

AMENDMENTS TO LB 731

(Amendments to Standing Committee amendments, AM2151)

Introduced by Mello

1 1. Strike the original sections and insert the following
2 new sections:

3 Section 1. Sections 1 to 9 of this act shall be known and
4 may be cited as the Remanufacturing Pilot Project Act.

5 Sec. 2. For purposes of the Remanufacturing Pilot Project
6 Act:

7 (1) Base year means the calendar year immediately
8 preceding the year during which the application was submitted;

9 (2) Construction and demolition waste means waste which
10 results from construction projects, land clearing, and demolition
11 of buildings, roads, or other structures, including, but not
12 limited to, fill materials, wood, including painted and treated
13 wood, land clearing debris other than yard waste, wall coverings,
14 including wall paper, paneling, and tile, drywall, plaster,
15 non-asbestos insulation, roofing shingles and other roof coverings,
16 plumbing fixtures, glass, plastic, carpeting, electrical wiring,
17 pipe, and metals;

18 (3) Municipal solid waste means household waste or the
19 combination of household waste with industrial or commercial solid
20 wastes. Municipal solid waste does not include construction and
21 demolition waste, friable asbestos waste, special waste, liquid
22 waste, hazardous waste and waste that contains polychlorinated

1 biphenyl, pultrescible waste, corrugated cardboard, appliances,
2 tires, drums, or fuel tanks;

3 (4) Recycle means separating, cleaning, treating, and
4 reconstituting waste or other discarded materials for the purpose
5 of recovering and reusing the resources contained therein; and

6 (5) Statewide average tipping fee means the average fee
7 charged per ton for municipal disposal of waste at a solid waste
8 disposal area in the state in the prior calendar year as determined
9 by the Department of Environmental Quality.

10 Sec. 3. For taxable years beginning on or after January
11 1, 2013, and before January 1, 2016, under the Internal Revenue
12 Code of 1986, as amended, a taxpayer shall earn a recovered
13 resource income tax credit for each ton of municipal solid waste
14 recycled or composted in Nebraska during the tax year by the
15 taxpayer in excess of the amount of the same type of municipal
16 solid waste (1) recycled or composted in Nebraska during the base
17 year by the taxpayer or (2) disposed in a solid waste disposal area
18 in Nebraska during the base year by the taxpayer. The municipal
19 solid waste recycled or composted shall be municipal solid waste
20 which was generated by the taxpayer. The per-ton credit shall
21 equal the statewide average tipping fee. The maximum tax credit
22 earned by a taxpayer in a tax year shall be twenty-five thousand
23 dollars. The tax credit shall be refundable. A taxpayer shall
24 file an application for the recovered resource income tax credit
25 with the Department of Environmental Quality. Applications can be
26 filed at any time on or after the beginning of the tax year
27 for which the tentative tax credit is to be claimed. Applications

1 for tax credits shall be considered in the order in which they
2 are received, except that the department shall give priority to
3 applications that include partnerships between the taxpayer and a
4 nonprofit organization, school district, community college area,
5 village, city, county, or natural resources district. No tax credit
6 shall be allowed unless an application is filed and approved.

7 Sec. 4. If the Department of Environmental Quality
8 determines that the application meets the requirements of the
9 Remanufacturing Pilot Project Act, the department shall approve
10 the application, determine the base-year tonnage amount, set the
11 tax-year tonnage amount used to determine the tentative tax credit,
12 authorize a tentative tax credit to the applicant within the limits
13 set forth in sections 3 and 5 of this act, and certify to the
14 applicant and the Department of Revenue the amount of tentative tax
15 credit reserved for the applicant. No tax credit shall be allowed
16 if the applicant fails to meet or exceed the tax-year tonnage
17 amount established during the application process.

18 Sec. 5. The Department of Environmental Quality may
19 approve applications for recovered resource income tax credits for
20 up to the amount available in the Recovered Resource Income Tax
21 Credit Fund for each calendar year. An application for a tax credit
22 for a tax year other than a calendar year shall be applied against
23 the limit for the calendar year during which the tax year of the
24 applicant ends. After applications for tax credits totaling the
25 amount available in the fund have been approved for a calendar
26 year, no further applications shall be approved for that calendar
27 year. Tax credits shall be prorated among the approved applications

1 filed on the day the limit is exceeded.

2 Sec. 6. Any recovered resource income tax credit
3 allowable to a partnership, a limited liability company, a
4 subchapter S corporation, a cooperative, including a cooperative
5 exempt under section 521 of the Internal Revenue Code of 1986, as
6 amended, a limited cooperative association, or an estate or trust
7 may be distributed to the partners, members, shareholders, patrons,
8 or beneficiaries in the same manner as income is distributed for
9 use against their income tax liabilities.

10 Sec. 7. The Department of Revenue and the Environmental
11 Quality Council may adopt and promulgate rules and regulations to
12 carry out the Remanufacturing Pilot Project Act, including rules
13 and regulations to permit verification of the validity of any
14 recovered resource income tax credit claimed.

15 Sec. 8. The Recovered Resource Income Tax Credit Fund is
16 created. The fund shall receive fees allocated in sections 81-1561
17 and 81-15,165. The fund shall be used to reimburse the General
18 Fund for recovered resource income tax credits, for the costs
19 of administration of the Remanufacturing Pilot Project Act, and
20 for one-time expenses relating to the act. The Tax Commissioner
21 shall certify the amount of recovered resource income tax credits
22 used each year to the State Treasurer. Within ten days after the
23 certification, the State Treasurer shall transfer that amount of
24 funds from the Recovered Resource Income Tax Credit Fund to the
25 General Fund. Any funds reserved for tentative tax credits that are
26 not claimed shall be returned to the original fund source in the
27 same proportion as they were originally remitted to the Recovered

1 Resource Income Tax Credit Fund. The Director of Environmental
2 Quality may accept grants, contributions, or other funds from any
3 private, federal, state, or public source to be used for purposes
4 of the act and to be credited to the fund. Any money in the
5 Recovered Resource Income Tax Credit Fund available for investment
6 shall be invested by the state investment officer pursuant to
7 the Nebraska Capital Expansion Act and the Nebraska State Funds
8 Investment Act.

9 Sec. 9. The Remanufacturing Pilot Project Act terminates
10 on December 31, 2017.

11 Sec. 10. Section 77-2715.07, Revised Statutes Supplement,
12 2011, is amended to read:

13 77-2715.07 (1) There shall be allowed to qualified
14 resident individuals as a nonrefundable credit against the income
15 tax imposed by the Nebraska Revenue Act of 1967:

16 (a) A credit equal to the federal credit allowed under
17 section 22 of the Internal Revenue Code; and

18 (b) A credit for taxes paid to another state as provided
19 in section 77-2730.

20 (2) There shall be allowed to qualified resident
21 individuals against the income tax imposed by the Nebraska Revenue
22 Act of 1967:

23 (a) For returns filed reporting federal adjusted
24 gross incomes of greater than twenty-nine thousand dollars, a
25 nonrefundable credit equal to twenty-five percent of the federal
26 credit allowed under section 21 of the Internal Revenue Code of
27 1986, as amended;

1 (b) For returns filed reporting federal adjusted gross
2 income of twenty-nine thousand dollars or less, a refundable credit
3 equal to a percentage of the federal credit allowable under section
4 21 of the Internal Revenue Code of 1986, as amended, whether or
5 not the federal credit was limited by the federal tax liability.
6 The percentage of the federal credit shall be one hundred percent
7 for incomes not greater than twenty-two thousand dollars, and
8 the percentage shall be reduced by ten percent for each one
9 thousand dollars, or fraction thereof, by which the reported
10 federal adjusted gross income exceeds twenty-two thousand dollars;

11 (c) A refundable credit as provided in section 77-5209.01
12 for individuals who qualify for an income tax credit as a qualified
13 beginning farmer or livestock producer under the Beginning Farmer
14 Tax Credit Act for all taxable years beginning or deemed to begin
15 on or after January 1, 2006, under the Internal Revenue Code of
16 1986, as amended;

17 (d) A refundable credit for individuals who qualify for
18 an income tax credit under the Angel Investment Tax Credit Act, the
19 Nebraska Advantage Microenterprise Tax Credit Act, ~~or~~ the Nebraska
20 Advantage Research and Development Act, or the Remanufacturing
21 Pilot Project Act; and

22 (e) A refundable credit equal to ten percent of the
23 federal credit allowed under section 32 of the Internal Revenue
24 Code of 1986, as amended.

25 (3) There shall be allowed to all individuals as a
26 nonrefundable credit against the income tax imposed by the Nebraska
27 Revenue Act of 1967:

1 (a) A credit for personal exemptions allowed under
2 section 77-2716.01;

3 (b) A credit for contributions to certified community
4 betterment programs as provided in the Community Development
5 Assistance Act. Each partner, each shareholder of an electing
6 subchapter S corporation, each beneficiary of an estate or trust,
7 or each member of a limited liability company shall report his or
8 her share of the credit in the same manner and proportion as he
9 or she reports the partnership, subchapter S corporation, estate,
10 trust, or limited liability company income; and

11 (c) A credit for investment in a biodiesel facility as
12 provided in section 77-27,236.

13 (4) There shall be allowed as a credit against the income
14 tax imposed by the Nebraska Revenue Act of 1967:

15 (a) A credit to all resident estates and trusts for taxes
16 paid to another state as provided in section 77-2730;

17 (b) A credit to all estates and trusts for contributions
18 to certified community betterment programs as provided in the
19 Community Development Assistance Act; and

20 (c) A refundable credit for individuals who qualify for
21 an income tax credit as an owner of agricultural assets under the
22 Beginning Farmer Tax Credit Act for all taxable years beginning
23 or deemed to begin on or after January 1, 2009, under the
24 Internal Revenue Code of 1986, as amended. The credit allowed
25 for each partner, shareholder, member, or beneficiary of a
26 partnership, corporation, limited liability company, or estate
27 or trust qualifying for an income tax credit as an owner of

1 agricultural assets under the Beginning Farmer Tax Credit Act
2 shall be equal to the partner's, shareholder's, member's, or
3 beneficiary's portion of the amount of tax credit distributed
4 pursuant to subsection (4) of section 77-5211.

5 (5) (a) For all taxable years beginning on or after
6 January 1, 2007, and before January 1, 2009, under the Internal
7 Revenue Code of 1986, as amended, there shall be allowed to each
8 partner, shareholder, member, or beneficiary of a partnership,
9 subchapter S corporation, limited liability company, or estate or
10 trust a nonrefundable credit against the income tax imposed by
11 the Nebraska Revenue Act of 1967 equal to fifty percent of the
12 partner's, shareholder's, member's, or beneficiary's portion of the
13 amount of franchise tax paid to the state under sections 77-3801 to
14 77-3807 by a financial institution.

15 (b) For all taxable years beginning on or after January
16 1, 2009, under the Internal Revenue Code of 1986, as amended,
17 there shall be allowed to each partner, shareholder, member, or
18 beneficiary of a partnership, subchapter S corporation, limited
19 liability company, or estate or trust a nonrefundable credit
20 against the income tax imposed by the Nebraska Revenue Act of 1967
21 equal to the partner's, shareholder's, member's, or beneficiary's
22 portion of the amount of franchise tax paid to the state under
23 sections 77-3801 to 77-3807 by a financial institution.

24 (c) Each partner, shareholder, member, or beneficiary
25 shall report his or her share of the credit in the same manner
26 and proportion as he or she reports the partnership, subchapter S
27 corporation, limited liability company, or estate or trust income.

1 If any partner, shareholder, member, or beneficiary cannot fully
2 utilize the credit for that year, the credit may not be carried
3 forward or back.

4 Sec. 11. Section 77-2717, Revised Statutes Supplement,
5 2011, is amended to read:

6 77-2717 (1)(a) The tax imposed on all resident estates
7 and trusts shall be a percentage of the federal taxable income
8 of such estates and trusts as modified in section 77-2716, plus
9 a percentage of the federal alternative minimum tax and the
10 federal tax on premature or lump-sum distributions from qualified
11 retirement plans. The additional taxes shall be recomputed by (i)
12 substituting Nebraska taxable income for federal taxable income,
13 (ii) calculating what the federal alternative minimum tax would
14 be on Nebraska taxable income and adjusting such calculations for
15 any items which are reflected differently in the determination of
16 federal taxable income, and (iii) applying Nebraska rates to the
17 result. The federal credit for prior year minimum tax, after the
18 recomputations required by the Nebraska Revenue Act of 1967, and
19 the credits provided in the Nebraska Advantage Microenterprise Tax
20 Credit Act, ~~and~~ the Nebraska Advantage Research and Development
21 Act, and the Remanufacturing Pilot Project Act shall be allowed
22 as a reduction in the income tax due. A refundable income tax
23 credit shall be allowed for all resident estates and trusts
24 under the Angel Investment Tax Credit Act, the Nebraska Advantage
25 Microenterprise Tax Credit Act, ~~and~~ the Nebraska Advantage Research
26 and Development Act, and the Remanufacturing Pilot Project Act.

27 (b) The tax imposed on all nonresident estates and trusts

1 shall be the portion of the tax imposed on resident estates and
2 trusts which is attributable to the income derived from sources
3 within this state. The tax which is attributable to income derived
4 from sources within this state shall be determined by multiplying
5 the liability to this state for a resident estate or trust with
6 the same total income by a fraction, the numerator of which is
7 the nonresident estate's or trust's Nebraska income as determined
8 by sections 77-2724 and 77-2725 and the denominator of which is
9 its total federal income after first adjusting each by the amounts
10 provided in section 77-2716. The federal credit for prior year
11 minimum tax, after the recomputations required by the Nebraska
12 Revenue Act of 1967, reduced by the percentage of the total income
13 which is attributable to income from sources outside this state,
14 and the credits provided in the Nebraska Advantage Microenterprise
15 Tax Credit Act, ~~and~~ the Nebraska Advantage Research and Development
16 Act, and the Remanufacturing Pilot Project Act shall be allowed
17 as a reduction in the income tax due. A refundable income tax
18 credit shall be allowed for all nonresident estates and trusts
19 under the Angel Investment Tax Credit Act, the Nebraska Advantage
20 Microenterprise Tax Credit Act, ~~and~~ the Nebraska Advantage Research
21 and Development Act, and the Remanufacturing Pilot Project Act.

22 (2) In all instances wherein a fiduciary income tax
23 return is required under the provisions of the Internal Revenue
24 Code, a Nebraska fiduciary return shall be filed, except that a
25 fiduciary return shall not be required to be filed regarding a
26 simple trust if all of the trust's beneficiaries are residents of
27 the State of Nebraska, all of the trust's income is derived from

1 sources in this state, and the trust has no federal tax liability.
2 The fiduciary shall be responsible for making the return for the
3 estate or trust for which he or she acts, whether the income be
4 taxable to the estate or trust or to the beneficiaries thereof.
5 The fiduciary shall include in the return a statement of each
6 beneficiary's distributive share of net income when such income is
7 taxable to such beneficiaries.

8 (3) The beneficiaries of such estate or trust who are
9 residents of this state shall include in their income their
10 proportionate share of such estate's or trust's federal income and
11 shall reduce their Nebraska tax liability by their proportionate
12 share of the credits as provided in the Angel Investment Tax
13 Credit Act, the Nebraska Advantage Microenterprise Tax Credit Act,
14 ~~and the Nebraska Advantage Research and Development Act, and the~~
15 Remanufacturing Pilot Project Act. There shall be allowed to a
16 beneficiary a refundable income tax credit under the Beginning
17 Farmer Tax Credit Act for all taxable years beginning or deemed to
18 begin on or after January 1, 2001, under the Internal Revenue Code
19 of 1986, as amended.

20 (4) If any beneficiary of such estate or trust is a
21 nonresident during any part of the estate's or trust's taxable
22 year, he or she shall file a Nebraska income tax return which shall
23 include (a) in Nebraska adjusted gross income that portion of the
24 estate's or trust's Nebraska income, as determined under sections
25 77-2724 and 77-2725, allocable to his or her interest in the estate
26 or trust and (b) a reduction of the Nebraska tax liability by his
27 or her proportionate share of the credits as provided in the Angel

1 Investment Tax Credit Act, the Nebraska Advantage Microenterprise
2 Tax Credit Act, ~~and~~ the Nebraska Advantage Research and Development
3 Act, and the Remanufacturing Pilot Project Act and shall execute
4 and forward to the fiduciary, on or before the original due date
5 of the Nebraska fiduciary return, an agreement which states that he
6 or she will file a Nebraska income tax return and pay income tax
7 on all income derived from or connected with sources in this state,
8 and such agreement shall be attached to the Nebraska fiduciary
9 return for such taxable year.

10 (5) In the absence of the nonresident beneficiary's
11 executed agreement being attached to the Nebraska fiduciary return,
12 the estate or trust shall remit a portion of such beneficiary's
13 income which was derived from or attributable to Nebraska sources
14 with its Nebraska return for the taxable year. The amount of
15 remittance, in such instance, shall be the highest individual
16 income tax rate determined under section 77-2715.02 multiplied by
17 the nonresident beneficiary's share of the estate or trust income
18 which was derived from or attributable to sources within this
19 state. The amount remitted shall be allowed as a credit against the
20 Nebraska income tax liability of the beneficiary.

21 (6) The Tax Commissioner may allow a nonresident
22 beneficiary to not file a Nebraska income tax return if the
23 nonresident beneficiary's only source of Nebraska income was his or
24 her share of the estate's or trust's income which was derived from
25 or attributable to sources within this state, the nonresident did
26 not file an agreement to file a Nebraska income tax return, and
27 the estate or trust has remitted the amount required by subsection

1 (5) of this section on behalf of such nonresident beneficiary. The
2 amount remitted shall be retained in satisfaction of the Nebraska
3 income tax liability of the nonresident beneficiary.

4 (7) For purposes of this section, unless the context
5 otherwise requires, simple trust shall mean any trust instrument
6 which (a) requires that all income shall be distributed currently
7 to the beneficiaries, (b) does not allow amounts to be paid,
8 permanently set aside, or used in the tax year for charitable
9 purposes, and (c) does not distribute amounts allocated in the
10 corpus of the trust. Any trust which does not qualify as a simple
11 trust shall be deemed a complex trust.

12 (8) For purposes of this section, any beneficiary of an
13 estate or trust that is a grantor trust of a nonresident shall be
14 disregarded and this section shall apply as though the nonresident
15 grantor was the beneficiary.

16 Sec. 12. Section 77-2734.03, Reissue Revised Statutes of
17 Nebraska, is amended to read:

18 77-2734.03 (1)(a) For taxable years commencing prior to
19 January 1, 1997, any (i) insurer paying a tax on premiums and
20 assessments pursuant to section 77-908 or 81-523, (ii) electric
21 cooperative organized under the Joint Public Power Authority Act,
22 or (iii) credit union shall be credited, in the computation of
23 the tax due under the Nebraska Revenue Act of 1967, with the
24 amount paid during the taxable year as taxes on such premiums and
25 assessments and taxes in lieu of intangible tax.

26 (b) For taxable years commencing on or after January 1,
27 1997, any insurer paying a tax on premiums and assessments pursuant

1 to section 77-908 or 81-523, any electric cooperative organized
2 under the Joint Public Power Authority Act, or any credit union
3 shall be credited, in the computation of the tax due under the
4 Nebraska Revenue Act of 1967, with the amount paid during the
5 taxable year as (i) taxes on such premiums and assessments included
6 as Nebraska premiums and assessments under section 77-2734.05 and
7 (ii) taxes in lieu of intangible tax.

8 (c) For taxable years commencing or deemed to commence
9 prior to, on, or after January 1, 1998, any insurer paying a tax on
10 premiums and assessments pursuant to section 77-908 or 81-523 shall
11 be credited, in the computation of the tax due under the Nebraska
12 Revenue Act of 1967, with the amount paid during the taxable year
13 as assessments allowed as an offset against premium and related
14 retaliatory tax liability pursuant to section 44-4233.

15 (2) There shall be allowed to corporate taxpayers a
16 tax credit for contributions to community betterment programs as
17 provided in the Community Development Assistance Act.

18 (3) There shall be allowed to corporate taxpayers a
19 refundable income tax credit under the Beginning Farmer Tax Credit
20 Act for all taxable years beginning or deemed to begin on or
21 after January 1, 2001, under the Internal Revenue Code of 1986, as
22 amended.

23 (4) The changes made to this section by Laws 2004, LB
24 983, apply to motor fuels purchased during any tax year ending
25 or deemed to end on or after January 1, 2005, under the Internal
26 Revenue Code of 1986, as amended.

27 (5) There shall be allowed to corporate taxpayers

1 refundable income tax credits under the Nebraska Advantage
2 Microenterprise Tax Credit Act, ~~and~~ the Nebraska Advantage Research
3 and Development Act, and the Remanufacturing Pilot Project Act.

4 (6) There shall be allowed to corporate taxpayers a
5 nonrefundable income tax credit for investment in a biodiesel
6 facility as provided in section 77-27,236.

7 Sec. 13. Section 81-1561, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 81-1561 (1) The Tax Commissioner shall deduct and
10 withhold from the litter fee collected a fee sufficient to
11 reimburse himself or herself for the cost of collecting and
12 administering the litter fee and shall deposit such collection fee
13 in the Litter Fee Collection Fund which is hereby created. The
14 Litter Fee Collection Fund shall be appropriated to the Department
15 of Revenue. Any money in the Litter Fee Collection Fund available
16 for investment shall be invested by the state investment officer
17 pursuant to the Nebraska Capital Expansion Act and the Nebraska
18 State Funds Investment Act.

19 (2) The Tax Commissioner shall remit the balance of
20 the litter fee collections to the Department of Environmental
21 Quality. The department shall allocate the balance of the litter
22 fee collections in the following manner: (a) Ninety percent shall
23 be deposited in the Nebraska Litter Reduction and Recycling Fund;
24 and (b) ten percent shall be deposited in the Recovered Resource
25 Income Tax Credit Fund. After December 31, 2016, the department
26 shall allocate the entire balance of litter fee collections to the
27 Nebraska Litter Reduction and Recycling Fund.

1 (3) The department shall allocate and distribute funds
2 from the Nebraska Litter Reduction and Recycling Fund in percentage
3 amounts to be determined by the council on an annual basis, after a
4 public hearing on a date to be determined by the council, for the
5 following activities:

6 (a) Programs of public education, motivation, and
7 participation aimed at creating an ethic conducive to the reduction
8 of litter, establishing an attitude against littering and a desire
9 for a clean environment, and securing greater awareness of and
10 compliance with antilitter laws. Such programs shall include:

11 (i) The distribution of informative materials to
12 elementary and secondary schools;

13 (ii) The purchase and erection of roadside signs;

14 (iii) The organization and operation of cleanup drives
15 conducted by local agencies and organizations using volunteer help;

16 (iv) Grants to state and local government units and
17 agencies and private organizations for developing and conducting
18 antilitter programs; and

19 (v) Any other public information method selected by the
20 department, including the use of media;

21 (b) Cleanup of public highways, waterways, recreation
22 lands, urban areas, and public places within the state, including,
23 but not limited to:

24 (i) Grants to cities and counties for payment of
25 personnel employed in the pickup of litter;

26 (ii) Grants for programs aimed at increasing the use
27 of youth and unemployed persons in seasonal and part-time litter

1 pickup programs and to establish work release and other programs
2 to carry out the purposes of the Nebraska Litter Reduction and
3 Recycling Act;

4 (iii) Grants to public and private agencies and persons
5 to conduct surveys of amounts and composition of litter and rates
6 of littering; and

7 (iv) Grants to public and private agencies and persons
8 for research and development in the fields of litter reduction,
9 removal, and disposal, including the evaluation of behavioral
10 science techniques in litter control and the development of new
11 equipment, and to implement such research and development when
12 appropriate; and

13 (c) New or improved community recycling and source
14 separation programs, including, but not limited to:

15 (i) Expansion of existing and creation of new community
16 recycling centers;

17 (ii) Expansion of existing and creation of new source
18 separation programs;

19 (iii) Research and evaluation of markets for the
20 materials and products recovered in source separation and recycling
21 programs; and

22 (iv) Providing advice and assistance on matters relating
23 to recycling and source separation, including information and
24 consultation on available technology, operating procedures,
25 organizational arrangements, markets for materials and products
26 recovered in recycling and source separation, transportation
27 alternatives, and publicity techniques.

1 Funds allocated to the Recovered Resource Income Tax
2 Credit Fund pursuant to subdivision (2) (b) of this section shall be
3 considered as being used for the purposes specified in subdivision
4 (3) (c) of this section.

5 Sec. 14. Section 81-1565, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 81-1565 The department shall adopt guidelines for the
8 determination of eligibility of public and private agencies and
9 persons to receive funds pursuant to the Nebraska Litter Reduction
10 and Recycling Act and the determination of qualification and
11 suitability of plans submitted by such agencies and persons
12 consistent with the purposes of the act. A taxpayer who has
13 applied for a tax credit under the Remanufacturing Pilot Project
14 Act shall be ineligible to receive funds pursuant to the Nebraska
15 Litter Reduction and Recycling Act for the year for which the tax
16 credit application is approved.

17 Sec. 15. Section 81-15,161, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 81-15,161 (1) Allocations from the Waste Reduction and
20 Recycling Incentive Fund may be made as grants to a political
21 subdivision or other entity or organization, public, private, or
22 nonprofit, when it is found that the proposed program, project, or
23 study appears to benefit the general public, to further the goals
24 of waste reduction and recycling, and to be consistent with proper
25 waste management practices. Each application for a grant under the
26 Waste Reduction and Recycling Incentive Act shall be filed with the
27 department in a manner and form prescribed by the department.

1 (2) The council shall adopt guidelines for the
2 determination of eligibility of public, private, and nonprofit
3 entities, organizations, or persons to receive funds pursuant to
4 the act and for the determination of qualification and suitability
5 of plans submitted by such entities, organizations, and persons
6 consistent with the act. A taxpayer who has applied for a tax
7 credit under the Remanufacturing Pilot Project Act shall be
8 ineligible to receive funds pursuant to the Waste Reduction and
9 Recycling Incentive Act for the year for which the tax credit
10 application is approved.

11 (3) An application for a grant shall: (a) Describe the
12 nature and purpose of the proposed program, project, or study;
13 (b) set forth or be accompanied by a plan for development of the
14 proposed program, project, or study, together with engineering,
15 economic, and financial feasibility data and information and
16 such estimated costs of construction or implementation as may
17 be required by the department; (c) state whether money other
18 than that for which the application is made will be used to
19 help in meeting program, project, or study costs and whether such
20 money is available or has been sought for this purpose; (d) when
21 appropriate, state that the applicant holds or can acquire title to
22 all lands or has the necessary easements and rights-of-way for the
23 project and related lands; (e) show that the applicant possesses
24 all necessary authority to undertake or participate in the proposed
25 program, project, or study; and (f) demonstrate the probable
26 environmental and ecological consequences that may result from
27 the proposed program or project. Upon receipt of an application

1 the director shall evaluate and investigate all aspects of the
2 proposed program, project, or study and the proposed schedule for
3 the development and completion of such program, project, or study
4 and determine the eligibility of the program, project, or study
5 for funding. As a part of his or her investigation, the director
6 shall consider whether the plan for development of the program,
7 project, or study is satisfactory. If the director determines
8 that the plan is unsatisfactory or that the application does not
9 contain adequate information upon which to make determinations, the
10 director shall return the application to the applicant and may
11 make recommendations to the applicant which the director considers
12 necessary to make the plan or the application satisfactory.

13 (4) The director shall within a reasonable time, not to
14 exceed six months, after receipt of such application approve or
15 reject grant funding for the program, project, or study. The grant
16 shall be for a specific dollar amount of funds, and the funds shall
17 be used only for the purpose specified in the grant. The director
18 may set any terms for the administration of the funds as he or she
19 deems necessary and any penalties to be imposed upon the recipient
20 if it fails to comply with any requirements of the grant.

21 (5) It is the intent of the Legislature that allocations
22 from the Waste Reduction and Recycling Incentive Fund shall be made
23 in an equitable manner which maximizes the benefits of the fund.
24 When awarding grants, the director shall balance the needs of: (a)
25 All geographic areas of the state; (b) all sizes and classes of
26 communities; and (c) all manner and scale of programs, projects,
27 and studies. The director shall also give consideration to eligible

1 programs, projects, and studies which would specifically employ
2 disabled or handicapped persons.

3 (6) The director may deny any application which he or
4 she determines (a) is not in conformance with this section, (b)
5 does not reflect reasonable costs for the type of project proposed,
6 (c) contains inaccurate, incomplete, or misleading information in
7 the application, or (d) would require the expenditure of funds
8 beyond the fund's unobligated balance or for any other reason which
9 the director determines is necessary to properly administer this
10 section.

11 (7) All disbursements made under this section shall be
12 formalized by a written agreement between the department and all
13 recipients of the disbursement. The agreement may include, but need
14 not be limited to, the following conditions designed to protect
15 the fund and ensure completion of the project: (a) Mechanics of
16 funding disbursement; (b) any bidding requirements; (c) completion
17 timelines for any deliverables; (d) record-keeping and reporting
18 requirements; (e) security interest and insurance requirements on
19 equipment; (f) forfeiture and repayment of funds; and (g) other
20 conditions necessary or desirable to carry out this section.

21 (8) The council shall adopt and promulgate rules and
22 regulations to carry out the Waste Reduction and Recycling
23 Incentive Act.

24 Sec. 16. Section 81-15,165, Revised Statutes Cumulative
25 Supplement, 2010, is amended to read:

26 81-15,165 (1) The Tax Commissioner shall deduct and
27 withhold from the fees collected pursuant to sections 81-15,159

1 to 81-15,165 a fee sufficient to reimburse himself or herself
2 for the actual cost of collecting and administering such fees
3 and shall credit such collection fee to the Waste Reduction and
4 Recycling Incentive Fees Collection Fund which is hereby created.
5 The Legislature shall appropriate money from the fund to the
6 Department of Revenue to cover the actual costs of the department
7 in administering the Waste Reduction and Recycling Incentive Act.
8 Transfers may be made from the fund to the General Fund at the
9 direction of the Legislature. Any money in the Waste Reduction and
10 Recycling Incentive Fees Collection Fund available for investment
11 shall be invested by the state investment officer pursuant to
12 the Nebraska Capital Expansion Act and the Nebraska State Funds
13 Investment Act.

14 (2) The Tax Commissioner shall remit the balance of the
15 fees collected pursuant to sections 81-15,159 to 81-15,165 to the
16 Department of Environmental Quality. The department shall allocate
17 the balance of the fee collections in the following manner: (a)
18 Ninety percent shall be deposited in the Waste Reduction and
19 Recycling Incentive Fund; and (b) ten percent shall be deposited
20 in the Recovered Resource Income Tax Credit Fund, such ten-percent
21 allocation to be made proportionately from the fees collected
22 pursuant to sections 81-15,159 to 81-15,165. After December 31,
23 2016, the department shall allocate the entire balance of the fees
24 collected pursuant to sections 81-15,159 to 81-15,165 to the Waste
25 Reduction and Recycling Incentive Fund.

26 Sec. 17. Original sections 77-2734.03, 81-1561, 81-1565,
27 and 81-15,161, Reissue Revised Statutes of Nebraska, section

1 81-15,165, Revised Statutes Cumulative Supplement, 2010, and
2 sections 77-2715.07 and 77-2717, Revised Statutes Supplement, 2011,
3 are repealed.