

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 512

Introduced by Linehan, 39.

Read first time January 22, 2019

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
2 3-150, 66-482, 66-4,143, 66-6,101, 66-712, 66-718, 66-739, 66-1521,
3 77-202.03, 77-377.02, 77-414, 77-702, 77-1239, 77-2716.01,
4 77-2734.01, 77-2761, 77-2773, 77-2776, 77-3506, 77-3508, 77-3519,
5 77-4111, and 77-6203, Reissue Revised Statutes of Nebraska, and
6 section 39-2215, Revised Statutes Cumulative Supplement, 2018; to
7 eliminate the Motor Fuel Tax Enforcement and Collection Division of
8 the Department of Revenue; to change and eliminate provisions
9 relating to a list of exempt real property, collection agency fees,
10 rules and regulations, and reimbursement to political subdivisions;
11 to provide for reassessment of destroyed or damaged property; to
12 change provisions relating to personal exemptions, standard
13 deductions, requirements for filing income tax returns, notices of
14 deficiency, and homestead exemptions; to harmonize provisions; to
15 provide operative dates; to repeal the original sections; to
16 outright repeal section 66-738, Reissue Revised Statutes of
17 Nebraska; and to declare an emergency.
18 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 3-150, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 3-150 Any person, firm, partnership, limited liability company,
4 company, agency, corporation, body politic, municipality, or National
5 Guard or reserve officer of the United States Army who buys and uses
6 aircraft fuel meeting the specifications set by the ~~Motor Fuel Tax~~
7 ~~Enforcement and Collection Division of the~~ Department of Revenue, bought
8 for and used only in aircraft in connection with any air school approved
9 by the federal government, on which the tax has been paid or which is
10 chargeable under section 3-148 and who consumes the same for purposes of
11 operating or propelling aircraft used strictly for air school purposes
12 shall be reimbursed the amount of tax so paid in the manner and subject
13 to the conditions provided in this section and section 3-151.

14 Sec. 2. Section 39-2215, Revised Statutes Cumulative Supplement,
15 2018, is amended to read:

16 39-2215 (1) There is hereby created in the state treasury a special
17 fund to be known as the Highway Trust Fund.

18 (2) All funds credited to the Highway Trust Fund pursuant to
19 sections 66-489.02, 66-499, 66-4,140, 66-4,147, 66-6,108, and
20 66-6,109.02, and related penalties and interest, shall be allocated as
21 provided in such sections.

22 (3) All other motor vehicle fuel taxes, diesel fuel taxes,
23 compressed fuel taxes, and alternative fuel fees related to highway use
24 retained by the state, all motor vehicle registration fees retained by
25 the state other than those fees credited to the State Recreation Road
26 Fund pursuant to subdivision (3) of section 60-3,156, and other highway-
27 user taxes imposed by state law and allocated to the Highway Trust Fund,
28 except for the proceeds of the sales and use taxes derived from motor
29 vehicles, trailers, and semitrailers credited to the fund pursuant to
30 section 77-27,132, are hereby irrevocably pledged for the terms of the
31 bonds issued prior to January 1, 1988, to the payment of the principal,

1 interest, and redemption premium, if any, of such bonds as they mature
2 and become due at maturity or prior redemption and for any reserves
3 therefor and shall, as received by the State Treasurer, be deposited in
4 the fund for such purpose.

5 (4) Of the money in the fund specified in subsection (3) of this
6 section which is not required for the use specified in such subsection,
7 (a) an amount to be determined annually by the Legislature through the
8 appropriations process may be transferred to the Motor Fuel Tax
9 Enforcement and Collection Cash Fund for use as provided in section
10 66-739 ~~66-738~~ on a monthly or other less frequent basis as determined by
11 the appropriation language, (b) an amount to be determined annually by
12 the Legislature through the appropriations process shall be transferred
13 to the License Plate Cash Fund as certified by the Director of Motor
14 Vehicles, and (c) the remaining money may be used for the purchase for
15 retirement of the bonds issued prior to January 1, 1988, in the open
16 market.

17 (5) The State Treasurer shall monthly transfer, from the proceeds of
18 the sales and use taxes credited to the Highway Trust Fund and any money
19 remaining in the fund after the requirements of subsections (2) through
20 (4) of this section are satisfied, thirty thousand dollars to the Grade
21 Crossing Protection Fund.

22 (6) Except as provided in subsection (7) of this section, the
23 balance of the Highway Trust Fund shall be allocated fifty-three and one-
24 third percent, less the amount provided for in section 39-847.01, to the
25 Department of Transportation, twenty-three and one-third percent, less
26 the amount provided for in section 39-847.01, to the various counties for
27 road purposes, and twenty-three and one-third percent to the various
28 municipalities for street purposes. If bonds are issued pursuant to
29 subsection (2) of section 39-2223, the portion allocated to the
30 department shall be credited monthly to the Highway Restoration and
31 Improvement Bond Fund, and if no bonds are issued pursuant to such

1 subsection, the portion allocated to the department shall be credited
2 monthly to the Highway Cash Fund. The portions allocated to the counties
3 and municipalities shall be credited monthly to the Highway Allocation
4 Fund and distributed monthly as provided by law. Vehicles accorded
5 prorated registration pursuant to section 60-3,198 shall not be included
6 in any formula involving motor vehicle registrations used to determine
7 the allocation and distribution of state funds for highway purposes to
8 political subdivisions.

9 (7) If it is determined by December 20 of any year that a county
10 will receive from its allocation of state-collected highway revenue and
11 from any funds relinquished to it by municipalities within its boundaries
12 an amount in such year which is less than such county received in state-
13 collected highway revenue in calendar year 1969, based upon the 1976 tax
14 rates for highway-user fuels and registration fees, the department shall
15 notify the State Treasurer that an amount equal to the sum necessary to
16 provide such county with funds equal to such county's 1969 highway
17 allocation for such year shall be transferred to such county from the
18 Highway Trust Fund. Such makeup funds shall be matched by the county as
19 provided in sections 39-2501 to 39-2510. The balance remaining in the
20 fund after such transfer shall then be reallocated as provided in
21 subsection (6) of this section.

22 (8) The State Treasurer shall disburse the money in the Highway
23 Trust Fund as directed by resolution of the commission. All disbursements
24 from the fund shall be made upon warrants drawn by the Director of
25 Administrative Services. Any money in the fund available for investment
26 shall be invested by the state investment officer pursuant to the
27 Nebraska Capital Expansion Act and the Nebraska State Funds Investment
28 Act and the earnings, if any, credited to the fund.

29 Sec. 3. Section 66-482, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 66-482 For purposes of sections 66-482 to 66-4,149:

1 (1) Motor vehicle shall have the same definition as in section
2 60-339;

3 (2) Motor vehicle fuel shall include all products and fuel commonly
4 or commercially known as gasoline, including casing head or natural
5 gasoline, and shall include any other liquid and such other volatile and
6 inflammable liquids as may be produced, compounded, or used for the
7 purpose of operating or propelling motor vehicles, motorboats, or
8 aircraft or as an ingredient in the manufacture of such fuel.
9 Agricultural ethyl alcohol produced for use as a motor vehicle fuel shall
10 be considered a motor vehicle fuel. Motor vehicle fuel shall not include
11 the products commonly known as methanol, kerosene oil, kerosene
12 distillate, crude petroleum, naphtha, and benzine with a boiling point
13 over two hundred degrees Fahrenheit, residuum gas oil, smudge oil, leaded
14 automotive racing fuel with an American Society of Testing Materials
15 research method octane number in excess of one hundred five, and any
16 petroleum product with an initial boiling point under two hundred degrees
17 Fahrenheit, a ninety-five percent distillation (recovery) temperature in
18 excess of four hundred sixty-four degrees Fahrenheit, an American Society
19 of Testing Materials research method octane number less than seventy, and
20 an end or dry point of distillation of five hundred seventy degrees
21 Fahrenheit maximum;

22 (3) Agricultural ethyl alcohol shall mean ethyl alcohol produced
23 from cereal grains or agricultural commodities grown within the
24 continental United States and which is a finished product that is a
25 nominally anhydrous ethyl alcohol meeting American Society for Testing
26 and Materials D4806 standards. For the purpose of sections 66-482 to
27 66-4,149, the purity of the ethyl alcohol shall be determined excluding
28 denaturant and the volume of alcohol blended with gasoline for motor
29 vehicle fuel shall include the volume of any denaturant required pursuant
30 to law;

31 (4) Alcohol blend shall mean a blend of agricultural ethyl alcohol

1 in gasoline or other motor vehicle fuel, such blend to contain not less
2 than five percent by volume of alcohol;

3 (5) Supplier shall mean any person who owns motor fuels imported by
4 barge, barge line, or pipeline and stored at a barge, barge line, or
5 pipeline terminal in this state;

6 (6) Distributor shall mean any person who acquires ownership of
7 motor fuels directly from a producer or supplier at or from a barge,
8 barge line, pipeline terminal, or ethanol or biodiesel facility in this
9 state;

10 (7) Wholesaler shall mean any person, other than a producer,
11 supplier, distributor, or importer, who acquires motor fuels for resale;

12 (8) Retailer shall mean any person who acquires motor fuels from a
13 producer, supplier, distributor, wholesaler, or importer for resale to
14 consumers of such fuel;

15 (9) Importer shall mean any person who owns motor fuels at the time
16 such fuels enter the State of Nebraska by any means other than barge,
17 barge line, or pipeline. Importer shall not include a person who imports
18 motor fuels in a tank directly connected to the engine of a motor
19 vehicle, train, watercraft, or airplane for purposes of providing fuel to
20 the engine to which the tank is connected;

21 (10) Exporter shall mean any person who acquires ownership of motor
22 fuels from any licensed producer, supplier, distributor, wholesaler, or
23 importer exclusively for use or resale in another state;

24 (11) Gross gallons shall mean measured gallons without adjustment or
25 correction for temperature or barometric pressure;

26 (12) Diesel fuel shall mean all combustible liquids and biodiesel
27 which are suitable for the generation of power for diesel-powered
28 vehicles, except that diesel fuel shall not include kerosene;

29 (13) Compressed fuel shall mean any fuel defined as compressed fuel
30 in section 66-6,100;

31 (14) Person shall mean any individual, firm, partnership, limited

1 liability company, company, agency, association, corporation, state,
2 county, municipality, or other political subdivision. Whenever a fine or
3 imprisonment is prescribed or imposed in sections 66-482 to 66-4,149, the
4 word person as applied to a partnership, a limited liability company, or
5 an association shall mean the partners or members thereof;

6 (15) Department shall mean the ~~Motor Fuel Tax Enforcement and~~
7 ~~Collection Division of the~~ Department of Revenue;

8 (16) Semiannual period shall mean either the period which begins on
9 January 1 and ends on June 30 of each year or the period which begins on
10 July 1 and ends on December 31 of each year;

11 (17) Producer shall mean any person who manufactures agricultural
12 ethyl alcohol or biodiesel at an ethanol or biodiesel facility in this
13 state;

14 (18) Highway shall mean every way or place generally open to the use
15 of the public for the purpose of vehicular travel, even though such way
16 or place may be temporarily closed or travel thereon restricted for the
17 purpose of construction, maintenance, repair, or reconstruction;

18 (19) Kerosene shall mean kerosene meeting the specifications as
19 found in the American Society for Testing and Materials publication D3699
20 entitled Standard Specifications for Kerosene;

21 (20) Biodiesel shall mean mono-alkyl esters of long chain fatty
22 acids derived from vegetable oils or animal fats which conform to
23 American Society for Testing and Materials D6751 specifications for use
24 in diesel engines. Biodiesel refers to the pure fuel before blending with
25 diesel fuel;

26 (21) Motor fuels shall mean motor vehicle fuel, diesel fuel,
27 aircraft fuel, or compressed fuel;

28 (22) Ethanol facility shall mean a plant which produces agricultural
29 ethyl alcohol; and

30 (23) Biodiesel facility shall mean a plant which produces biodiesel.

31 Sec. 4. Section 66-4,143, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 66-4,143 (1) The materiel administrator of the Department of
3 Administrative Services shall on or before the tenth day of the fifth
4 calendar month following the end of a semiannual period submit to the
5 ~~Motor Fuel Tax Enforcement and Collection Division of the~~ Department of
6 Revenue a report providing the total cost and number of gallons of motor
7 fuels purchased by the State of Nebraska during the preceding month. In
8 providing such information, the materiel administrator shall total only
9 those purchases which were fifty or more gallons and shall separately
10 identify the amount of any state or federal tax which was included in the
11 price paid.

12 (2) The Department of Revenue ~~department~~ shall provide any
13 assistance the materiel administrator may need in performing his or her
14 duties under this section.

15 Sec. 5. Section 66-6,101, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 66-6,101 Department means the ~~Motor Fuel Tax Enforcement and~~
18 ~~Collection Division of the~~ Department of Revenue.

19 Sec. 6. Section 66-712, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 66-712 For purposes of the Compressed Fuel Tax Act and sections
22 66-482 to 66-4,149, 66-501 to 66-531, and 66-712 to 66-736:

23 (1) Department means the ~~Motor Fuel Tax Enforcement and Collection~~
24 ~~Division of the~~ Department of Revenue;

25 (2) Motor fuel means any fuel defined as motor vehicle fuel in
26 section 66-482, any fuel defined as diesel fuel in section 66-482, and
27 any fuel defined as compressed fuel in section 66-6,100;

28 (3) Motor fuel laws means the Compressed Fuel Tax Act and sections
29 66-482 to 66-4,149, 66-501 to 66-531, and 66-712 to 66-736; and

30 (4) Person means any individual, firm, partnership, limited
31 liability company, company, agency, association, corporation, state,

1 county, municipality, or other political subdivision. Whenever a fine,
2 imprisonment, or both are prescribed or imposed in sections 66-712 to
3 66-736, the word person as applied to a partnership, a limited liability
4 company, or an association means the partners or members thereof.

5 Sec. 7. Section 66-718, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 66-718 (1) The department may require such other information as it
8 deems necessary on any report, return, or other statement under the motor
9 fuel laws.

10 (2) The Tax Commissioner may require any of the reports, returns, or
11 other filings due from any motor fuels licensees to be filed
12 electronically.

13 (3) The department shall prescribe the formats or procedures for
14 electronic filing. To the extent not inconsistent with requirements of
15 the motor fuel laws, the department shall adopt formats and procedures
16 that are consistent with other states requiring electronic reporting of
17 motor fuel information.

18 (4) Any person who does not file electronically when required or who
19 fails to use the prescribed formats and procedures shall be considered to
20 have not filed the return, report, or other filing.

21 (5) For purposes of the electronic funds transfer requirements
22 contained in section 77-1784, motor vehicle fuel tax, diesel fuel tax,
23 compressed fuel tax, and all other fuel-related tax programs administered
24 by the department ~~Motor Fuel Tax Enforcement and Collection Division~~
25 shall be considered as comprising one tax program.

26 Sec. 8. Section 66-739, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 66-739 There is hereby created the Motor Fuel Tax Enforcement and
29 Collection Cash Fund. Such fund shall consist of appropriations to the
30 fund and money transferred to it pursuant to section 39-2215. The fund
31 shall be used exclusively for the costs of the Department of Revenue in

1 carrying out its duties under the Compressed Fuel Tax Act, the Petroleum
2 Release Remedial Action Act, the State Aeronautics Act, and sections
3 66-482 to 66-4,149, 66-501 to 66-531, and 66-712 to 66-736 Motor Fuel Tax
4 Enforcement and Collection Division created by section 66-738 and other
5 related costs for the Department of Agriculture, and the Nebraska State
6 Patrol, and functional areas of the Department of Revenue as provided by
7 such section, except that transfers may be made from the fund to the
8 General Fund at the direction of the Legislature. Any money in the Motor
9 Fuel Tax Enforcement and Collection Cash Fund available for investment
10 shall be invested by the state investment officer pursuant to the
11 Nebraska Capital Expansion Act and the Nebraska State Funds Investment
12 Act.

13 Sec. 9. Section 66-1521, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 66-1521 (1) A petroleum release remedial action fee is hereby
16 imposed upon the producer, refiner, importer, distributor, wholesaler, or
17 supplier who engages in the sale, distribution, delivery, and use of
18 petroleum within this state, except that the fee shall not be imposed on
19 petroleum that is exported. The fee shall also be imposed on diesel fuel
20 which is indelibly dyed. The amount of the fee shall be nine-tenths of
21 one cent per gallon on motor vehicle fuel as defined in section 66-482
22 and three-tenths of one cent per gallon on diesel fuel as defined in
23 section 66-482. The amount of the fee shall be used first for payment of
24 claims approved by the State Claims Board pursuant to section 66-1531;
25 second, up to three million dollars of the fee per year shall be used for
26 reimbursement of owners and operators under the Petroleum Release
27 Remedial Action Act for investigations of releases ordered pursuant to
28 section 81-15,124; and third, the remainder of the fee shall be used for
29 any other purpose authorized by section 66-1519. The fee shall be paid by
30 all producers, refiners, importers, distributors, wholesalers, and
31 suppliers subject to the fee by filing a monthly return on or before the

1 twentieth day of the calendar month following the monthly period to which
2 it relates. The pertinent provisions, specifically including penalty
3 provisions, of the motor fuel laws as defined in section 66-712 shall
4 apply to the administration and collection of the fee except for the
5 treatment given refunds. There shall be a refund allowed on any fee paid
6 on petroleum which was taxed and then exported, destroyed, or purchased
7 for use by the United States Government or its agencies. The department
8 may also adjust for all errors in the payment of the fee. In each
9 calendar year, no claim for refund related to the fee can be for an
10 amount less than ten dollars.

11 (2) No producer, refiner, importer, distributor, wholesaler, or
12 supplier shall engage in the sale, distribution, delivery, or use of
13 petroleum in this state without having first obtained a petroleum release
14 remedial action license. Application for a license shall be made to the
15 ~~Motor Fuel Tax Enforcement and Collection Division~~ of the Department of
16 Revenue upon a form prepared and furnished by the Department of Revenue
17 ~~division~~. If the applicant is an individual, the application shall
18 include the applicant's social security number. Failure to obtain a
19 license prior to engaging in the sale, distribution, delivery, or use of
20 petroleum shall be a Class IV misdemeanor. The Department of Revenue
21 ~~division~~ may suspend or cancel the license of any producer, refiner,
22 importer, distributor, wholesaler, or supplier who fails to pay the fee
23 imposed by subsection (1) of this section in the same manner as licenses
24 are suspended or canceled pursuant to section 66-720.

25 (3) The Department of Revenue ~~division~~ may adopt and promulgate
26 rules and regulations necessary to carry out this section.

27 (4) The Department of Revenue ~~division~~ shall deduct and withhold
28 from the petroleum release remedial action fee collected pursuant to this
29 section an amount sufficient to reimburse the direct costs of collecting
30 and administering the petroleum release remedial action fee. Such costs
31 shall not exceed one hundred fifty thousand dollars for each fiscal year.

1 The one hundred fifty thousand dollars shall be prorated, based on the
2 number of months the fee is collected, whenever the fee is collected for
3 only a portion of a year. The amount deducted and withheld for costs
4 shall be deposited in the Petroleum Release Remedial Action Collection
5 Fund which is hereby created. The Petroleum Release Remedial Action
6 Collection Fund shall be appropriated to the Department of Revenue,
7 except that transfers may be made from the fund to the General Fund at
8 the direction of the Legislature. Any money in the Petroleum Release
9 Remedial Action Collection Fund available for investment shall be
10 invested by the state investment officer pursuant to the Nebraska Capital
11 Expansion Act and the Nebraska State Funds Investment Act.

12 (5) The Department of Revenue ~~division~~ shall collect the fee imposed
13 by subsection (1) of this section.

14 Sec. 10. Section 77-202.03, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 77-202.03 (1) A properly granted exemption of real or tangible
17 personal property, except real property used for cemetery purposes,
18 provided for in subdivisions (1)(c) and (d) of section 77-202 shall
19 continue for a period of four years if the statement of reaffirmation of
20 exemption required by subsection (2) of this section is filed when due.
21 The four-year period shall begin with years evenly divisible by four.

22 (2) In each intervening year occurring between application years,
23 the organization or society which filed the granted exemption application
24 for the real or tangible personal property, except real property used for
25 cemetery purposes, shall file a statement of reaffirmation of exemption
26 with the county assessor on or before December 31 of the year preceding
27 the year for which the exemption is sought, on forms prescribed by the
28 Tax Commissioner, certifying that the ownership and use of the exempted
29 property has not changed during the year. Any organization or society
30 which misses the December 31 deadline for filing the statement of
31 reaffirmation of exemption may file the statement of reaffirmation of

1 exemption by June 30. Such filing shall maintain the tax-exempt status of
2 the property without further action by the county and regardless of any
3 previous action by the county board of equalization to deny the exemption
4 due to late filing of the statement of reaffirmation of exemption. Upon
5 any such late filing, the county assessor shall assess a penalty against
6 the property of ten percent of the tax that would have been assessed had
7 the statement of reaffirmation of exemption not been filed or one hundred
8 dollars, whichever is less, for each calendar month or fraction thereof
9 for which the filing of the statement of reaffirmation of exemption is
10 late. The penalty shall be collected and distributed in the same manner
11 as a tax on the property and interest shall be assessed at the rate
12 specified in section 45-104.01, as such rate may from time to time be
13 adjusted by the Legislature, from the date the tax would have been
14 delinquent until paid. The penalty shall also become a lien in the same
15 manner as a tax pursuant to section 77-203.

16 (3)(a) If any organization or society seeks a tax exemption for any
17 real or tangible personal property acquired on or after January 1 of any
18 year or converted to exempt use on or after January 1 of any year, the
19 organization or society shall make application for exemption on or before
20 July 1 of that year as provided in subsection (1) of section 77-202.01.
21 The procedure for reviewing the application shall be as in sections
22 77-202.01 to 77-202.05, except that the exempt use shall be determined as
23 of the date of application and the review by the county board of
24 equalization shall be completed by August 15.

25 (b) If an organization as described in subdivision (1)(c) or (d) of
26 section 77-202 purchases, between July 1 and the levy date, property that
27 has been granted tax exemption and the property continues to be qualified
28 for a property tax exemption, the purchaser shall on or before November
29 15 make application for exemption as provided in section 77-202.01. The
30 procedure for reviewing the application shall be as in sections 77-202.01
31 to 77-202.05, and the review by the county board of equalization shall be

1 completed by December 15.

2 (4) In any year, the county assessor or the county board of
3 equalization may cause a review of any exemption to determine whether the
4 exemption is proper. Such a review may be taken even if the ownership or
5 use of the property has not changed from the date of the allowance of the
6 exemption. If it is determined that a change in an exemption is
7 warranted, the procedure for hearing set out in section 77-202.02 shall
8 be followed, except that the published notice shall state that the list
9 provided in the county assessor's office only includes those properties
10 being reviewed. If an exemption is denied, the county board of
11 equalization shall place the property on the tax rolls retroactive to
12 January 1 of that year if on the date of the decision of the county board
13 of equalization the property no longer qualifies for an exemption.

14 The county board of equalization shall give notice of the assessed
15 value of the real property in the same manner as outlined in section
16 77-1507, and the procedures for filing a protest shall be the same as
17 those in section 77-1502.

18 When personal property which was exempt becomes taxable because of
19 lost exemption status, the owner or his or her agent has thirty days
20 after the date of denial to file a personal property return with the
21 county assessor. Upon the expiration of the thirty days for filing a
22 personal property return pursuant to this subsection, the county assessor
23 shall proceed to list and value the personal property and apply the
24 penalty pursuant to section 77-1233.04.

25 (5) During the month of September of each year, the county board of
26 equalization shall cause to be published in a paper of general
27 circulation in the county a list of all real estate in the county exempt
28 from taxation for that year pursuant to subdivisions (1)(c) and (d) of
29 section 77-202. Such list shall be grouped into categories as provided by
30 the Property Tax Administrator. An electronic A copy of the list of real
31 property exemptions and a copy of the proof of publication shall be

1 forwarded to the Property Tax Administrator on or before November 1 of
2 each year.

3 Sec. 11. Section 77-377.02, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 77-377.02 (1) Fees for services, reimbursements, or other
6 remuneration to such collection agency shall be based on the amount of
7 tax, penalty, and interest actually collected and shall not be subject to
8 the requirements of section 73-203 or 73-204. Each contract entered into
9 between the Tax Commissioner and the collection agency shall provide for
10 the payment of fees for such services, reimbursements, or other
11 remuneration not in excess of fifty percent of the total amount of
12 delinquent taxes, penalties, and interest actually collected.

13 (2) All funds collected, less the fees for collection services as
14 provided in the contract, shall be remitted to the Tax Commissioner
15 within forty-five days from the date of collection from a taxpayer. Forms
16 to be used for such remittances shall be prescribed by the Tax
17 Commissioner.

18 Sec. 12. Section 77-414, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 77-414 The Property Tax Administrator shall:

21 (1) Establish, implement, and maintain a required system of
22 educational courses for the certification and recertification of all
23 holders of county assessor certificates; and

24 (2) Establish the required educational standards and criteria for
25 certification and recertification of all holders of county assessor
26 certificates.

27 ~~In order to promote compliance with the requirements of this~~
28 ~~section, the Tax Commissioner shall adopt and promulgate, and from time~~
29 ~~to time amend or revise, rules and regulations containing the necessary~~
30 ~~educational standards and criteria for certification and recertification.~~

31 Sec. 13. Section 77-702, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 77-702 (1) The Governor shall appoint a Property Tax Administrator
3 with the approval of a majority of the members of the Legislature. The
4 Property Tax Administrator shall have experience and training in the
5 fields of taxation and property appraisal and shall meet all the
6 qualifications required for members of the Tax Equalization and Review
7 Commission under subsections (1) and (2) of section 77-5004. ~~The Property
8 Tax Administrator shall adopt and promulgate rules and regulations to
9 carry out his or her duties through June 30, 2007. Rules, regulations,
10 and forms of the Property Tax Administrator in effect on July 1, 2007,
11 shall be valid rules, regulations, and forms of the Department of Revenue
12 beginning on July 1, 2007.~~

13 (2) In addition to any duties, powers, or responsibilities otherwise
14 conferred upon the Property Tax Administrator, he or she shall administer
15 and enforce all laws related to the state supervision of local property
16 tax administration and the central assessment of property subject to
17 property taxation. The Property Tax Administrator shall also advise
18 county assessors regarding the administration and assessment of taxable
19 property within the state and measure assessment performance in order to
20 determine the accuracy and uniformity of assessments.

21 Sec. 14. Section 77-1239, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 77-1239 (1) Reimbursement to taxing subdivisions for tax revenue
24 that will be lost because of the personal property tax exemptions allowed
25 in subsection (1) of section 77-1238 shall be as provided in this
26 subsection. The county assessor and county treasurer shall, on or before
27 November 30 of each year, certify to the Tax Commissioner, on forms
28 prescribed by the Tax Commissioner, the total tax revenue that will be
29 lost to all taxing subdivisions within his or her county from taxes
30 levied and assessed in that year because of the personal property tax
31 exemptions allowed in subsection (1) of section 77-1238. The county

1 assessor and county treasurer may amend the certification to show any
2 change or correction in the total tax revenue that will be lost until May
3 30 of the next succeeding year. The Tax Commissioner shall, on or before
4 January 1 next following the certification, notify the Director of
5 Administrative Services of the amount so certified to be reimbursed by
6 the state. Reimbursement of the tax revenue lost shall be made to each
7 county according to the certification and shall be distributed in two
8 approximately equal installments on the last business day of February and
9 the last business day of June. The State Treasurer shall, on the business
10 day preceding the last business day of February and the last business day
11 of June, notify the Director of Administrative Services of the amount of
12 funds available in the General Fund to pay the reimbursement. The
13 Director of Administrative Services shall, on the last business day of
14 February and the last business day of June, draw warrants against funds
15 appropriated. Out of the amount received, the county treasurer shall
16 distribute to each of the taxing subdivisions within his or her county
17 the full tax revenue lost by each subdivision, except that one percent of
18 such amount shall be deposited in the county general fund.

19 (2) Reimbursement to taxing subdivisions for tax revenue that will
20 be lost because of the compensating exemption factor in subsection (2) of
21 section 77-1238 shall be as provided in this subsection. The Property Tax
22 Administrator shall establish the average tax rate that will be used for
23 purposes of reimbursing taxing subdivisions pursuant to this subsection.
24 The average tax rate shall be equal to the total property taxes levied in
25 the state divided by the total taxable value of all taxable property in
26 the state as certified pursuant to section 77-1613.01. The Tax
27 ~~Commissioner shall certify, on or before January 30 of each year, to the~~
28 ~~Director of Administrative Services~~ the total valuation that will be lost
29 to all taxing subdivisions within each county because of the compensating
30 exemption factor in subsection (2) of section 77-1238. ~~Such amount,~~
31 multiplied by the average tax rate calculated pursuant to this

1 subsection, shall be the tax revenue to be reimbursed to the taxing
2 subdivisions by the state. Reimbursement of the tax revenue lost for
3 public service entities shall be made to each county according to the
4 certification and shall be distributed among the taxing subdivisions
5 within each county in the same proportion as all public service entity
6 taxes levied by the taxing subdivisions. Reimbursement of the tax revenue
7 lost for railroads shall be made to each county according to the
8 certification and shall be distributed among the taxing subdivisions
9 within each county in the same proportion as all railroad taxes levied by
10 taxing subdivisions. Reimbursement of the tax revenue lost for car line
11 companies shall be distributed in the same manner as the taxes collected
12 pursuant to section 77-684. Reimbursement of the tax revenue lost for air
13 carriers shall be distributed in the same manner as the taxes collected
14 pursuant to section 77-1250.

15 (3) Each taxing subdivision shall, in preparing its annual or
16 biennial budget, take into account the amounts to be received under this
17 section.

18 Sec. 15. (1) Notwithstanding any other provision of law, if a
19 property is destroyed or damaged by a major calamity between the
20 assessment date and July 15, the owner of the property may petition the
21 county assessor, on a form prescribed by the Tax Commissioner, for a
22 reassessment of the property's value for that year. The county assessor
23 may file a petition on behalf of the property owner. The county assessor
24 shall file a report of destroyed or damaged property, together with the
25 reassessed value of any such property, with the county board of
26 equalization on or before July 20. The county board of equalization shall
27 approve or deny the report on or before July 25. Upon approval of the
28 report of destroyed or damaged property, the county assessor shall
29 immediately forward the report to the Property Tax Administrator.

30 (2) The county clerk shall mail to the property owner written notice
31 of the county board of equalization's decision within seven days of the

1 decision. Any person whose petition for relief has been denied by the
2 county board of equalization may appeal the decision of the county board
3 of equalization by filing an appeal with the Tax Equalization and Review
4 Commission within thirty days of the decision.

5 (3) For purposes of this section:

6 (a) Major calamity means an event causing significant property
7 damage, including, but not limited to, a fire, an earthquake, a flood, a
8 tornado, or any event which affects an area such that the Governor
9 declares that area to be in a state of emergency. Major calamity does not
10 include an event causing significant property damage intentionally caused
11 by the owner of the property; and

12 (b) Significant property damage means damage exceeding ten thousand
13 dollars or ten percent of the property's value in the prior tax year, as
14 determined by a professional appraisal, whichever is less.

15 Sec. 16. Section 77-2716.01, Reissue Revised Statutes of Nebraska,
16 is amended to read:

17 77-2716.01 (1)(a) Through tax year 2017, every individual shall be
18 allowed to subtract from his or her income tax liability an amount for
19 personal exemptions. The amount allowed to be subtracted shall be the
20 credit amount for the year as provided in this subdivision multiplied by
21 the number of exemptions allowed on the federal return. For tax year
22 1993, the credit amount shall be sixty-five dollars; for tax year 1994,
23 the credit amount shall be sixty-nine dollars; for tax year 1995, the
24 credit amount shall be sixty-nine dollars; for tax year 1996, the credit
25 amount shall be seventy-two dollars; for tax year 1997, the credit amount
26 shall be eighty-six dollars; for tax year 1998, the credit amount shall
27 be eighty-eight dollars; for tax year 1999, and each year thereafter
28 through tax year 2017, the credit amount shall be adjusted for inflation
29 by the method provided in section 151 of the Internal Revenue Code of
30 1986, as it existed prior to December 22, 2017. The eighty-eight-dollar
31 credit amount shall be adjusted for cumulative inflation since 1998. If

1 any credit amount is not an even dollar amount, the amount shall be
2 rounded to the nearest dollar. For nonresident individuals and partial-
3 year resident individuals, the personal exemption credit shall be
4 subtracted as specified in subsection (3) of section 77-2715.

5 (b) Beginning with tax year 2018, every individual, except an
6 individual that can be claimed for a child credit or dependent credit on
7 the federal return of another taxpayer, shall be allowed to subtract from
8 his or her income tax liability an amount for personal exemptions. The
9 amount allowed to be subtracted shall be the credit amount for the year
10 as provided in this subdivision multiplied by the sum of the number of
11 child credits and dependent credits taken on the federal return, plus two
12 for a married filing jointly return or plus one for any other ~~a single or~~
13 ~~head of household~~ return. For tax year 2018, the credit amount shall be
14 one hundred thirty-four dollars. For tax year 2019 and each tax year
15 thereafter, the credit amount shall be adjusted for inflation based on
16 the percentage change in the Consumer Price Index for All Urban Consumers
17 published by the federal Bureau of Labor Statistics from the twelve
18 months ending on August 31, 2017, to the twelve months ending on August
19 31 of the year preceding the taxable year. If any credit amount is not an
20 even dollar amount, the amount shall be rounded to the nearest dollar.
21 For nonresident individuals and partial-year resident individuals, the
22 personal exemption credit shall be subtracted as specified in subsection
23 (3) of section 77-2715.

24 (2)(a) For tax years beginning or deemed to begin on or after
25 January 1, 2003, and before January 1, 2004, under the Internal Revenue
26 Code of 1986, as amended, every individual who did not itemize deductions
27 on his or her federal return shall be allowed to subtract from federal
28 adjusted gross income a standard deduction based on the filing status
29 used on the federal return except as the amount is adjusted under section
30 77-2716.03. The standard deduction shall be the smaller of the federal
31 standard deduction actually allowed or (i) for single taxpayers four

1 thousand seven hundred fifty dollars, (ii) for head of household
2 taxpayers seven thousand dollars, (iii) for married filing jointly
3 taxpayers seven thousand nine hundred fifty dollars, and (iv) for married
4 filing separately taxpayers three thousand nine hundred seventy-five
5 dollars. Taxpayers who are allowed additional federal standard deduction
6 amounts because of age or blindness shall be allowed an increase in the
7 Nebraska standard deduction for each additional amount allowed on the
8 federal return. The additional amounts shall be for married taxpayers,
9 nine hundred fifty dollars, and for single or head of household
10 taxpayers, one thousand one hundred fifty dollars.

11 (b) For tax years beginning or deemed to begin on or after January
12 1, 2007, and before January 1, 2018, under the Internal Revenue Code of
13 1986, as amended, every individual who did not itemize deductions on his
14 or her federal return shall be allowed to subtract from federal adjusted
15 gross income a standard deduction based on the filing status used on the
16 federal return. The standard deduction shall be the smaller of the
17 federal standard deduction actually allowed or (i) for single taxpayers
18 three thousand dollars and (ii) for head of household taxpayers four
19 thousand four hundred dollars. The standard deduction for married filing
20 jointly taxpayers shall be double the standard deduction for single
21 taxpayers, and for married filing separately taxpayers, the standard
22 deduction shall be the same as single taxpayers. Taxpayers who are
23 allowed additional federal standard deduction amounts because of age or
24 blindness shall be allowed an increase in the Nebraska standard deduction
25 for each additional amount allowed on the federal return. The additional
26 amounts shall be for married taxpayers six hundred dollars and for single
27 or head of household taxpayers seven hundred fifty dollars. The amounts
28 in this subdivision will be indexed using 1987 as the base year.

29 (c) For tax years beginning or deemed to begin on or after January
30 1, 2007, and before January 1, 2018, the standard deduction amounts,
31 including the additional standard deduction amounts, in this subsection

1 shall be adjusted for inflation by the method provided in section 151 of
2 the Internal Revenue Code of 1986, as it existed prior to December 22,
3 2017. If any amount is not a multiple of fifty dollars, the amount shall
4 be rounded to the next lowest multiple of fifty dollars.

5 (3)(a) For tax years beginning or deemed to begin on or after
6 January 1, 2018, every individual who did not itemize deductions on his
7 or her federal return shall be allowed to subtract from federal adjusted
8 gross income a standard deduction based on the filing status used on the
9 federal return. The standard deduction shall be the smaller of the
10 federal standard deduction actually allowed or (i) six thousand seven
11 hundred fifty dollars for single taxpayers and (ii) nine thousand nine
12 hundred dollars for head of household taxpayers. The standard deduction
13 for married filing jointly taxpayers or qualifying widows or widowers
14 shall be double the standard deduction for single taxpayers, and the
15 standard deduction for married filing separately taxpayers shall be the
16 same as the standard deduction for single taxpayers. Taxpayers who are
17 allowed additional federal standard deduction amounts because of age or
18 blindness shall be allowed an increase in the Nebraska standard deduction
19 for each additional amount allowed on the federal return. The additional
20 amounts shall be one thousand three hundred dollars for married taxpayers
21 and one thousand six hundred dollars for single or head of household
22 taxpayers.

23 (b) For tax years beginning or deemed to begin on or after January
24 1, 2019, the standard deduction amounts, including the additional
25 standard deduction amounts, in this subsection shall be adjusted for
26 inflation based on the percentage change in the Consumer Price Index for
27 All Urban Consumers published by the federal Bureau of Labor Statistics
28 from the twelve months ending on August 31, 2017, to the twelve months
29 ending on August 31 of the year preceding the taxable year. If any amount
30 is not a multiple of fifty dollars, the amount shall be rounded to the
31 next lowest multiple of fifty dollars.

1 (4) Every individual who itemized deductions on his or her federal
2 return shall be allowed to subtract from federal adjusted gross income
3 the greater of either the standard deduction allowed in this section or
4 his or her federal itemized deductions as defined in section 63(d) of the
5 Internal Revenue Code of 1986, as amended, except for the amount for
6 state or local income taxes included in federal itemized deductions
7 before any federal disallowance.

8 Sec. 17. Section 77-2734.01, Reissue Revised Statutes of Nebraska,
9 is amended to read:

10 77-2734.01 (1) Residents of Nebraska who are shareholders of a small
11 business corporation having an election in effect under subchapter S of
12 the Internal Revenue Code or who are members of a limited liability
13 company organized pursuant to the Nebraska Uniform Limited Liability
14 Company Act shall include in their Nebraska taxable income, to the extent
15 includable in federal gross income, their proportionate share of such
16 corporation's or limited liability company's federal income adjusted
17 pursuant to this section. Income or loss from such corporation or limited
18 liability company conducting a business, trade, profession, or occupation
19 shall be included in the Nebraska taxable income of a shareholder or
20 member who is a resident of this state to the extent of such
21 shareholder's or member's proportionate share of the net income or loss
22 from the conduct of such business, trade, profession, or occupation
23 within this state, determined under subsection (2) of this section. A
24 resident of Nebraska shall include in Nebraska taxable income fair
25 compensation for services rendered to such corporation or limited
26 liability company. Compensation actually paid shall be presumed to be
27 fair unless it is apparent to the Tax Commissioner that such compensation
28 is materially different from fair value for the services rendered or has
29 been manipulated for tax avoidance purposes.

30 (2) The income of any small business corporation having an election
31 in effect under subchapter S of the Internal Revenue Code or limited

1 liability company organized pursuant to the Nebraska Uniform Limited
2 Liability Company Act that is derived from or connected with Nebraska
3 sources shall be determined in the following manner:

4 (a) If the small business corporation is a member of a unitary
5 group, the small business corporation shall be deemed to be doing
6 business within this state if any part of its income is derived from
7 transactions with other members of the unitary group doing business
8 within this state, and such corporation shall apportion its income by
9 using the apportionment factor determined for the entire unitary group,
10 including the small business corporation, under sections 77-2734.05 to
11 77-2734.15;

12 (b) If the small business corporation or limited liability company
13 is not a member of a unitary group and is subject to tax in another
14 state, it shall apportion its income under sections 77-2734.05 to
15 77-2734.15; and

16 (c) If the small business corporation or limited liability company
17 is not subject to tax in another state, all of its income is derived from
18 or connected with Nebraska sources.

19 (3) Nonresidents of Nebraska who are shareholders of such
20 corporations or members of such limited liability companies shall file a
21 Nebraska income tax return and shall include in Nebraska adjusted gross
22 income their proportionate share of the corporation's or limited
23 liability company's Nebraska income as determined under subsection (2) of
24 this section.

25 (4) The nonresident shareholder or member shall execute and forward
26 to the corporation or limited liability company before the filing of the
27 corporation's or limited liability company's return an agreement which
28 states he or she will file a Nebraska income tax return and pay the tax
29 on the income derived from or connected with sources in this state, and
30 such agreement shall be attached to the corporation's or limited
31 liability company's Nebraska return for such taxable year.

1 (5) For taxable years beginning or deemed to begin before January 1,
2 2013, in the absence of the nonresident shareholder's or member's
3 executed agreement being attached to the Nebraska return, the corporation
4 or limited liability company shall remit with the return an amount equal
5 to the highest individual income tax rate determined under section
6 77-2715.02 multiplied by the nonresident shareholder's or member's share
7 of the corporation's or limited liability company's income which was
8 derived from or attributable to this state. For taxable years beginning
9 or deemed to begin on or after January 1, 2013, in the absence of the
10 nonresident shareholder's or member's executed agreement being attached
11 to the Nebraska return, the corporation or limited liability company
12 shall remit with the return an amount equal to the highest individual
13 income tax rate determined under section 77-2715.03 multiplied by the
14 nonresident shareholder's or member's share of the corporation's or
15 limited liability company's income which was derived from or attributable
16 to this state. The amount remitted shall be allowed as a credit against
17 the Nebraska income tax liability of the shareholder or member.

18 (6) The Tax Commissioner may allow a nonresident individual
19 shareholder or member to not file a Nebraska income tax return if the
20 nonresident individual shareholder's or member's only source of Nebraska
21 income was his or her share of the small business corporation's or
22 limited liability company's income which was derived from or attributable
23 to sources within this state, the nonresident did not file an agreement
24 to file a Nebraska income tax return, and the small business corporation
25 or limited liability company has remitted the amount required by
26 subsection (5) of this section on behalf of such nonresident individual
27 shareholder or member. The amount remitted shall be retained in
28 satisfaction of the Nebraska income tax liability of the nonresident
29 individual shareholder or member.

30 (7) A small business corporation or limited liability company return
31 shall be filed ~~only~~ if the small business corporation or limited

1 ~~liability company has income derived from Nebraska sources one or more of~~
2 ~~the shareholders of the corporation or members of the limited liability~~
3 ~~company are not residents of the State of Nebraska or if such corporation~~
4 ~~or limited liability company has income derived from sources outside this~~
5 ~~state.~~

6 (8) For purposes of this section, any shareholder or member of the
7 corporation or limited liability company that is a grantor trust of a
8 nonresident shall be disregarded and this section shall apply as though
9 the nonresident grantor was the shareholder or member.

10 Sec. 18. Section 77-2761, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 77-2761 An income tax return with respect to the income tax imposed
13 by the provisions of the Nebraska Revenue Act of 1967 shall be made by
14 the following:

15 (1) Every resident individual who is required to file a federal
16 income tax return for the taxable year;

17 (2) Every nonresident individual who has income from Nebraska
18 ~~sources in this state;~~

19 (3) Every resident estate or trust which is required to file a
20 federal income tax return except a simple trust not required to file
21 under subsection (2) of section 77-2717;

22 (4) Every nonresident estate or trust which has taxable income from
23 Nebraska sources ~~within this state;~~

24 (5) Every corporation or any other entity taxed as a corporation
25 under the Internal Revenue Code which is required to file a federal
26 income tax return except the small business corporations not required to
27 file under subsection (7) of section 77-2734.01;

28 (6) Every limited liability company having ~~one or more nonresident~~
29 ~~members or with taxable income derived from Nebraska sources outside the~~
30 ~~state except the limited liability companies not required to file under~~
31 ~~subsection (7) of section 77-2734.01; and~~

1 (7) Every partnership having ~~one or more nonresident partners or~~
2 ~~with taxable~~ income derived from Nebraska ~~sources outside the state.~~

3 Sec. 19. Section 77-2773, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 77-2773 Every partnership having a ~~nonresident partner or having~~
6 part of its income derived from Nebraska ~~sources outside the State of~~
7 ~~Nebraska~~, determined in accordance with the applicable rules of section
8 77-2733 as in the case of a nonresident individual, shall make a return
9 for the taxable year setting forth such pertinent information as the Tax
10 Commissioner by rule and regulation may prescribe. Such information may
11 include, but shall not be limited to, all items of income, gain, loss,
12 and deduction, the names and addresses of the individuals whether
13 residents or nonresidents who would be entitled to share in the net
14 income if distributed, and the amount of the distributive share of each
15 individual. Such return shall be filed on or before the date prescribed
16 for filing a federal partnership return. For purposes of this section,
17 taxable year shall mean a year or period which would be a taxable year of
18 the partnership if it were subject to tax under the provisions of the
19 Nebraska Revenue Act of 1967.

20 Sec. 20. Section 77-2776, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 77-2776 (1) As soon as practical after an income tax return is
23 filed, the Tax Commissioner shall examine it to determine the correct
24 amount of tax. If the Tax Commissioner finds that the amount of tax shown
25 on the return is less than the correct amount, he or she shall notify the
26 taxpayer of the amount of the deficiency proposed to be assessed. If the
27 Tax Commissioner finds that the tax paid is more than the correct amount,
28 he or she shall credit the overpayment against any taxes due by the
29 taxpayer and refund the difference. The Tax Commissioner shall, upon
30 request, make prompt assessment of taxes due as provided by the laws of
31 the United States for federal income tax purposes.

1 (2) If the taxpayer fails to file an income tax return, the Tax
2 Commissioner shall estimate the taxpayer's tax liability from any
3 available information and notify the taxpayer of the amount proposed to
4 be assessed as in the case of a deficiency.

5 (3) A notice of deficiency shall set forth the reason for the
6 proposed assessment or for the change in the amount of credit or loss to
7 be carried over to another year. The notice may be mailed to the taxpayer
8 at his or her last-known address. In the case of a joint return, the
9 notice of deficiency may be a single joint notice, except that if the Tax
10 Commissioner is notified by either spouse that separate residences have
11 been established, the Tax Commissioner shall mail joint notices to each
12 spouse. If the taxpayer is deceased or under a legal disability, a notice
13 of deficiency may be mailed to his or her last-known address unless the
14 Tax Commissioner has received notice of the existence of a fiduciary
15 relationship with respect to such taxpayer.

16 (4) A notice of deficiency regarding an item of entity income may be
17 mailed to the entity at its last-known address or to the address of the
18 entity's tax matters person for federal income tax purposes. Such notice
19 shall be deemed to have been received by each partner, shareholder, or
20 member of such entity, but only for items of entity income reported by
21 the partner, shareholder, or member. The actions taken thereon on behalf
22 of the partnership, limited liability company, small business
23 corporation, estate, or trust are binding on the partners, members,
24 shareholders, or beneficiaries.

25 Sec. 21. Section 77-3506, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 77-3506 (1) All homesteads in this state shall be assessed for
28 taxation the same as other property, except that there shall be exempt
29 from taxation, on any homestead described in subsection (2) of this
30 section, one hundred percent of the exempt amount.

31 (2) The exemption described in subsection (1) of this section shall

1 apply to homesteads of:

2 (a) A veteran who was discharged or otherwise separated with a
3 characterization of honorable or general (under honorable conditions),
4 who is drawing compensation from the United States Department of Veterans
5 Affairs because of one hundred percent service-connected disability, and
6 who is not eligible for total exemption under sections 77-3526 to
7 77-3528, an unremarried surviving spouse of such a veteran, or a
8 surviving spouse of such a veteran who remarries after attaining the age
9 of fifty-seven years;

10 (b) An unremarried surviving spouse of any veteran, including a
11 veteran other than a veteran described in section 80-401.01, who was
12 discharged or otherwise separated with a characterization of honorable or
13 general (under honorable conditions) and who died because of a service-
14 connected disability or a surviving spouse of such a veteran who
15 remarries after attaining the age of fifty-seven years;

16 (c) An unremarried surviving spouse of a serviceman or servicewoman,
17 including a veteran other than a veteran described in section 80-401.01,
18 whose death while on active duty was service-connected or a surviving
19 spouse of such a serviceman or servicewoman who remarries after attaining
20 the age of fifty-seven years; and

21 (d) An unremarried surviving spouse of a serviceman or servicewoman
22 who died while on active duty during the periods described in section
23 80-401.01 or a surviving spouse of such a serviceman or servicewoman who
24 remarries after attaining the age of fifty-seven years.

25 (3) Application for exemption under this section shall include
26 certification of the status set forth in subsection (2) of this section
27 from the United States Department of Veterans Affairs. Such certification
28 shall not be required in succeeding years if no change in status has
29 occurred, except that the county assessor or the Tax Commissioner may
30 request such certification to verify that no change in status has
31 occurred.

1 Sec. 22. Section 77-3508, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 77-3508 (1)(a) All homesteads in this state shall be assessed for
4 taxation the same as other property, except that there shall be exempt
5 from taxation, on any homestead described in subdivision (b) of this
6 subsection, a percentage of the exempt amount as limited by section
7 77-3506.03. The exemption shall be based on the household income of a
8 claimant pursuant to subsections (2) through (4) of this section.

9 (b) The exemption described in subdivision (a) of this subsection
10 shall apply to homesteads of:

11 (i) Veterans as defined in section 80-401.01 who were discharged or
12 otherwise separated with a characterization of honorable or general
13 (under honorable conditions) and who are totally disabled by a non-
14 service-connected accident or illness;

15 (ii) Individuals who have a permanent physical disability and have
16 lost all mobility so as to preclude locomotion without the use of a
17 mechanical aid or a prosthetic device as defined in section 77-2704.09
18 ~~prostheses~~;

19 (iii) Individuals who have undergone amputation of both arms above
20 the elbow or who have a permanent partial disability of both arms in
21 excess of seventy-five percent; and

22 (iv) Beginning January 1, 2015, individuals who have a developmental
23 disability as defined in section 83-1205.

24 (c) Application for the exemption described in subdivision (a) of
25 this subsection shall include certification from a qualified medical
26 physician, physician assistant, or advanced practice registered nurse for
27 subdivisions (b)(i) through (b)(iii) of this subsection, certification
28 from the United States Department of Veterans Affairs affirming that the
29 homeowner is totally disabled due to non-service-connected accident or
30 illness for subdivision (b)(i) of this subsection, or certification from
31 the Department of Health and Human Services for subdivision (b)(iv) of

1 this subsection. Such certification from a qualified medical physician,
 2 physician assistant, or advanced practice registered nurse or from the
 3 Department of Health and Human Services shall be made on forms prescribed
 4 by the Department of Revenue. If an individual described in subdivision
 5 (b)(i), (ii), (iii), or (iv) of this subsection is granted a homestead
 6 exemption pursuant to this section for any year, such individual shall
 7 not be required to submit the certification required under this
 8 subdivision in succeeding years if no change in medical condition has
 9 occurred, except that the county assessor or the Tax Commissioner may
 10 request such certification to verify that no change in medical condition
 11 has occurred.

12 (2) For 2014, for a married or closely related claimant as described
 13 in subsection (1) of this section, the percentage of the exempt amount
 14 for which the claimant shall be eligible shall be the percentage in
 15 Column B which corresponds with the claimant's household income in Column
 16 A in the table found in this subsection.

| 17 | Column A | Column B |
|----|-----------------------|------------|
| 18 | Household Income | Percentage |
| 19 | In Dollars | Of Relief |
| 20 | 0 through 34,700 | 100 |
| 21 | 34,701 through 36,400 | 90 |
| 22 | 36,401 through 38,100 | 80 |
| 23 | 38,101 through 39,800 | 70 |
| 24 | 39,801 through 41,500 | 60 |
| 25 | 41,501 through 43,200 | 50 |
| 26 | 43,201 through 44,900 | 40 |
| 27 | 44,901 through 46,600 | 30 |
| 28 | 46,601 through 48,300 | 20 |
| 29 | 48,301 through 50,000 | 10 |
| 30 | 50,001 and over | 0 |

31 (3) For 2014, for a single claimant as described in subsection (1)

1 of this section, the percentage of the exempt amount for which the
2 claimant shall be eligible shall be the percentage in Column B which
3 corresponds with the claimant's household income in Column A in the table
4 found in this subsection.

| 5 | Column A | Column B |
|----|-----------------------|------------|
| 6 | Household Income | Percentage |
| 7 | In Dollars | Of Relief |
| 8 | 0 through 30,300 | 100 |
| 9 | 30,301 through 31,700 | 90 |
| 10 | 31,701 through 33,100 | 80 |
| 11 | 33,101 through 34,500 | 70 |
| 12 | 34,501 through 35,900 | 60 |
| 13 | 35,901 through 37,300 | 50 |
| 14 | 37,301 through 38,700 | 40 |
| 15 | 38,701 through 40,100 | 30 |
| 16 | 40,101 through 41,500 | 20 |
| 17 | 41,501 through 42,900 | 10 |
| 18 | 42,901 and over | 0 |

19 (4) For exemption applications filed in calendar years 2015 through
20 2017, the income eligibility amounts in subsections (2) and (3) of this
21 section shall be adjusted by the percentage determined pursuant to the
22 provisions of section 1(f) of the Internal Revenue Code of 1986, as it
23 existed prior to December 22, 2017. For exemption applications filed in
24 calendar year 2018 and each calendar year thereafter, the income
25 eligibility amounts in subsections (2) and (3) of this section shall be
26 adjusted by the percentage change in the Consumer Price Index for All
27 Urban Consumers published by the federal Bureau of Labor Statistics from
28 the twelve months ending on August 31, 2016, to the twelve months ending
29 on August 31 of the year preceding the applicable calendar year. The
30 income eligibility amounts shall be adjusted for cumulative inflation
31 since 2014. If any amount is not a multiple of one hundred dollars, the

1 amount shall be rounded to the next lower multiple of one hundred
2 dollars.

3 Sec. 23. Section 77-3519, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 77-3519 In any case when the county assessor rejects an application
6 for homestead exemption, such applicant may obtain a hearing before the
7 county board of equalization by filing a written complaint with the
8 county clerk. If the application for homestead exemption was rejected on
9 the basis of value, the complaint must be filed by June 30. The county
10 board of equalization may, by majority vote, extend such deadline to July
11 20. If the application for homestead exemption was rejected on any other
12 basis, the complaint must be filed within thirty days from receipt of the
13 notice from the county assessor showing such rejection. Such complaint
14 shall specify his or her grievances and the pertinent facts in relation
15 thereto, in ordinary and concise language and without repetition, and in
16 such manner as to enable a person of common understanding to know what is
17 intended. The board may take evidence pertinent to such complaint, and
18 for that purpose may compel the attendance of witnesses and the
19 production of books, records, and papers by subpoena. The board shall
20 issue its decision on the complaint within thirty days after the filing
21 of the complaint. Notice of the board's decision shall be mailed by the
22 county clerk to the applicant within seven days after the decision. The
23 taxpayer shall have the right to appeal from the board's decision with
24 reference to the application for homestead exemption to the Tax
25 Equalization and Review Commission in accordance with section 77-5013
26 within thirty days after the decision.

27 Sec. 24. Section 77-4111, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 77-4111 The Tax Commissioner ~~may shall~~ adopt and promulgate all
30 rules and regulations necessary to carry out the purposes of the
31 Employment and Investment Growth Act.

1 Sec. 25. Section 77-6203, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 77-6203 (1) The owner of a renewable energy generation facility
4 annually shall pay a nameplate capacity tax equal to the total nameplate
5 capacity of the commissioned renewable energy generation facility
6 multiplied by a tax rate of three thousand five hundred eighteen dollars
7 per megawatt.

8 (2) No tax shall be imposed on a renewable energy generation
9 facility:

10 (a) Owned or operated by the federal government, the State of
11 Nebraska, a public power district, a public power and irrigation
12 district, an individual municipality, a registered group of
13 municipalities, an electric membership association, or a cooperative; or

14 (b) That is a customer-generator as defined in section 70-2002.

15 (3) No tax levied pursuant to this section shall be construed to
16 constitute restricted funds as defined in section 13-518 for the first
17 five years after the renewable energy generation facility is
18 commissioned.

19 (4) The presence of one or more renewable energy generation
20 facilities or supporting infrastructure shall not be a factor in the
21 assessment, determination of actual value, or classification under
22 section 77-201 of the real property underlying or adjacent to such
23 facilities or infrastructure.

24 (5)(a) The Department of Revenue shall collect the tax due under
25 this section.

26 (b) The tax shall be imposed beginning the first calendar year the
27 renewable energy generation facility is commissioned. A renewable energy
28 generation facility that uses wind as the fuel source which was
29 commissioned prior to July 15, 2010, shall be subject to the tax levied
30 pursuant to sections 77-6201 to 77-6204 on and after January 1, 2010. The
31 amount of property tax on depreciable tangible personal property

1 previously paid on a renewable energy generation facility that uses wind
2 as the fuel source which was commissioned prior to July 15, 2010, which
3 is greater than the amount that would have been paid pursuant to sections
4 77-6201 to 77-6204 from the date of commissioning until January 1, 2010,
5 shall be credited against any tax due under Chapter 77, and any amount so
6 credited that is unused in any tax year shall be carried over to
7 subsequent tax years until fully utilized.

8 (c)(i) The tax for the first calendar year shall be prorated based
9 upon the number of days remaining in the calendar year after the
10 renewable energy generation facility is commissioned.

11 (ii) In the first year in which a renewable energy generation
12 facility is taxed or in any year in which additional commissioned
13 nameplate capacity is added to a renewable energy generation facility,
14 the taxes on the initial or additional nameplate capacity shall be
15 prorated for the number of days remaining in the calendar year.

16 (iii) When a renewable energy generation facility is decommissioned
17 or made nonoperational by a change in law during a tax year, the taxes
18 shall be prorated for the number of days during which the renewable
19 energy generation facility was not decommissioned or was operational.

20 (iv) When the capacity of a renewable energy generation facility to
21 produce electricity is reduced but the renewable energy generation
22 facility is not decommissioned, the nameplate capacity of the renewable
23 energy generation facility is deemed to be unchanged.

24 (6)(a) On March 1 of each year, the owner of a renewable energy
25 generation facility shall file with the Department of Revenue a report on
26 the nameplate capacity of the facility for the previous year from January
27 1 through December 31. All taxes shall be due on April 1 and shall be
28 delinquent if not paid on a quarterly basis on April 1 and each quarter
29 thereafter. Delinquent quarterly payments shall draw interest at the rate
30 provided for in section 45-104.02, as such rate may from time to time be
31 adjusted.

1 (b) The owner of a renewable energy generation facility is liable
2 for the taxes under this section with respect to the facility, whether or
3 not the owner of the facility is the owner of the land on which the
4 facility is situated.

5 (7) Failure to file a report required by subsection (6) of this
6 section, filing such report late, failure to pay taxes due, or
7 underpayment of such taxes shall result in a penalty of five percent of
8 the amount due being imposed for each quarter the report is overdue or
9 the payment is delinquent, except that the penalty shall not exceed ten
10 thousand dollars.

11 (8) The Department of Revenue shall enforce the provisions of this
12 section. The department may ~~shall~~ adopt and promulgate rules and
13 regulations necessary for the implementation and enforcement of this
14 section.

15 (9) The Department of Revenue shall separately identify the proceeds
16 from the tax imposed by this section and shall pay all such proceeds over
17 to the county treasurer of the county where the renewable energy
18 generation facility is located within thirty days after receipt of such
19 proceeds.

20 Sec. 26. Sections 16 and 28 of this act become operative for all
21 taxable years beginning or deemed to begin on or after January 1, 2018,
22 under the Internal Revenue Code of 1986, as amended. Sections 17, 18, 19,
23 and 29 of this act become operative for all taxable years beginning or
24 deemed to begin on or after January 1, 2019, under the Internal Revenue
25 Code of 1986, as amended. The other sections of this act become operative
26 on their effective date.

27 Sec. 27. Original sections 3-150, 66-482, 66-4,143, 66-6,101,
28 66-712, 66-718, 66-739, 66-1521, 77-202.03, 77-377.02, 77-414, 77-702,
29 77-1239, 77-2776, 77-3506, 77-3508, 77-3519, 77-4111, and 77-6203,
30 Reissue Revised Statutes of Nebraska, and section 39-2215, Revised
31 Statutes Cumulative Supplement, 2018, are repealed.

1 Sec. 28. Original section 77-2716.01, Reissue Revised Statutes of
2 Nebraska, is repealed.

3 Sec. 29. Original sections 77-2734.01, 77-2761, and 77-2773,
4 Reissue Revised Statutes of Nebraska, are repealed.

5 Sec. 30. The following section is outright repealed: Section
6 66-738, Reissue Revised Statutes of Nebraska.

7 Sec. 31. Since an emergency exists, this act takes effect when
8 passed and approved according to law.