

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FOURTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 256**

Introduced by Bloomfield, 17.

Read first time January 14, 2015

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend section  
2 77-2701.02, Reissue Revised Statutes of Nebraska, and sections  
3 77-27,132 and 77-4212, Revised Statutes Cumulative Supplement, 2014;  
4 to change the sales tax rate; to change the distribution of sales  
5 and use tax revenue; to provide funding for property tax relief; and  
6 to repeal the original sections.

7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2701.02, Reissue Revised Statutes of Nebraska,  
2 is amended to read:

3 77-2701.02 Pursuant to section 77-2715.01:

4 (1) Until July 1, 1998, the rate of the sales tax levied pursuant to  
5 section 77-2703 shall be five percent;

6 (2) Commencing July 1, 1998, and until July 1, 1999, the rate of the  
7 sales tax levied pursuant to section 77-2703 shall be four and one-half  
8 percent;

9 (3) Commencing July 1, 1999, and until the start of the first  
10 calendar quarter after July 20, 2002, the rate of the sales tax levied  
11 pursuant to section 77-2703 shall be five percent;~~and~~

12 (4) Commencing on the start of the first calendar quarter after July  
13 20, 2002, and until October 1, 2015, the rate of the sales tax levied  
14 pursuant to section 77-2703 shall be five and one-half percent; and -

15 (5) Commencing October 1, 2015, the rate of the sales tax levied  
16 pursuant to section 77-2703 shall be six percent.

17 Sec. 2. Section 77-27,132, Revised Statutes Cumulative Supplement,  
18 2014, is amended to read:

19 77-27,132 (1) There is hereby created a fund to be designated the  
20 Revenue Distribution Fund which shall be set apart and maintained by the  
21 Tax Commissioner. Revenue not required to be credited to the General Fund  
22 or any other specified fund may be credited to the Revenue Distribution  
23 Fund. Credits and refunds of such revenue shall be paid from the Revenue  
24 Distribution Fund. The balance of the amount credited, after credits and  
25 refunds, shall be allocated as provided by the statutes creating such  
26 revenue.

27 (2) The Tax Commissioner shall pay to a depository bank designated  
28 by the State Treasurer all amounts collected under the Nebraska Revenue  
29 Act of 1967. The Tax Commissioner shall present to the State Treasurer  
30 bank receipts showing amounts so deposited in the bank, and of the  
31 amounts so deposited the State Treasurer shall:

1 (a) For transactions occurring on or after October 1, 2014, and  
2 before October 1, 2019, credit to the Game and Parks Commission Capital  
3 Maintenance Fund all of the proceeds of the sales and use taxes imposed  
4 pursuant to section 77-2703 on the sale or lease of motorboats as defined  
5 in section 37-1204, personal watercraft as defined in section 37-1204.01,  
6 all-terrain vehicles as defined in section 60-103, and utility-type  
7 vehicles as defined in section 60-135.01;

8 (b) Credit to the Highway Trust Fund all of the proceeds of the  
9 sales and use taxes derived from the sale or lease for periods of more  
10 than thirty-one days of motor vehicles, trailers, and semitrailers,  
11 except that the proceeds equal to any sales tax rate provided for in  
12 section 77-2701.02 that is in excess of five percent derived from the  
13 sale or lease for periods of more than thirty-one days of motor vehicles,  
14 trailers, and semitrailers shall be credited to the Highway Allocation  
15 Fund; ~~and~~

16 (c) For transactions occurring on or after July 1, 2013, and before  
17 July 1, 2033, of the proceeds of the sales and use taxes derived from  
18 transactions other than those listed in subdivisions (2)(a) and (b) of  
19 this section from a sales tax rate of one-quarter of one percent, credit  
20 monthly eighty-five percent to the State Highway Capital Improvement Fund  
21 and fifteen percent to the Highway Allocation Fund; and -

22 (d) For transactions occurring on or after October 1, 2015, of the  
23 proceeds of the sales and use taxes derived from transactions other than  
24 those listed in subdivisions (2)(a) and (b) of this section from a sales  
25 tax rate of one-half of one percent, credit monthly all of such amount to  
26 the Property Tax Credit Cash Fund.

27 The balance of all amounts collected under the Nebraska Revenue Act  
28 of 1967 shall be credited to the General Fund.

29 Sec. 3. Section 77-4212, Revised Statutes Cumulative Supplement,  
30 2014, is amended to read:

31 77-4212 (1) For tax year 2007, the amount of relief granted under

1 the Property Tax Credit Act shall be one hundred five million dollars.  
2 For tax year 2008, the amount of relief granted under the act shall be  
3 one hundred fifteen million dollars. It is the intent of the Legislature  
4 to fund the Property Tax Credit Act for tax years after tax year 2008  
5 using available revenue, and beginning October 1, 2015, funding for the  
6 act shall include, but not be limited to, amounts credited to the  
7 Property Tax Credit Cash Fund pursuant to section 77-27,132. The relief  
8 shall be in the form of a property tax credit which appears on the  
9 property tax statement.

10 (2) To determine the amount of the property tax credit, the county  
11 treasurer shall multiply the amount disbursed to the county under  
12 subsection (4) of this section by the ratio of the real property  
13 valuation of the parcel to the total real property valuation in the  
14 county. The amount determined shall be the property tax credit for the  
15 property.

16 (3) If the real property owner qualifies for a homestead exemption  
17 under sections 77-3501 to 77-3529, the owner shall also be qualified for  
18 the relief provided in the act to the extent of any remaining liability  
19 after calculation of the relief provided by the homestead exemption. If  
20 the credit results in a property tax liability on the homestead that is  
21 less than zero, the amount of the credit which cannot be used by the  
22 taxpayer shall be returned to the State Treasurer by July 1 of the year  
23 the amount disbursed to the county was disbursed. The State Treasurer  
24 shall immediately credit any funds returned under this section to the  
25 Property Tax Credit Cash Fund.

26 (4) The amount disbursed to each county shall be equal to the amount  
27 available for disbursement determined under subsection (1) of this  
28 section multiplied by the ratio of the real property valuation in the  
29 county to the real property valuation in the state. By September 15, the  
30 Property Tax Administrator shall determine the amount to be disbursed  
31 under this subsection to each county and certify such amounts to the

1 State Treasurer and to each county. The disbursements to the counties  
2 shall occur in two equal payments, the first on or before January 31 and  
3 the second on or before April 1. After retaining one percent of the  
4 receipts for costs, the county treasurer shall allocate the remaining  
5 receipts to each taxing unit levying taxes on taxable property in the tax  
6 district in which the real property is located in the same proportion  
7 that the levy of such taxing unit bears to the total levy on taxable  
8 property of all the taxing units in the tax district in which the real  
9 property is located.

10 (5) The State Treasurer shall transfer from the General Fund to the  
11 Property Tax Credit Cash Fund one hundred five million dollars by August  
12 1, 2007, and one hundred fifteen million dollars by August 1, 2008.

13 (6) The Legislature shall have the power to transfer funds from the  
14 Property Tax Credit Cash Fund to the General Fund.

15 Sec. 4. Original section 77-2701.02, Reissue Revised Statutes of  
16 Nebraska, and sections 77-27,132 and 77-4212, Revised Statutes Cumulative  
17 Supplement, 2014, are repealed.