

LEGISLATURE OF NEBRASKA  
ONE HUNDRED THIRD LEGISLATURE  
FIRST SESSION  
**LEGISLATIVE BILL 150**

Introduced by Nordquist, 7; Mello, 5.

Read first time January 11, 2013

Committee:

A BILL

1 FOR AN ACT relating to natural gas; to amend sections 14-2138,  
2 14-2139, and 77-2704.13, Reissue Revised Statutes of  
3 Nebraska; to change provisions relating to the retail  
4 sale of natural gas by metropolitan utilities districts;  
5 to exempt sales and purchases of energy or fuel used in  
6 the compression of natural gas from sales and use taxes  
7 as prescribed; to eliminate obsolete provisions; to  
8 provide operative dates; and to repeal the original  
9 sections.  
10 Be it enacted by the people of the State of Nebraska,

1                   Section 1. Section 14-2138, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3                   14-2138 The metropolitan utilities district shall pay to  
4 the city of the metropolitan class a sum equivalent to two percent of  
5 the annual gross revenue derived from all retail sales of water and  
6 gas sold by such district within such city, except that retail sales  
7 of gas shall not include the retail sale of natural gas used as  
8 vehicular fuel. Such sum shall be paid on a quarterly basis, the last  
9 quarterly payment to be made not later than the thirtieth day of  
10 January of the next succeeding year, except that annual payments to  
11 such city shall not be less than five hundred thousand dollars. Such  
12 city shall not levy or collect any license, occupation, or excise tax  
13 upon or from such district. All payments provided by this section  
14 shall be allocated by the district among the several utilities  
15 operated by it upon such basis as the district shall determine.

16                   Sec. 2. Section 14-2139, Reissue Revised Statutes of  
17 Nebraska, is amended to read:

18                   14-2139 A metropolitan utilities district shall pay to  
19 every city or village of any class, other than metropolitan, in which  
20 such district sells water or gas, or both, at retail, a sum  
21 equivalent to two percent of the annual gross revenue derived from  
22 all retail sales of water or gas, or both, sold by such district  
23 within the city or village, except that retail sales of gas shall not  
24 include the retail sale of natural gas used as vehicular fuel. Such  
25 sums shall be paid not later than the thirtieth day of January of the

1 next succeeding year. Such cities or villages shall not levy or  
2 collect any license, occupation, or excise tax upon or from such  
3 district. All payments provided by this section shall be allocated by  
4 the district among the several utilities operated by it upon such  
5 basis as the district shall determine.

6 Sec. 3. Section 77-2704.13, Reissue Revised Statutes of  
7 Nebraska, is amended to read:

8 77-2704.13 Sales and use taxes shall not be imposed on  
9 the gross receipts from the sale, lease, or rental of and the  
10 storage, use, or other consumption in this state of:

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

16 (2) Sales and purchases of such energy sources or fuels  
17 ~~made before April 1, 1993, or after March 31, 1994,~~ when more than  
18 fifty percent of the amount purchased is for use directly in  
19 processing, manufacturing, or refining, in the generation of  
20 electricity, in the compression of natural gas for retail sale as a  
21 vehicle fuel, or by any hospital; and . ~~The state tax paid on~~  
22 ~~purchases of such energy sources or fuels during the period beginning~~  
23 ~~April 1, 1993, and ending March 31, 1994, shall not exceed one~~  
24 ~~hundred thousand dollars for any one location when more than fifty~~  
25 ~~percent of the amount purchased is for use directly in processing,~~

1 ~~manufacturing, or refining or by any hospital. All purchases of such~~  
2 ~~energy sources or fuels for use in the generation of electricity~~  
3 ~~during the period beginning April 1, 1993, and ending March 31, 1994,~~  
4 ~~shall be taxable. Any taxpayer who has paid the limit of state tax on~~  
5 ~~such energy sources or fuels at one location shall be exempt on all~~  
6 ~~other qualifying purchases at such location. Such taxpayer shall be~~  
7 ~~entitled to a refund of any amount of state or local option tax paid~~  
8 ~~on an energy source or fuel exempt under this subdivision. A refund~~  
9 ~~shall be made pursuant to section 77-2708; and~~

10           (3) Sales and purchases of water used for irrigation of  
11 agricultural lands and manufacturing purposes.

12           Sec. 4. Sections 3 and 6 of this act become operative on  
13 October 1, 2013. The other sections of this act become operative on  
14 their effective date.

15           Sec. 5. Original sections 14-2138 and 14-2139, Reissue  
16 Revised Statutes of Nebraska, are repealed.

17           Sec. 6. Original section 77-2704.13, Reissue Revised  
18 Statutes of Nebraska, is repealed.