

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 441

Introduced by McCollister, 20.

Read first time January 18, 2019

Committee: Revenue

1 A BILL FOR AN ACT relating to sales and use tax; to amend section
2 77-27,144, Reissue Revised Statutes of Nebraska; to change
3 provisions relating to certain refund deductions and applicability
4 to municipalities as prescribed; and to repeal the original section.
5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-27,144, Reissue Revised Statutes of Nebraska,
2 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 a refund claimed under section 77-4105, 77-4106, 77-5725, or
17 77-5726 exceeds twenty-five percent of the municipality's total sales and
18 use tax receipts, net of any refunds or sales tax collection fees, for
19 the municipality's prior fiscal year, the department shall deduct the
20 refund over the period of one year in equal monthly amounts beginning
21 after the one-year notification period required by this subsection. This
22 subsection applies to refunds owed by cities of the first class, cities
23 of the second class, and villages. This subsection applies to refunds
24 beginning January 1, 2014.

25 (3) The Department of Revenue shall notify the municipality liable
26 for a refund exceeding one thousand five hundred dollars of the pending
27 refund and the amount of the refund claimed under section 77-4105,
28 77-4106, 77-5725, or 77-5726. The notification shall be made by March 1,
29 2020, and each March 1 thereafter and shall be used as the refund amount
30 for the calendar year period of January 1 through December 31 for the
31 year following the year of notification. The notification shall include

1 any excess or underpayment from the prior calendar year. The department
2 shall deduct the refund over a period of one year in equal monthly
3 amounts beginning after the one-year notification period required by this
4 subsection. This subsection applies to total annual refunds exceeding one
5 million dollars owed by any city of the metropolitan class or city of the
6 primary class.

7 (4) ~~(3)~~ The Tax Commissioner shall keep full and accurate records of
8 all money received and distributed under the provisions of the Local
9 Option Revenue Act. When proceeds of a tax levy are received but the
10 identity of the incorporated municipality which levied the tax is unknown
11 and is not identified within six months after receipt, the amount shall
12 be credited to the Municipal Equalization Fund. The municipality may
13 request the names and addresses of the retailers which have collected the
14 tax as provided in subsection (13) of section 77-2711 and may certify an
15 individual to request and review confidential sales and use tax returns
16 and sales and use tax return information as provided in subsection (14)
17 of section 77-2711.

18 Sec. 2. Original section 77-27,144, Reissue Revised Statutes of
19 Nebraska, is repealed.