

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 331

Introduced by Hardin, 48.

Read first time January 16, 2025

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, 77-3507,
3 79-1001, and 85-2231, Reissue Revised Statutes of Nebraska, and
4 sections 18-2147, 77-201, 77-2004, 77-2005, 77-2006, 77-2701,
5 77-3506, 77-3508, 77-6406, and 77-6827, Revised Statutes Cumulative
6 Supplement, 2024; to adopt the Nebraska EPIC Option Consumption Tax
7 Act; to terminate the Nebraska Budget Act, tax-increment financing,
8 the motor vehicle tax, the motor vehicle fee, the property tax, the
9 inheritance tax, sales and use taxes, the income tax, the homestead
10 exemption, the Tax Equity and Educational Opportunities Support Act,
11 and the Community College Aid Act as prescribed; to change an
12 application deadline under the Imagine Nebraska Act; and to repeal
13 the original sections.
14 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, 2027;

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, 2028;
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, 2027. The Department of Revenue may collect taxes due from
26 2027 during calendar year 2028, but income earned in 2028 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, 2027. The Department of Revenue may collect sales
2 and use taxes due from 2027 during calendar year 2028, but no sales and
3 use taxes shall be imposed on purchases of goods and services beginning
4 January 1, 2028.

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, 2027.
7 Property taxes due from 2027 may be collected during calendar year 2028,
8 but no property taxes shall be imposed on real or personal property
9 beginning January 1, 2028.

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, 2027. Such taxes and fees due from
13 2027 may be collected during calendar year 2028, but no such taxes or
14 fees shall be imposed beginning January 1, 2028.

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, 2027. Inheritance taxes due from 2027 may be collected during
18 calendar year 2028, but no inheritance taxes shall be imposed on a
19 deceased person's estate beginning January 1, 2028.

20 **Sec. 6.** This section establishes the Nebraska Taxpayer's Bill of
21 Rights, which shall apply beginning January 1, 2028, 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, 2028, 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 including a not-for-profit business.

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

30 (i) For resale;

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

1 services; or

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

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

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

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

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

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

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

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

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

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

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

29 (7)(a) Any person engaging in a trade or business, including farms,
30 ranches, and not-for-profit businesses, may apply for a tax-exempt
31 certificate from the Tax Commissioner to be used when such person makes

1 purchases for a business purpose in a trade or business as defined in
2 subdivision (2)(b) of this section.

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

6 (c) The Tax Commissioner shall adopt and promulgate rules and
7 regulations for applying for a tax-exempt certificate by September 1,
8 2025.

9 (d) By no later than October 1, 2027, the Tax Commissioner shall
10 create an application for a tax-exempt certificate and shall make such
11 application available in electronic form on the website of the Department
12 of Revenue and in paper form at designated offices of the Department of
13 Revenue as determined by the Tax Commissioner. The Tax Commissioner shall
14 also mail a paper application form through the United States Postal
15 Service whenever a written request for such form is received by the Tax
16 Commissioner and such request contains the name of a business operating
17 in Nebraska or the name of a person who is a legal resident of Nebraska
18 and a legal address in the United States of America.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (b) The tax collected in connection with such payments;
2 (c) The amount and type of any credit claimed; and
3 (d) Any other information reasonably required by the Tax
4 Commissioner for the administration, collection, and remittance of the
5 consumption tax.

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

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

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

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

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

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

1 Commissioner.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31 (b) Any person located outside this state who is engaged in sales of

1 taxable property or services into this state, including retail sales,
2 remote or internet sales, and the provision of financial intermediation
3 services.

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

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

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

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

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

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

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

31 (2)(a) Any person who is required to and who recklessly or willfully

1 fails to collect taxes imposed by the Nebraska EPIC Option Consumption
2 Tax Act has committed an act of fraud and shall be liable for a civil
3 penalty equal to the greater of five hundred dollars or twenty percent of
4 the tax not collected.

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

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

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

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

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

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

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

31 (b) The amount of the penalty under subdivision (6)(a) of this

1 section shall be doubled with respect to any report filed after a written
2 inquiry regarding such report is received by the taxpayer from the Tax
3 Commissioner.

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

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

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

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

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

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

28 (10) In addition to other penalty reductions allowed under this
29 section, any person who is required to pay a civil penalty under the
30 Nebraska EPIC Option Consumption Tax Act may have such penalty reduced to
31 one-half the amount owed, at the discretion of the Tax Commissioner, when

1 it can be shown that the lack of payment was due to hardship or
2 reasonable cause.

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

7 (a) Twenty-five dollars; or

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

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

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

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

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

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

1 certificate was improperly provided by the purchaser with respect to such
2 purchase, then the burden of production of documents and records relating
3 to such exemption shall rest with the purchaser and not with the seller.

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

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

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

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

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

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

1 (iii) Continue such a grand jury investigation; or
2 (b) A final disposition has been made of any criminal proceeding
3 connected with tax laws against such person.

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

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

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

29 (2) The tax imposed by the Nebraska EPIC Option Consumption Tax Act
30 shall apply to all vending machines. For purposes of this subsection,
31 vending machines are machines that dispense taxable property or services

1 in exchange for coins or currency. Vending machines shall not be required
2 to dispense the receipt described in subsection (1) of this section.

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

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

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

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

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

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

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

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

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

26 (b) A bond was accepted as security.

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

30 **Sec. 21.** In all disputes concerning consumption taxes, the person
31 engaged in a dispute with the Tax Commissioner may be entitled to

1 reasonable attorney's fees, accountancy fees, and other reasonable
2 professional fees incurred in direct relation to the dispute unless the
3 Tax Commissioner establishes that his or her position was substantially
4 justified.

5 **Sec. 22.** No addition to tax shall be made under section 13 of this
6 act with respect to a period during which a case is pending under Title
7 11 of the United States Code:

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

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

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

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

27 (a) A random or unpredictable event; or

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

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

1 services means the gross receipts of the gaming sponsor from the sale of
2 chances.

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

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

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

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

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

27 (3) Government enterprises shall not be subject to tax on purchases
28 that would not be subject to tax if the government enterprise were a
29 private enterprise, except that government enterprises may not use such
30 exemption to serve as a conduit for tax-free purchases by government
31 units that would otherwise be subject to taxation on purchases pursuant

1 to section 24 of this act. Transfers of taxable property or services
2 purchased exempt from tax from a government enterprise to such government
3 unit shall be taxable.

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

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

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

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

16 (a) For religious purposes;

17 (b) For charitable purposes;

18 (c) For scientific purposes;

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

20 (e) For literary purposes;

21 (f) For educational purposes;

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

23 (h) For labor purposes;

24 (i) For agricultural or horticultural purposes;

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

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

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

1 salary.

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

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

5 (i) Brokerage fees;

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

8 (iii) Safe deposit box fees;

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

11 (v) Trustees' fees; and

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

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

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

16 and

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

18 (c) Gross imputed amount means:

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

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

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

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

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

28 (B) The amount of the debt; and

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

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

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

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

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

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

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

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

31 **Sec. 28.** (1) For purposes of this section, financing lease means

1 any lease under which the lessee has the right to acquire the property
2 for fifty percent or less of its fair market value at the end of the
3 lease term.

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

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

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

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

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

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

26 **Sec. 29.** For purposes of the Nebraska EPIC Option Consumption Tax
27 Act, the basic interest rate with respect to a debt instrument,
28 investment, financing lease, or account shall be the applicable interest
29 rate as determined under section 30 of this act. For debt instruments,
30 investments, or accounts of contractually fixed interest, the applicable
31 interest rate of the month of issuance shall apply. For debt instruments,

1 investments, or accounts of variable interest rates and which have no
2 reference interest rate, the applicable interest rate shall be the
3 federal short-term interest rate for each month. For debt instruments,
4 investments, or accounts of variable interest rates and which have a
5 reference interest rate, the applicable interest rate shall be the
6 applicable interest rate for the reference interest rate for each month.

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

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

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

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

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

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

31 (a) Made by a person not in connection with a trade or business at

1 any time during such calendar year prior to making such gross payments;
2 and

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

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

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

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

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

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

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

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

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

30 (6) When the last day prescribed for performing any action required
31 by the Nebraska EPIC Option Consumption Tax Act falls on a Saturday,

1 Sunday, or legal holiday, the performance of such action shall be
2 considered timely if it is performed on the next day which is not a
3 Saturday, Sunday, or legal holiday.

4 **Sec. 32.** (1) Inventory held by a trade or business at the close of
5 business on December 31, 2027, shall be considered qualified inventory if
6 it is sold:

7 (a) Before December 31, 2028;

8 (b) By a registered seller; and

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

11 (2) For purposes of this section, qualified inventory shall have the
12 cost that it had for federal income tax purposes for the trade or
13 business as of December 31, 2027, including any amounts capitalized by
14 reason of section 263A of the Internal Revenue Code of 1986.

15 (3) The trade or business which held the qualified inventory at the
16 close of business on December 31, 2027, shall be entitled to a
17 transitional inventory credit equal to the cost of the qualified
18 inventory, as determined in accordance with subsection (2) of this
19 section, times the rate of the consumption tax imposed by section 7 of
20 this act.

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

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

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

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

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

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

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

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

29 (4) Except in cases involving suspected criminal violations of the
30 tax law or other criminal activity, the Department of Revenue shall
31 conduct an examination of a registered seller during the regular business

1 hours of 8:00 a.m. to 5:00 p.m. Central Standard Time, or Mountain
2 Standard Time whenever the examination takes place where Mountain
3 Standard Time applies, during the weekdays of Monday through Friday after
4 providing written notice of the examination through the United States
5 Postal Service at least fifteen days prior to the date of the
6 examination. A registered seller who refuses a proposed time for an
7 examination on the grounds that the proposed examination date and time
8 would cause an undue burden or hardship must contact the Department of
9 Revenue to arrange an alternative date and time for such examination. The
10 alternative date and time must be agreeable to both the Department of
11 Revenue and the registered seller within reason and must be scheduled no
12 later than ninety days from the date of the original notice.

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

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

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

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

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

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

23 (2) Beginning in the year 2029, the Tax Commissioner shall prepare
24 an annual report and present such report in person to the Revenue
25 Committee of the Legislature concerning information about the number and
26 kind of audits, assessments, or examinations conducted by the Department
27 of Revenue throughout the previous year. The Revenue Committee shall bear
28 the responsibility for scheduling the Tax Commissioner's annual report.

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

1 job.

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

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

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

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

1 Tax Commissioner for succeeding periods not to exceed twelve months.

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

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

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

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

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

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

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

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

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

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

1 been provided access to tax information shall disclose any such
2 information to anyone employed outside of the Department of Revenue. Any
3 violation of this subsection is a Class IV felony.

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

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

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

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

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

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

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

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

28 (7) The Tax Commissioner or an employee of the Department of Revenue
29 may disclose a report or report information to the Revenue Committee of
30 the Legislature, the Appropriations Committee of the Legislature, or the
31 Executive Board of the Legislative Council if such report or information

1 does not identify any particular person, unless such person consents in
2 writing to the disclosure of such information.

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

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

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

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

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

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

30 **Sec. 39.** (1) Beginning in 2028, state agencies shall submit annual
31 budget requests for the operations of their respective state agencies to

1 the Governor and to the chairperson of the Appropriations Committee of
2 the Legislature by September 15.

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

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

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

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

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

25 **Sec. 40.** (1) Beginning in 2028, the Governor shall submit a
26 comprehensive annual statewide budget to the Legislature by December 1.
27 The Appropriations Committee of the Legislature shall approve and submit
28 a bill or bills for such comprehensive annual statewide budget for
29 approval by the Legislature. Such bill or bills shall balance expenses
30 with state revenue projected by the Nebraska Economic Forecasting
31 Advisory Board.

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

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

6 (4) Consumption tax revenue for political subdivisions shall be
7 administered and disbursed by the State Treasurer as provided in sections
8 41 to 57 of this act.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (4) Regional representatives and alternates shall be appointed in
2 the following manner:

3 (a) In June 2027, the county board of each of the eighteen counties
4 within the Fort Atkinson Region shall appoint a representative from their
5 respective county to serve on a search committee. The eighteen members of
6 such search committee shall appoint, by way of a majority vote, a
7 regional representative for the Fort Atkinson Region and an alternate,
8 who shall both serve four-year terms beginning on January 1, 2028. In
9 June 2031 and in June of every fourth year thereafter, the search
10 committee process shall be repeated, with each subsequent appointee
11 serving a four-year term beginning on January 1 of the relevant year. A
12 regional representative or alternate may serve two consecutive four-year
13 terms. Whenever a vacancy exists or whenever circumstances prevent the
14 regional representative from performing his or her duties, the alternate
15 may substitute for the regional representative or may fill the vacancy
16 until the next scheduled appointment;

17 (b) In June 2027, the county board of each of the eighteen counties
18 within the St. Deroir Fort Region shall appoint a representative from
19 their respective county to serve on a search committee. The eighteen
20 members of such search committee shall appoint, by way of a majority
21 vote, a regional representative for the St. Deroir Fort Region and an
22 alternate, who shall both serve two-year terms beginning on January 1,
23 2028. In June 2029 and in June of every fourth year thereafter, the
24 search committee process shall be repeated, with each subsequent
25 appointee serving a four-year term beginning on January 1 of the relevant
26 year. The initial regional representative and alternate may serve the
27 initial two-year term and two additional four-year terms. Each subsequent
28 regional representative and alternate may serve two consecutive four-year
29 terms. Whenever a vacancy exists or whenever circumstances prevent the
30 regional representative from performing his or her duties, the alternate
31 may substitute for the regional representative or may fill the vacancy

1 until the next scheduled appointment;

2 (c) In June 2027, the county board of each of the nineteen counties
3 within the Fort Hartsuff Region shall appoint a representative from their
4 respective county to serve on a search committee. The nineteen members of
5 such search committee shall appoint, by way of a majority vote, a
6 regional representative for the Fort Hartsuff Region and an alternate,
7 who shall both serve four-year terms beginning on January 1, 2028. In
8 June 2031 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 (d) In June 2027, the county board of each of the nineteen counties
17 within the Fort McPherson Region shall appoint a representative from
18 their respective county to serve on a search committee. The nineteen
19 members of such search committee shall appoint, by way of a majority
20 vote, a regional representative for the Fort McPherson Region and an
21 alternate, who shall both serve two-year terms beginning on January 1,
22 2028. In June 2029 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; and

1 (e) In June 2027, the county board of each of the nineteen counties
2 within the Fort Robinson 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 Robinson Region and an alternate,
6 who shall both serve four-year terms beginning on January 1, 2028. In
7 June 2031 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 (5) The members of the board shall elect from among the regional
16 representatives a chairperson to oversee the operations of the board and
17 a vice-chairperson to assist the chairperson in such duties.

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

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

30 **Sec. 43.** (1) The Secretary of the Budget Equalization and Review
31 Board shall be appointed by the Governor and shall serve at the pleasure

1 of the Governor. The secretary shall serve for a term of four years
2 beginning in the year 2028 and may be reappointed by the Governor to
3 serve additional terms of office. The secretary shall be a certified
4 public accountant.

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

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

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

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

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

31 (7) The secretary shall be compensated at a rate of eighty thousand

1 dollars per year until changed by the Legislature. The secretary shall
2 also be entitled to receive reimbursement for expenses incurred while in
3 the performance of his or her duties as provided in sections 81-1174 to
4 81-1177.

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

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

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

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

1 of the hearing. The agenda for any such public hearing shall include a
2 reasonable amount of time for questions and comments from the public.
3 Additional hearing dates may be scheduled at the discretion of the
4 governing body of the county or political subdivision;

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

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

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

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

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

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

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

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

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

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

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

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

30 (3) A county's SEND score shall reflect the amount that a county
31 needs to provide standardized quality countywide services to the

1 residents of the county and shall be calculated in the following manner:

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

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

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

1 (d) The SEND score shall be calculated by adding together the public
2 service needs score, the highway maintenance score, and the hospital
3 score.

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

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

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

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

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

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

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

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

1 this act; and

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

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

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

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

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

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

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

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

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

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

15 (a) In June 2027, the county board of each of the eighteen counties
16 within the Fort Atkinson Region shall appoint a representative from their
17 respective county to serve on a search committee. The eighteen members of
18 such search committee shall appoint, by way of a majority vote, a
19 regional representative for the Fort Atkinson Region and an alternate,
20 who shall both serve two-year terms beginning on January 1, 2028. In June
21 2029 and in June of every fourth year thereafter, the search committee
22 process shall be repeated, with each subsequent appointee serving a four-
23 year term beginning on January 1 of the relevant year. The initial
24 regional representative and alternate may serve the initial two-year term
25 and two additional four-year terms. Each subsequent regional
26 representative and alternate may serve two consecutive four-year terms.
27 Whenever a vacancy exists or whenever circumstances prevent the regional
28 representative from performing his or her duties, the alternate may
29 substitute for the regional representative or may fill the vacancy until
30 the next scheduled appointment;

31 (b) In June 2027, the county board of each of the eighteen counties

1 within the St. Deroin Fort Region shall appoint a representative from
2 their respective county to serve on a search committee. The eighteen
3 members of such search committee shall appoint, by way of a majority
4 vote, a regional representative for the St. Deroin Fort Region and an
5 alternate, who shall both serve four-year terms beginning on January 1,
6 2028. In June 2031 and in June of every fourth year thereafter, the
7 search committee process shall be repeated, with each subsequent
8 appointee serving a four-year term beginning on January 1 of the relevant
9 year. A regional representative or alternate may serve two consecutive
10 four-year terms. Whenever a vacancy exists or whenever circumstances
11 prevent the regional representative from performing his or her duties,
12 the alternate may substitute for the regional representative or may fill
13 the vacancy until the next scheduled appointment;

14 (c) In June 2027, the county board of each of the nineteen counties
15 within the Fort Hartsuff Region shall appoint a representative from their
16 respective county to serve on a search committee. The nineteen members of
17 such search committee shall appoint, by way of a majority vote, a
18 regional representative for the Fort Hartsuff Region and an alternate,
19 who shall both serve two-year terms beginning on January 1, 2028. In June
20 2029 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 (d) In June 2027, the county board of each of the nineteen counties
31 within the Fort McPherson Region shall appoint a representative from

1 their respective county to serve on a search committee. The nineteen
2 members of such search committee shall appoint, by way of a majority
3 vote, a regional representative for the Fort McPherson Region and an
4 alternate, who shall both serve four-year terms beginning on January 1,
5 2028. In June 2031 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; and

13 (e) In June 2027, the county board of each of the nineteen counties
14 within the Fort Robinson 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 Robinson Region and an alternate,
18 who shall both serve two-year terms beginning on January 1, 2028. In June
19 2029 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 (5) The members of the board shall elect from among the regional
30 representatives a chairperson to oversee the operations of the board and
31 a vice-chairperson to assist the chairperson in such duties.

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

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

13 **Sec. 50.** (1) The Secretary of the School Equalization and Review
14 Board shall be appointed by the Governor and shall serve at the pleasure
15 of the Governor. The secretary shall serve for a term of four years
16 beginning in the year 2028 and may be reappointed by the Governor to
17 serve additional terms of office. The secretary shall be a certified
18 public accountant or have at least four years of experience as a school
19 superintendent.

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

30 (3) The secretary shall be responsible for maintaining a website for
31 the board. The website shall include a concise biography of each regional

1 representative and the secretary. Within three calendar days after the
2 manual described in subsection (2) of this section has been approved, the
3 secretary shall make it publicly available on the website.

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

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

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

15 (7) The secretary shall be compensated at a rate of eighty thousand
16 dollars per year until changed by the Legislature. The secretary shall
17 also be entitled to receive reimbursement for expenses incurred while in
18 the performance of his or her duties as provided in sections 81-1174 to
19 81-1177.

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

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

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

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

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

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

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

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

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

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

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

31 **Sec. 53.** (1) There is hereby created the Education Stabilization

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

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

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

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

1 thirty. The number of miles traveled by school buses and parents shall
2 include transportation of students to and from school, for field trips,
3 and for after school activities;

4 (c) A technology score shall be calculated by adding up the number
5 of computers owned by the school district on April 30 and dividing that
6 number by the total number of students enrolled in the district on April
7 30;

8 (d) A textbook score shall be calculated by adding up the number of
9 textbooks owned by the school district on April 30 and dividing that
10 number by the total number of students enrolled in the district on April
11 30;

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

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

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

1 Otherwise, the Legislature shall give preference to school districts with
2 the highest overall stabilization scores.

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

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

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

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

1 grants.

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

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

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

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

29 (5) Members of the committee shall be compensated at a rate of sixty
30 thousand dollars per year until changed by the Legislature. Members of
31 the committee shall also be entitled to receive reimbursement for

1 expenses incurred incident to their service on the committee as provided
2 in sections 81-1174 to 81-1177.

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

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

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

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

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

31 **Sec. 57.** (1) There is hereby created the School Facilities and

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

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

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

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

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

31 **Sec. 58.** Section 13-319, Reissue Revised Statutes of Nebraska, is

1 amended to read:

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

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

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

25 (2) The Nebraska Budget Act shall apply until January 1, 2028. On
26 and after such date, the budgetary process shall be governed by the
27 Nebraska EPIC Option Consumption Tax Act.

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

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

1 one-half percent upon the same transactions within the entire municipal
2 county on which the state is authorized to impose a tax pursuant to the
3 Nebraska Revenue Act of 1967, as amended from time to time.

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

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

13 **Sec. 61.** Section 18-2147, Revised Statutes Cumulative Supplement,
14 2024, is amended to read:

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

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

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

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

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

1 other taxes collected by or for the public body.

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

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

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

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

30 (4)(a) For any redevelopment plan for which more than fifty percent
31 of the property in the redevelopment project area has been declared an

1 extremely blighted area in accordance with section 18-2101.02, ad valorem
2 taxes shall be divided for a period not to exceed twenty years after the
3 effective date as identified in the project redevelopment contract or in
4 the resolution of the authority authorizing the issuance of bonds
5 pursuant to section 18-2124.

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

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

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

1 section.

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

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

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

9 (1) Motor vehicles exempt from the registration fee in section
10 60-3,160;

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

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

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

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

27 (6) Motor vehicles owned and used exclusively by an organization or
28 society qualified for a tax exemption provided in subdivision (1)(c) or
29 (d) of section 77-202 if an application for the exemption provided in
30 this subdivision has been approved under subsection (2) of section
31 60-3,189; and

1 (7) Trucks, trailers, or combinations thereof registered under
2 section 60-3,198.

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

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

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

12 (2) The department shall annually determine the motor vehicle fee on
13 each motor vehicle registered pursuant to this section and shall cause a
14 notice of the amount to be delivered to the registrant. The notice shall
15 be combined with the notice of the motor vehicle tax required by section
16 60-3,186.

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

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

28 (4) The base fee shall be:

29 (a) Automobiles, with a value when new of less than \$20,000, and
30 assembled, reconstructed-designated, and replica-designated automobiles –
31 \$5

- 1 (b) Automobiles, with a value when new of \$20,000 through \$39,999 –
- 2 \$20
- 3 (c) Automobiles, with a value when new of \$40,000 or more – \$30
- 4 (d) Motorcycles and autocycles – \$10
- 5 (e) Recreational vehicles and cabin trailers – \$10
- 6 (f) Trucks over seven tons and buses – \$30
- 7 (g) Trailers other than semitrailers – \$10
- 8 (h) Semitrailers – \$30
- 9 (i) Former military vehicles – \$10
- 10 (j) Minitrucks – \$10
- 11 (k) Low-speed vehicles – \$10.

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

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

31 (b) Funds from the Motor Vehicle Fee Fund shall be considered local

1 revenue available for matching state sources.

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

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

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

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

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

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

19 **Sec. 64.** Section 77-201, Revised Statutes Cumulative Supplement,
20 2024, is amended to read:

21 77-201 (1) Except as provided in subsections (2) through (4) of this
22 section, all real property in this state, not expressly exempt therefrom,
23 shall be subject to taxation and shall be valued at its actual 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 2024, 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 2024, 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 2024, 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 Cumulative Supplement,
12 2024, is amended to read:

13 77-2701 (1) Sections 77-2701 to 77-27,135.01, 77-27,222, 77-27,235,
14 77-27,236, and 77-27,238 to 77-27,242 shall be known and may be cited as
15 the Nebraska Revenue Act of 1967.

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

19 **Sec. 69.** Section 77-27,148, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 77-27,148 (1) Sections 77-27,142 to 77-27,148 may be cited as the
22 Local Option Revenue Act.

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

25 **Sec. 70.** Section 77-3506, Revised Statutes Cumulative Supplement,
26 2024, is amended to read:

27 77-3506 (1) All homesteads in this state shall be assessed for
28 taxation the same as other property, except that there shall be exempt
29 from taxation, on any homestead described in subsection (2) of this
30 section, one hundred percent of the exempt amount.

31 (2) The exemption described in subsection (1) of this section shall

1 apply to homesteads of:

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

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

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

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

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

30 (f) An unremarried surviving spouse of a serviceman or servicewoman
31 who died while on active duty during the periods described in section

1 80-401.01 or a surviving spouse of such a serviceman or servicewoman who
2 remarries after attaining the age of fifty-seven years.

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

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

17 **Sec. 71.** Section 77-3507, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 77-3507 (1) All homesteads in this state shall be assessed for
20 taxation the same as other property, except that there shall be exempt
21 from taxation on homesteads of qualified claimants a percentage of the
22 exempt amount as limited by section 77-3506.03. The percentage of the
23 exempt amount shall be determined based on the household income of a
24 claimant pursuant to subsections (2) through (4) of this section.

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

30	Column A	Column B
31	Household Income	Percentage

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

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

	Column A	Column B
	Household Income	Percentage
	In Dollars	Of Relief
17		
18		
19		
20	0 through 26,900	100
21	26,901 through 28,300	90
22	28,301 through 29,700	80
23	29,701 through 31,100	70
24	31,101 through 32,500	60
25	32,501 through 33,900	50
26	33,901 through 35,300	40
27	35,301 through 36,700	30
28	36,701 through 38,100	20
29	38,101 through 39,500	10
30	39,501 and over	0

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

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

20 **Sec. 72.** Section 77-3508, Revised Statutes Cumulative Supplement,
21 2024, is amended to read:

22 77-3508 (1)(a) All homesteads in this state shall be assessed for
23 taxation the same as other property, except that there shall be exempt
24 from taxation, on any homestead described in subdivision (b) of this
25 subsection, a percentage of the exempt amount as limited by section
26 77-3506.03. The exemption shall be based on the household income of a
27 claimant pursuant to subsections (2) through (4) of this section.

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

30 (i) Veterans as defined in section 80-401.01 who were discharged or
31 otherwise separated with a characterization of honorable or general

1 (under honorable conditions) and who are totally disabled by a non-
2 service-connected accident or illness;

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

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

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

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

30 (2) For 2014, for a married or closely related claimant as described
31 in subsection (1) of this section, the percentage of the exempt amount

1 for which the claimant shall be eligible shall be the percentage in
2 Column B which corresponds with the claimant's household income in Column
3 A in the table found in this subsection.

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

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

23	Column A	Column B
24	Household Income	Percentage
25	In Dollars	Of Relief
26	0 through 30,300	100
27	30,301 through 31,700	90
28	31,701 through 33,100	80
29	33,101 through 34,500	70
30	34,501 through 35,900	60

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

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

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

26 **Sec. 73.** Section 77-6406, Revised Statutes Cumulative Supplement,
27 2024, is amended to read:

28 77-6406 Any sales and use tax imposed pursuant to the The Qualified
29 Judgment Payment Act shall terminate as provided in section 3 of this act
30 terminates on January 1, 2027.

31 **Sec. 74.** Section 77-6827, Revised Statutes Cumulative Supplement,

1 2024, is amended to read:

2 77-6827 (1) In order to utilize the incentives allowed in the
3 Imagine Nebraska Act, the taxpayer shall file an application with the
4 director, on a form developed by the director, requesting an agreement.

5 (2) The application shall:

6 (a) Identify the taxpayer applying for incentives;

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

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

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

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

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

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

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

31 (i) Contain a nonrefundable application fee of five thousand

1 dollars. The fee shall be remitted to the State Treasurer for credit to
2 the Nebraska Incentives Fund.

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

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

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

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

31 (7) The State Treasurer shall pay any taxpayer entitled to credits

1 under the Imagine Nebraska Act that are unused on January 1, 2028, an
2 annual payment equal to ten percent of such credits on November 15 of
3 each year for ten years.

4 **Sec. 75.** Section 79-1001, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 79-1001 (1) Sections 79-1001 to 79-1033 shall be known and may be
7 cited as the Tax Equity and Educational Opportunities Support Act.

8 (2) The Tax Equity and Educational Opportunities Support Act shall
9 apply until January 1, 2028. On and after such date, funding for the
10 public schools shall be governed by the Nebraska EPIC Option Consumption
11 Tax Act.

12 **Sec. 76.** Section 85-2231, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 85-2231 (1) Sections 85-2231 to 85-2238 shall be known and may be
15 cited as the Community College Aid Act.

16 (2) The Community College Aid Act shall apply until January 1, 2028.
17 On and after such date, community colleges shall be funded as provided in
18 the Nebraska EPIC Option Consumption Tax Act.

19 **Sec. 77.** Original sections 13-319, 13-501, 13-2813, 60-3,185,
20 60-3,190, 77-27,148, 77-3507, 79-1001, and 85-2231, Reissue Revised
21 Statutes of Nebraska, and sections 18-2147, 77-201, 77-2004, 77-2005,
22 77-2006, 77-2701, 77-3506, 77-3508, 77-6406, and 77-6827, Revised
23 Statutes Cumulative Supplement, 2024, are repealed.