrued interest shall be immediately~~  
25 ~~transferred to the credit of the state's account in the Unemployment~~  
26 ~~Trust Fund, any provision of law in this state relating to the deposit,~~  
27 ~~administration, release, or disbursement of money in the possession or~~  
28 ~~custody of this state to the contrary notwithstanding. The determination~~  
29 ~~to eliminate the state unemployment insurance tax shall be based on the~~  
30 ~~solvency of the state's account in the Unemployment Trust Fund and the~~  
31 ~~need for training of Nebraska workers. Accrued interest in the State~~

1 ~~Unemployment Insurance Trust Fund shall be credited to the Nebraska~~  
2 ~~Training and Support Cash Fund.~~

3 **Sec. 3.** Section 48-622.02, Revised Statutes Cumulative Supplement,  
4 2024, is amended to read:

5 48-622.02 ~~(1)~~—The Nebraska Training and Support Cash Fund is  
6 created. The fund terminates on July 1, 2025, and the State Treasurer  
7 shall transfer any money in the fund on such date to the Workforce  
8 Development Program Cash Fund. Grants awarded from the Nebraska Training  
9 and Support Cash Fund prior to the transfer but remaining unpaid on July  
10 1, 2025, may be paid from the Workforce Development Program Cash Fund if  
11 all conditions of the grant award have been met. Any money in the fund  
12 available for investment shall be invested by the state investment  
13 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska  
14 State Funds Investment Act. No expenditures shall be made from the  
15 Nebraska Training and Support Cash Fund without the written authorization  
16 of the Governor upon the recommendation of the commissioner. Transfers  
17 may be made from the fund to the General Fund at the direction of the  
18 Legislature. Any interest earned on money in the State Unemployment  
19 Insurance Trust Fund shall be credited to the Nebraska Training and  
20 Support Cash Fund.

21 ~~(2) Money in the Nebraska Training and Support Cash Fund shall be~~  
22 ~~used for (a) administrative costs of establishing, assessing, collecting,~~  
23 ~~and maintaining state unemployment insurance tax liability and payments,~~  
24 ~~(b) administrative costs of creating, operating, maintaining, and~~  
25 ~~dissolving the State Unemployment Insurance Trust Fund and the Nebraska~~  
26 ~~Training and Support Cash Fund, (c) support of public and private job~~  
27 ~~training programs designed to train, retrain, or upgrade work skills of~~  
28 ~~existing Nebraska workers of for-profit and not-for-profit businesses,~~  
29 ~~(d) recruitment of workers to Nebraska, (e) training new employees of~~  
30 ~~expanding Nebraska businesses, (f) retention of existing employees of~~  
31 ~~Nebraska businesses, (g) the costs of creating a common web portal for~~

1 ~~the attraction of businesses and workers to Nebraska, (h) developing and~~  
2 ~~conducting labor availability and skills gap studies pursuant to the~~  
3 ~~Sector Partnership Program Act, for which money may be transferred to the~~  
4 ~~Sector Partnership Program Fund as directed by the Legislature, and (i)~~  
5 ~~payment of unemployment insurance benefits if solvency of the state's~~  
6 ~~account in the Unemployment Trust Fund and of the State Unemployment~~  
7 ~~Insurance Trust Fund so require.~~

8 ~~(3) The Administrative Costs Reserve Account is created within the~~  
9 ~~Nebraska Training and Support Cash Fund. Money shall be allocated from~~  
10 ~~the Nebraska Training and Support Cash Fund to the Administrative Costs~~  
11 ~~Reserve Account in amounts sufficient to pay the anticipated~~  
12 ~~administrative costs identified in subsection (2) of this section.~~

13 ~~(4) The State Treasurer shall transfer two hundred fifty thousand~~  
14 ~~dollars from the Nebraska Training and Support Cash Fund to the Sector~~  
15 ~~Partnership Program Fund no later than July 15, 2016.~~

16 **Sec. 4.** Section 48-648, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18 48-648 (1) With respect to wages for employment, combined tax shall  
19 accrue and become payable by each employer not otherwise entitled to make  
20 payments in lieu of contributions for each calendar year in which he or  
21 she is subject to the Employment Security Law. Such combined tax shall  
22 become due and be paid by each employer to the commissioner for the  
23 Workforce Development Program Cash ~~State Unemployment Insurance Trust~~  
24 ~~Fund and the Unemployment Trust Fund~~ in such manner and at such times as  
25 the commissioner may, by rule and regulation, prescribe. Such combined  
26 tax shall not be deducted, in whole or in part, from the wages of  
27 individuals in such employer's employ.

28 (2) The commissioner may require any employer whose annual payroll  
29 for either of the two preceding calendar years has equaled or exceeded  
30 one hundred thousand dollars to file combined tax returns and pay  
31 combined taxes owed by an electronic method approved by the commissioner,

1 except when the employer establishes to the satisfaction of the  
2 commissioner that filing the combined tax return or payment of the tax by  
3 an electronic method would create a hardship for the employer.

4 (3) In the payment of any combined tax, a fractional part of a cent  
5 shall be disregarded unless it amounts to one-half cent or more, in which  
6 case it shall be increased to one cent. If the combined tax due for any  
7 reporting period is less than five dollars, the employer need not remit  
8 the combined tax.

9 (4) If two or more related corporations or limited liability  
10 companies concurrently employ the same individual and compensate such  
11 individual through a common paymaster which is one of such corporations  
12 or limited liability companies, each such corporation or limited  
13 liability company shall be considered to have paid as remuneration to  
14 such individual only the amounts actually disbursed by it to such  
15 individual and shall not be considered to have paid as remuneration to  
16 such individual amounts actually disbursed to such individual by another  
17 of such corporations or limited liability companies. An employee of a  
18 wholly owned subsidiary shall be considered to be concurrently employed  
19 by the parent corporation, company, or other entity and the wholly owned  
20 subsidiary whether or not both companies separately provide remuneration.

21 (5) The professional employer organization shall report and pay  
22 combined tax, penalties, and interest owed for wages earned by worksite  
23 employees under the client's employer account number using the client's  
24 combined tax rate. The client is liable for the payment of unpaid  
25 combined tax, penalties, and interest owed for wages paid to worksite  
26 employees, and the worksite employees shall be considered employees of  
27 the client for purposes of the Employment Security Law.

28 (6) The Commissioner of Labor may require by rule and regulation  
29 that each employer subject to the Employment Security Law shall submit to  
30 the commissioner quarterly wage reports on such forms and in such manner  
31 as the commissioner may prescribe. The commissioner may require any

1 employer whose annual payroll for either of the two preceding calendar  
2 years has equaled or exceeded one hundred thousand dollars to file wage  
3 reports by an electronic method approved by the commissioner, except when  
4 the employer establishes to the satisfaction of the commissioner that  
5 filing by an electronic method would create a hardship for the employer.  
6 The quarterly wage reports shall be used by the commissioner to make  
7 monetary determinations of claims for benefits.

8 **Sec. 5.** Section 48-649.01, Reissue Revised Statutes of Nebraska, is  
9 amended to read:

10 48-649.01 (1) By December 1 of each calendar year, the commissioner  
11 shall determine the state unemployment insurance tax rate for the  
12 following year based on information available through the department. The  
13 ~~state unemployment insurance tax rate shall be zero percent if:~~

14 ~~(a) The average balance in the State Unemployment Insurance Trust~~  
15 ~~Fund at the end of any three months in the preceding calendar year is~~  
16 ~~greater than one percent of state taxable wages for the same preceding~~  
17 ~~year; or~~

18 ~~(b) The balance in the State Unemployment Insurance Trust Fund~~  
19 ~~equals or exceeds thirty percent of the average month end balance of the~~  
20 ~~state's account in the Unemployment Trust Fund for the three lowest~~  
21 ~~calendar months in the preceding year.~~

22 (2) If the state unemployment insurance tax rate is determined to be  
23 zero percent pursuant to subsection (1) of this section, the contribution  
24 rate for all employers shall equal one hundred percent of the combined  
25 tax rate.

26 (3) If the state unemployment insurance tax rate is not zero percent  
27 as determined in this section, the combined tax rate shall be divided so  
28 that not less than eighty percent of the combined tax rate equals the  
29 contribution rate and not more than twenty percent of the combined tax  
30 rate equals the state unemployment insurance tax rate except for  
31 employers who are assigned a combined tax rate of five and four-tenths

1 percent or more. For those employers, the state unemployment insurance  
2 tax rate shall equal zero and their combined tax rate shall equal their  
3 contribution rate.

4 **Sec. 6.** Section 48-649.03, Revised Statutes Cumulative Supplement,  
5 2024, is amended to read:

6 48-649.03 (1) Once benefits have been payable from and chargeable to  
7 an employer's experience account throughout the preceding four calendar  
8 quarters and wages for employment have been paid by the employer in each  
9 of the two preceding four-calendar-quarter periods, the employer's  
10 combined tax rate shall be calculated according to this section. The  
11 combined tax rate shall be based upon the employer's experience rating  
12 record and determined from the employer's reserve ratio.

13 (2) The employer's reserve ratio is the percent obtained by dividing  
14 (a) the amount by which the employer's contributions credited from the  
15 time the employer first or most recently became an employer, whichever  
16 date is later, and up to and including September 30 of the year the rate  
17 computation is made, plus any part of the employer's contributions due  
18 for that year paid on or before October 31 of such year, exceed the  
19 employer's benefits charged during the same period, by (b) the employer's  
20 average annual taxable payroll for the sixteen-consecutive-calendar-  
21 quarter period ending September 30 of the year in which the rate  
22 computation is made. For an employer with less than sixteen consecutive  
23 calendar quarters of contribution experience, the employer's average  
24 taxable payroll shall be determined based upon the four-calendar-quarter  
25 periods for which contributions were payable.

26 (3) Each eligible experience rated employer shall be assigned to one  
27 of twenty rate categories with a corresponding experience factor as  
28 follows:

29	Category	Experience Factor
30	1	0.00
31	2	0.25



1	3	0.40
2	4	0.45
3	5	0.50
4	6	0.60
5	7	0.65
6	8	0.70
7	9	0.80
8	10	0.90
9	11	0.95
10	12	1.00
11	13	1.05
12	14	1.10
13	15	1.20
14	16	1.35
15	17	1.55
16	18	1.80
17	19	2.15
18	20	2.60

19 Eligible experience rated employers shall be assigned to rate  
20 categories from highest to lowest according to their experience reserve  
21 ratio, with category one assigned to accounts with the highest reserve  
22 ratios and category twenty assigned to accounts with the lowest reserve  
23 ratios. Each category shall be limited to no more than five percent of  
24 the state's total taxable payroll, except that:

25 (a) Any employer with a portion of its taxable wages falling into  
26 two consecutive categories shall be assigned to the lower category;

27 (b) No employer with a reserve ratio calculated to five decimal  
28 places equal to the similarly calculated reserve ratio of another  
29 employer shall be assigned to a higher rate than the employer to which it  
30 has the equal reserve ratio; and

1 (c) No employer with a positive experience account balance shall be  
2 assigned to category twenty.

3 (4) The state's reserve ratio shall be calculated annually by  
4 dividing the amount available to pay benefits in the Unemployment Trust  
5 Fund ~~and the State Unemployment Insurance Trust Fund~~ as of September 30,  
6 plus any amount of combined tax owed by employers eligible for and  
7 electing annual payment status for the four most recent quarters ending  
8 on September 30 in accordance with rules and regulations adopted by the  
9 commissioner, by the state's total wages from the four calendar quarters  
10 ending on September 30. For purposes of this section, total wages means  
11 all remuneration paid by an employer in employment. The state's reserve  
12 ratio shall be applied to the table in this subsection to determine the  
13 yield factor for the upcoming rate year.

14 State's Reserve Ratio	Yield Factor
15 1.75 percent and above	= 0.50
16 1.60 percent up to but not including 1.75	= 0.60
17 1.45 percent up to but not including 1.60	= 0.70
18 1.30 percent up to but not including 1.45	= 0.75
19 1.15 percent up to but not including 1.30	= 0.80
20 1.00 percent up to but not including 1.15	= 0.90
21 0.85 percent up to but not including 1.00	= 1.00
22 0.70 percent up to but not including 0.85	= 1.10
23 0.60 percent up to but not including 0.70	= 1.20
24 0.50 percent up to but not including 0.60	= 1.25
25 0.45 percent up to but not including 0.50	= 1.30
26 0.40 percent up to but not including 0.45	= 1.35
27 0.35 percent up to but not including 0.40	= 1.40
28 0.30 percent up to but not including 0.35	= 1.45
29 Below 0.30 percent	= 1.50

30 The commissioner may adjust the yield factor determined pursuant to  
31 the preceding table to a lower scheduled yield factor if the state's

1 reserve ratio is 1.00 percent or greater. Once the yield factor for the  
2 upcoming rate year has been determined, it is multiplied by the amount of  
3 unemployment benefits paid from combined tax during the four calendar  
4 quarters ending September 30 of the preceding year. The resulting figure  
5 is the planned yield for the rate year. The planned yield is divided by  
6 the total taxable wages for the four calendar quarters ending September  
7 30 of the previous year and carried to four decimal places to create the  
8 average combined tax rate for the rate year. Beginning January 1, 2025,  
9 through December 31, 2029, the final average combined tax rate shall be  
10 reduced by five percent.

11 (5) The average combined tax rate is assigned to rate category  
12 twelve as established in subsection (3) of this section. Rates for each  
13 of the remaining nineteen categories are determined by multiplying the  
14 average combined tax rate by the experience factor associated with each  
15 category and carried to four decimal places. Employers who are delinquent  
16 in filing their combined tax reports as of October 31 of any year shall  
17 be assigned to category twenty for the following calendar year unless the  
18 delinquency is corrected prior to December 31 of the year of rate  
19 calculation.

20 (6) In addition to required contributions, an employer may make  
21 voluntary contributions to the fund to be credited to his or her account.  
22 Voluntary contributions by employers may be made up to the amount  
23 necessary to qualify for one rate category reduction. Voluntary  
24 contributions received after February 28 shall not be used in rate  
25 calculations for the same calendar year.

26 (7) As used in sections 48-648 to 48-654, the term payroll means the  
27 total amount of wages during a calendar year, except as otherwise  
28 provided in section 48-654, by which the combined tax was measured.

29 **Sec. 7.** Section 48-657, Reissue Revised Statutes of Nebraska, is  
30 amended to read:

31 48-657 (1)(a) If any employer defaults in any payment of combined

1 tax or interest, the commissioner may make in any manner feasible and  
2 cause to be filed as a secured transaction as provided in article 9,  
3 Uniform Commercial Code, and in the real estate mortgage records of any  
4 county in which such employer is engaged in business or owns real or  
5 personal property, a statement, under oath, showing the amount of  
6 combined tax and interest in default, which statement, when filed for  
7 record, shall operate as a lien and mortgage on all of the real and  
8 personal property of the employer, subject only to the liens of prior  
9 record, and the property of such employer shall be subject to seizure and  
10 sale for the payment of such combined taxes and interest. Such lien on  
11 personal property may be enforced or dissolved in the manner provided by  
12 article 9, Uniform Commercial Code, and such liens on real estate may be  
13 enforced or dissolved in the manner provided by Chapter 25, article 21,  
14 in the enforcing and dissolving of real estate mortgages. This  
15 subdivision shall only apply to liens filed prior to May 1, 1999.

16 (b) A lien for unpaid combined taxes filed or recorded pursuant to  
17 subdivision (a) of this subsection shall lapse at the earlier of its  
18 expiration date or the fifth anniversary of the filing or recording date,  
19 unless the commissioner files a notice of continuation in the place of  
20 the original filing or recording and with the appropriate filing officer  
21 in the manner provided for in the Uniform State Tax Lien Registration and  
22 Enforcement Act before such lien lapses. A notice of continuation shall  
23 include all of the information required by the act, the date of the  
24 filing or recording of the original lien, and a statement that the  
25 original lien is to be continued for ten years. Thereafter, such lien  
26 shall be enforced and notices of continuation filed in accordance with  
27 the act.

28 (c) On and after May 1, 1999, if any employer defaults in any  
29 payment of combined tax or interest, the commissioner may file a lien  
30 against such employer in accordance with the Uniform State Tax Lien  
31 Registration and Enforcement Act. Such liens shall set forth the amount

1 of combined tax and interest in default and shall be continued and  
2 enforced as provided in the Uniform State Tax Lien Registration and  
3 Enforcement Act.

4 (2) It shall be the duty of the State of Nebraska, or any department  
5 or agency thereof, county boards, the contracting board of all cities,  
6 villages, and school districts, all public boards empowered by law to  
7 enter into a contract by public bidding for the erecting and finishing or  
8 the repairing of any public building, bridge, highway, or other public  
9 structure or improvement, and any officer or officers so empowered by law  
10 to enter into such contract to provide in such contract that the person,  
11 persons, firm, or corporation to whom the contract is awarded will pay to  
12 the Unemployment Compensation Fund of the State of Nebraska and the  
13 ~~Workforce Development Program Cash State Unemployment Insurance Trust~~  
14 Fund unemployment combined tax and interest due under the Employment  
15 Security Law on wages paid to individuals employed in the performance of  
16 such contract.

17 (3) No contract referred to in subsection (2) of this section shall  
18 be entered into by the State of Nebraska, a department or agency thereof,  
19 an officer or officers, or a board referred to in such subsection unless  
20 the contract contains the proviso mentioned in such subsection.

21 (4) Before final payment may be made on the final three percent of  
22 any such contract awarded on or after June 1, 1957, the State of  
23 Nebraska, department or agency thereof, officer or officers, or board  
24 awarding the contract must have received from the contractor a written  
25 clearance from the commissioner certifying that all payments then due of  
26 combined tax or interest which may have arisen under such contract have  
27 been made by the contractor or his or her subcontractor to the  
28 Unemployment Compensation Fund.

29 (5) The final three percent of any such contract referred to in  
30 subsection (4) of this section may be paid if the contractor has supplied  
31 a bond with a satisfactory surety company guaranteeing full payment to

1 the Unemployment Compensation Fund and the Workforce Development Program  
2 Cash State Unemployment Insurance Trust Fund of all combined tax and  
3 interest due under the Employment Security Law.

4 **Sec. 8.** Section 48-3405, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6 48-3405 ~~(1)~~ The Sector Partnership Program Fund is created. The  
7 fund terminates on July 1, 2025, and the State Treasurer shall transfer  
8 any money in the fund on such date to the Workforce Development Program  
9 Cash Fund. ~~shall be administered by the Department of Labor. The fund~~  
10 ~~shall be used to pursue sector partnership activities, including, but not~~  
11 ~~limited to, labor availability and skills gap studies by the Department~~  
12 ~~of Labor and the Department of Economic Development pursuant to the~~  
13 ~~Sector Partnership Program Act. The fund may also be used for~~  
14 ~~administrative costs of the Department of Labor and the Department of~~  
15 ~~Economic Development associated with sector partnership activities.~~

16 ~~(2) The fund shall consist of such money as is: (a) Transferred to~~  
17 ~~the fund from the Job Training Cash Fund and the Nebraska Training and~~  
18 ~~Support Cash Fund; (b) otherwise appropriated to the fund by the~~  
19 ~~Legislature; (c) donated as gifts, bequests, or other contributions to~~  
20 ~~the fund from public or private entities; and (d) made available by any~~  
21 ~~department or agency of the United States if so directed by such~~  
22 ~~department or agency. Any money in the fund available for investment~~  
23 ~~shall be invested by the state investment officer pursuant to the~~  
24 ~~Nebraska Capital Expansion Act and the Nebraska State Funds Investment~~  
25 ~~Act.~~

26 **Sec. 9.** Section 81-407, Reissue Revised Statutes of Nebraska, is  
27 amended to read:

28 81-407 (1) The Workforce Development Program Cash Fund is hereby  
29 created. The fund shall consist of transfers authorized by the  
30 Legislature.

31 (2) The Department of Labor shall administer the fund ~~to provide~~

1 ~~workforce development grants. The fund may be used:~~

2 (a) To provide workforce development grants;

3 (b) To pay the costs of administering the workforce development  
4 grant program;

5 (c) To pay the costs of establishing, assessing, collecting, and  
6 maintaining state unemployment insurance tax liability and payments;

7 (d) To pay unemployment benefits if determined necessary by the  
8 Commissioner of Labor; and

9 (e) To provide labor availability, skills gap, and workforce  
10 development studies and reports by the Department of Labor.

11 (3) Any money in the fund available for investment shall be invested  
12 by the state investment officer pursuant to the Nebraska Capital  
13 Expansion Act and the Nebraska State Funds Investment Act.

14 **Sec. 10.** Section 81-1201.21, Reissue Revised Statutes of Nebraska,  
15 is amended to read:

16 81-1201.21 (1) There is hereby created the Job Training Cash Fund.  
17 The fund shall be under the direction of the Department of Economic  
18 Development. Money may be transferred to the fund pursuant to subdivision  
19 (1)(b)(iii) of section 48-621 and from the Cash Reserve Fund at the  
20 direction of the Legislature. The department shall establish a subaccount  
21 for all money transferred from the Cash Reserve Fund to the Job Training  
22 Cash Fund on or after July 1, 2005.

23 (2) The money in the Job Training Cash Fund or the subaccount  
24 established in subsection (1) of this section shall be used (a) to  
25 provide reimbursements for job training activities, including employee  
26 assessment, preemployment training, on-the-job training, training  
27 equipment costs, and other reasonable costs related to helping industry  
28 and business locate or expand in Nebraska, (b) to provide upgrade skills  
29 training of the existing labor force necessary to adapt to new technology  
30 or the introduction of new product lines, or (c) as provided in section  
31 79-2308 ~~, or (d) as provided in section 48-3405.~~ The department shall

1 give a preference to job training activities carried out in whole or in  
2 part within an enterprise zone designated pursuant to the Enterprise Zone  
3 Act or an opportunity zone designated pursuant to the federal Tax Cuts  
4 and Jobs Act, Public Law 115-97.

5 (3) The department shall establish a subaccount within the fund to  
6 provide training grants for training employees and potential employees of  
7 businesses that (a) employ twenty-five or fewer employees on the  
8 application date, (b) employ, or train for potential employment,  
9 residents of rural areas of Nebraska, or (c) are located in or employ, or  
10 train for potential employment, residents of high-poverty areas as  
11 defined in section 81-1203. The department shall calculate the amount of  
12 prior year investment income earnings accruing to the fund and allocate  
13 such amount to the subaccount for training grants under this subsection.  
14 The subaccount shall also be used as provided in the Teleworker Job  
15 Creation Act. The department shall give a preference to training grants  
16 for businesses located in whole or in part within an enterprise zone  
17 designated pursuant to the Enterprise Zone Act.

18 (4) On April 5, 2018, any funds that were dedicated to carrying out  
19 sections 81-1210.01 to 81-1210.03 but were not yet expended shall be  
20 transferred to the Intern Nebraska Cash Fund.

21 (5) Transfers may be made from the Job Training Cash Fund to the  
22 General Fund at the direction of the Legislature. Any money in the Job  
23 Training Cash Fund available for investment shall be invested by the  
24 state investment officer pursuant to the Nebraska Capital Expansion Act  
25 and the Nebraska State Funds Investment Act.

26 **Sec. 11.** This act becomes operative on July 1, 2025.

27 **Sec. 12.** Original sections 48-602, 48-648, 48-649.01, 48-657,  
28 48-3405, 81-407, and 81-1201.21, Reissue Revised Statutes of Nebraska,  
29 and sections 48-622.01, 48-622.02, and 48-649.03, Revised Statutes  
30 Cumulative Supplement, 2024, are repealed.

31 **Sec. 13.** The following section is outright repealed: Section



1 48-622.03, Reissue Revised Statutes of Nebraska.

2       **Sec. 14.** Since an emergency exists, this act takes effect when  
3 passed and approved according to law.