

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1088

Introduced by Davis, 43.

Read first time January 20, 2016

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend section
- 2 77-2704.12, Revised Statutes Cumulative Supplement, 2014; to provide
- 3 a sales and use tax exemption for purchases by nonprofit centers for
- 4 independent living; to provide an operative date; and to repeal the
- 5 original section.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2704.12, Revised Statutes Cumulative
2 Supplement, 2014, is amended to read:

3 77-2704.12 (1) Sales and use taxes shall not be imposed on the gross
4 receipts from the sale, lease, or rental of and the storage, use, or
5 other consumption in this state of purchases by (a) any nonprofit
6 organization created exclusively for religious purposes, (b) any
7 nonprofit organization providing services exclusively to the blind, (c)
8 any nonprofit private educational institution established under sections
9 79-1601 to 79-1607, (d) any regionally or nationally accredited,
10 nonprofit, privately controlled college or university with its primary
11 campus physically located in Nebraska, (e) any nonprofit (i) hospital,
12 (ii) health clinic when one or more hospitals or the parent corporations
13 of the hospitals own or control the health clinic for the purpose of
14 reducing the cost of health services or when the health clinic receives
15 federal funds through the United States Public Health Service for the
16 purpose of serving populations that are medically underserved, (iii)
17 skilled nursing facility, (iv) intermediate care facility, (v) assisted-
18 living facility, (vi) intermediate care facility for persons with
19 developmental disabilities, (vii) nursing facility, (viii) home health
20 agency, (ix) hospice or hospice service, (x) respite care service,~~or~~
21 (xi) mental health center licensed under the Health Care Facility
22 Licensure Act, or (xii) center for independent living as defined in 29
23 U.S.C. 796a, (f) any nonprofit licensed residential child-caring agency,
24 (g) any nonprofit licensed child-placing agency, or (h) any nonprofit
25 organization certified by the Department of Health and Human Services to
26 provide community-based services for persons with developmental
27 disabilities.

28 (2) Any organization listed in subsection (1) of this section shall
29 apply for an exemption on forms provided by the Tax Commissioner. The
30 application shall be approved and a numbered certificate of exemption
31 received by the applicant organization in order to be exempt from the

1 sales and use tax.

2 (3) The appointment of purchasing agents shall be recognized for the
3 purpose of altering the status of the construction contractor as the
4 ultimate consumer of building materials which are physically annexed to
5 the structure and which subsequently belong to the owner of the
6 organization or institution. The appointment of purchasing agents shall
7 be in writing and occur prior to having any building materials annexed to
8 real estate in the construction, improvement, or repair. The contractor
9 who has been appointed as a purchasing agent may apply for a refund of or
10 use as a credit against a future use tax liability the tax paid on
11 inventory items annexed to real estate in the construction, improvement,
12 or repair of a project for a licensed not-for-profit institution.

13 (4) Any organization listed in subsection (1) of this section which
14 enters into a contract of construction, improvement, or repair upon
15 property annexed to real estate without first issuing a purchasing agent
16 authorization to a contractor or repairperson prior to the building
17 materials being annexed to real estate in the project may apply to the
18 Tax Commissioner for a refund of any sales and use tax paid by the
19 contractor or repairperson on the building materials physically annexed
20 to real estate in the construction, improvement, or repair.

21 (5) Any person purchasing, storing, using, or otherwise consuming
22 building materials in the performance of any construction, improvement,
23 or repair by or for any institution enumerated in subsection (1) of this
24 section which is licensed upon completion although not licensed at the
25 time of construction or improvement, which building materials are annexed
26 to real estate and which subsequently belong to the owner of the
27 institution, shall pay any applicable sales or use tax thereon. Upon
28 becoming licensed and receiving a numbered certificate of exemption, the
29 institution organized not for profit shall be entitled to a refund of the
30 amount of taxes so paid in the performance of such construction,
31 improvement, or repair and shall submit whatever evidence is required by

1 the Tax Commissioner sufficient to establish the total sales and use tax
2 paid upon the building materials physically annexed to real estate in the
3 construction, improvement, or repair.

4 Sec. 2. This act becomes operative on October 1, 2016.

5 Sec. 3. Original section 77-2704.12, Revised Statutes Cumulative
6 Supplement, 2014, is repealed.