

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FOURTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 466**

Introduced by Harr, 8.

Read first time January 20, 2015

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend section
- 2 77-27,144, Revised Statutes Cumulative Supplement, 2014; to change
- 3 provisions relating to deductions of municipal sales and use tax
- 4 refunds; to provide an operative date; and to repeal the original
- 5 section.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-27,144, Revised Statutes Cumulative  
2 Supplement, 2014, is amended to read:

3 77-27,144 (1) The Tax Commissioner shall collect the tax imposed by  
4 any incorporated municipality concurrently with collection of a state tax  
5 in the same manner as the state tax is collected. The Tax Commissioner  
6 shall remit monthly the proceeds of the tax to the incorporated  
7 municipalities levying the tax, after deducting the amount of refunds  
8 made and three percent of the remainder to be credited to the Municipal  
9 Equalization Fund.

10 (2) Deductions for a refund made pursuant to section 77-4105,  
11 77-4106, 77-5725, or 77-5726 shall be delayed for one year after the  
12 refund has been made to the taxpayer. ~~The Department of Revenue shall~~  
13 ~~notify the municipality liable for a refund exceeding one thousand five~~  
14 ~~hundred dollars of the pending refund, the amount of the refund, and the~~  
15 ~~month in which the deduction will be made or begin, except that if the~~  
16 ~~amount of such a refund claimed under section 77-4105, 77-4106, 77-5725,~~  
17 ~~or 77-5726 exceeds twenty-five percent of the municipality's total sales~~  
18 ~~and use tax receipts, net of any refunds or sales tax collection fees,~~  
19 ~~for the municipality's prior fiscal year or one million dollars,~~  
20 ~~whichever is less, the department shall deduct the refund over a the~~  
21 ~~period of one year in equal monthly amounts beginning after the one-year~~  
22 ~~delay notification period required by this subsection. The Department of~~  
23 ~~Revenue shall notify the municipality liable for any refund exceeding one~~  
24 ~~thousand five hundred dollars of the pending refund, the amount of the~~  
25 ~~refund, and the month in which the deduction will be made or begin. This~~  
26 ~~subsection applies to refunds owed by any city or village eities of the~~  
27 ~~first class, cities of the second class, and villages. This subsection~~  
28 ~~applies to refunds beginning January 1, 2014.~~

29 (3) The Tax Commissioner shall keep full and accurate records of all  
30 money received and distributed under the provisions of the Local Option  
31 Revenue Act. When proceeds of a tax levy are received but the identity of

1 the incorporated municipality which levied the tax is unknown and is not  
2 identified within six months after receipt, the amount shall be credited  
3 to the Municipal Equalization Fund. The municipality may request the  
4 names and addresses of the retailers which have collected the tax as  
5 provided in subsection (13) of section 77-2711 and may certify an  
6 individual to request and review confidential sales and use tax returns  
7 and sales and use tax return information as provided in subsection (14)  
8 of section 77-2711.

9       Sec. 2. This act becomes operative on January 1, 2016.

10       Sec. 3. Original section 77-27,144, Revised Statutes Cumulative  
11 Supplement, 2014, is repealed.