

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SEVENTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1130**

Introduced by Morfeld, 46.

Read first time January 19, 2022

Committee: Business and Labor

1 A BILL FOR AN ACT relating to the Nebraska Statewide Workforce and  
2 Education Reporting System Act; to amend sections 48-648, 48-2303,  
3 48-3701, and 60-484, Reissue Revised Statutes of Nebraska, and  
4 section 77-27,119, Revised Statutes Supplement, 2021; to require  
5 memoranda of understanding regarding data sharing; to provide duties  
6 for the Nebraska Statewide Workforce and Education Reporting System,  
7 Department of Labor, Department of Motor Vehicles, Department of  
8 Health and Human Services, and Department of Revenue; to require  
9 reports; to require confidentiality; to harmonize provisions; and to  
10 repeal the original sections.

11 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 48-648, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3 48-648 (1) With respect to wages for employment, combined tax shall  
4 accrue and become payable by each employer not otherwise entitled to make  
5 payments in lieu of contributions for each calendar year in which he or  
6 she is subject to the Employment Security Law. Such combined tax shall  
7 become due and be paid by each employer to the commissioner for the State  
8 Unemployment Insurance Trust Fund and the Unemployment Trust Fund in such  
9 manner and at such times as the commissioner may, by rule and regulation,  
10 prescribe. Such combined tax shall not be deducted, in whole or in part,  
11 from the wages of individuals in such employer's employ.

12 (2) The commissioner may require any employer whose annual payroll  
13 for either of the two preceding calendar years has equaled or exceeded  
14 one hundred thousand dollars to file combined tax returns and pay  
15 combined taxes owed by an electronic method approved by the commissioner,  
16 except when the employer establishes to the satisfaction of the  
17 commissioner that filing the combined tax return or payment of the tax by  
18 an electronic method would create a hardship for the employer.

19 (3) In the payment of any combined tax, a fractional part of a cent  
20 shall be disregarded unless it amounts to one-half cent or more, in which  
21 case it shall be increased to one cent. If the combined tax due for any  
22 reporting period is less than five dollars, the employer need not remit  
23 the combined tax.

24 (4) If two or more related corporations or limited liability  
25 companies concurrently employ the same individual and compensate such  
26 individual through a common paymaster which is one of such corporations  
27 or limited liability companies, each such corporation or limited  
28 liability company shall be considered to have paid as remuneration to  
29 such individual only the amounts actually disbursed by it to such  
30 individual and shall not be considered to have paid as remuneration to  
31 such individual amounts actually disbursed to such individual by another

1 of such corporations or limited liability companies. An employee of a  
2 wholly owned subsidiary shall be considered to be concurrently employed  
3 by the parent corporation, company, or other entity and the wholly owned  
4 subsidiary whether or not both companies separately provide remuneration.

5 (5) The professional employer organization shall report and pay  
6 combined tax, penalties, and interest owed for wages earned by worksite  
7 employees under the client's employer account number using the client's  
8 combined tax rate. The client is liable for the payment of unpaid  
9 combined tax, penalties, and interest owed for wages paid to worksite  
10 employees, and the worksite employees shall be considered employees of  
11 the client for purposes of the Employment Security Law.

12 (6)(a) ~~(6)~~ The Commissioner of Labor may require by rule and  
13 regulation that each employer subject to the Employment Security Law  
14 shall submit to the commissioner quarterly wage reports on such forms and  
15 in such manner as the commissioner may prescribe. The commissioner may  
16 require any employer whose annual payroll for either of the two preceding  
17 calendar years has equaled or exceeded one hundred thousand dollars to  
18 file wage reports by an electronic method approved by the commissioner,  
19 except when the employer establishes to the satisfaction of the  
20 commissioner that filing by an electronic method would create a hardship  
21 for the employer. The quarterly wage reports shall be used by the  
22 commissioner to make monetary determinations of claims for benefits.

23 (b) Beginning on an implementation date selected by the commissioner  
24 that is on or before December 1, 2022, the quarterly wage reports shall  
25 also include the following data elements, in a standardized format, for  
26 each employee:

27 (i) First name, middle name, and last name;

28 (ii) Date of birth;

29 (iii) Job title. The job title shall be in a format that is  
30 translatable to the latest version of the federal Standard Occupational  
31 Classification published by the United States Department of Labor, Bureau

- 1 of Labor Statistics;  
2 (iv) Pay rate;  
3 (v) Employment start date;  
4 (vi) Employment end date; and  
5 (vii) Job location.

6 Sec. 2. Section 48-2303, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8 48-2303 (1) Beginning October 1, 1997, employers who hire or rehire  
9 any employee, for any amount of income or compensation, shall report to  
10 the department within the time period specified in subsection (2) of this  
11 section the name, address, and social security number of that employee,  
12 the date of hire or rehire, and the name, address, and federal tax  
13 identification number of the employer.

14 (2) Beginning on an implementation date selected by the department  
15 that is on or before December 1, 2022, the report required by subsection  
16 (1) of this section shall also include, for each such employee:

- 17 (a) Date of birth; and  
18 (b) State of hire.

19 (3) Employers shall transmit the required information to the  
20 department by forwarding a copy of the employee's federal W-4 with the  
21 date of hire or rehire inscribed upon it or any form approved in advance  
22 by the department. Employers may transmit the required information by  
23 first-class mail, fax, magnetic tape, disc, or electronic or any other  
24 means approved by the department.

25 (4) {2} Employers shall report the hire or rehire of employees (a)  
26 within twenty days after the date of hire or rehire or (b) if reports are  
27 transmitted magnetically or electronically, by two monthly transmissions,  
28 if necessary, which are not less than twelve days or more than sixteen  
29 days apart.

30 Sec. 3. Section 48-3701, Reissue Revised Statutes of Nebraska, is  
31 amended to read:

1           48-3701 Sections 48-3701 to 48-3704 and sections 4 to 6 of this act  
2 shall be known and may be cited as the Nebraska Statewide Workforce and  
3 Education Reporting System Act.

4           Sec. 4. For purposes of the Nebraska Statewide Workforce and  
5 Education Reporting System Act, NSWERS means the Nebraska Statewide  
6 Workforce and Education Reporting System.

7           Sec. 5. (1) On or before December 31, 2022, the Department of Labor  
8 shall enter into a memorandum of understanding with NSWERS to ensure that  
9 the data collected under subdivision (6)(b) of section 48-648 is  
10 exchanged with NSWERS.

11           (2) On or before December 31, 2022, the Department of Health and  
12 Human Services shall enter into a memorandum of understanding with NSWERS  
13 to ensure that the data collected under section 48-2303 is exchanged with  
14 NSWERS.

15           (3) On or before December 31, 2022, the Department of Motor Vehicles  
16 shall enter into a memorandum of understanding with NSWERS to ensure that  
17 the following data, for each operator's license, state identification  
18 card, or permit issued under the Motor Vehicle Operator's License Act, is  
19 exchanged with NSWERS:

- 20           (a) Name;
- 21           (b) Date of birth;
- 22           (c) Gender;
- 23           (d) Social security number; and
- 24           (e) Address.

25           (4) On or before December 31, 2022, the Department of Revenue shall  
26 enter into a memorandum of understanding with NSWERS to ensure that the  
27 following data, for each individual paying income tax, is exchanged with  
28 NSWERS:

- 29           (a) Taxpayer's federal adjusted gross income;
- 30           (b) Taxpayer name;
- 31           (c) Taxpayer date of birth;

- 1        (d) Taxpayer social security number;
- 2        (e) Taxpayer's residence status;
- 3        (f) Employer tax identification number; and
- 4        (g) Employer name.

5        (5) On or before November 1, 2022, each department listed in this  
6 section shall electronically submit a report to the Clerk of the  
7 Legislature describing any statutory changes that are necessary to carry  
8 out this section. The reports shall be created in consultation with  
9 NSWERS.

10        Sec. 6. The Nebraska Statewide Workforce and Education Reporting  
11 System shall maintain the confidentiality of all personally identifiable  
12 information collected pursuant to the Nebraska Statewide Workforce and  
13 Education Reporting System Act, and such information shall only be used  
14 or disclosed for purposes authorized by such act.

15        Sec. 7. Section 60-484, Reissue Revised Statutes of Nebraska, is  
16 amended to read:

17        60-484 (1) Except as otherwise provided in the Motor Vehicle  
18 Operator's License Act, no resident of the State of Nebraska shall  
19 operate a motor vehicle upon the alleys or highways of this state until  
20 the person has obtained an operator's license for that purpose.

21        (2) Application for an operator's license or a state identification  
22 card shall be made in a manner prescribed by the department.

23        (3) The applicant shall provide his or her full legal name, date of  
24 birth, mailing address, gender, race or ethnicity, and social security  
25 number, two forms of proof of address of his or her principal residence  
26 unless the applicant is a program participant under the Address  
27 Confidentiality Act, evidence of identity as required by subsection (6)  
28 of this section, and a brief physical description of himself or herself.  
29 The applicant (a) may also complete the voter registration portion  
30 pursuant to section 32-308, (b) shall be provided the advisement language  
31 required by subsection (5) of section 60-6,197, (c) shall answer the

1 following:

2 (i) Have you within the last three months (e.g. due to diabetes,  
3 epilepsy, mental illness, head injury, stroke, heart condition,  
4 neurological disease, etc.):

5 (A) lost voluntary control or consciousness ... yes ... no

6 (B) experienced vertigo or multiple episodes of dizziness or  
7 fainting ... yes ... no

8 (C) experienced disorientation ... yes ... no

9 (D) experienced seizures ... yes ... no

10 (E) experienced impairment of memory, memory loss ... yes ... no

11 Please explain: .....

12 (ii) Do you experience any condition which affects your ability to  
13 operate a motor vehicle? (e.g. due to loss of, or impairment of, foot,  
14 leg, hand, arm; neurological or neuromuscular disease, etc.) ... yes ...  
15 no

16 Please explain: .....

17 (iii) Since the issuance of your last driver's license/permit, has  
18 your health or medical condition changed or worsened? ... yes ... no

19 Please explain, including how the above affects your ability to  
20 drive: ....., and (d) may answer the following:

21 (i) Do you wish to register to vote as part of this application  
22 process?

23 (ii) Do you wish to have a veteran designation displayed on the  
24 front of your operator's license or state identification card to show  
25 that you served in the armed forces of the United States? (To be eligible  
26 you must register with the Nebraska Department of Veterans' Affairs  
27 registry.)

28 (iii) Do you wish to include your name in the Donor Registry of  
29 Nebraska and donate your organs and tissues at the time of your death?

30 (iv) Do you wish to receive any additional specific information  
31 regarding organ and tissue donation and the Donor Registry of Nebraska?

1 (v) Do you wish to donate \$1 to promote the Organ and Tissue Donor  
2 Awareness and Education Fund?

3 (4) Application for an operator's license or state identification  
4 card shall include a signed oath, affirmation, or declaration of the  
5 applicant that the information provided on the application for the  
6 license or card is true and correct.

7 (5) The social security number shall not be printed on the  
8 operator's license or state identification card and shall be used only  
9 (a) to furnish information to the United States Selective Service System  
10 under section 60-483, (b) with the permission of the director in  
11 connection with the verification of the status of an individual's driving  
12 record in this state or any other state, (c) for purposes of child  
13 support enforcement pursuant to section 42-358.08 or 43-512.06, (d) to  
14 furnish information regarding an applicant for or holder of a commercial  
15 driver's license with a hazardous materials endorsement to the  
16 Transportation Security Administration of the United States Department of  
17 Homeland Security or its agent, (e) to furnish information to the  
18 Department of Revenue under section 77-362.02, ~~or~~ (f) to furnish  
19 information to the Secretary of State for purposes of the Election Act,  
20 or (g) to furnish information to the Nebraska Statewide Workforce and  
21 Education Reporting System as required under section 5 of this act.

22 (6)(a) Each individual applying for an operator's license or a state  
23 identification card shall furnish proof of date of birth and identity  
24 with documents containing a photograph or with nonphoto identity  
25 documents which include his or her full legal name and date of birth.  
26 Such documents shall be those provided in subsection (1) of section  
27 60-484.04.

28 (b) Any individual under the age of eighteen years applying for an  
29 operator's license or a state identification card shall provide a  
30 certified copy of his or her birth certificate or, if such individual is  
31 unable to provide a certified copy of his or her birth certificate, other



1 reliable proof of his or her identity and age, as required in subdivision  
2 (6)(a) of this section, accompanied by a certification signed by a parent  
3 or guardian explaining the inability to produce a copy of such birth  
4 certificate. The applicant also may be required to furnish proof to  
5 department personnel that the parent or guardian signing the  
6 certification is in fact the parent or guardian of such applicant.

7 (c) An applicant may present other documents as proof of  
8 identification and age designated by the director. Any documents accepted  
9 shall be recorded according to a written exceptions process established  
10 by the director.

11 (7) Any individual applying for an operator's license or a state  
12 identification card who indicated his or her wish to have a veteran  
13 designation displayed on the front of such license or card shall comply  
14 with section 60-4,189.

15 (8) No person shall be a holder of an operator's license and a state  
16 identification card at the same time. A person who has a digital image  
17 and digital signature on file with the department may apply  
18 electronically to change his or her Class 0 operator's license to a state  
19 identification card.

20 Sec. 8. Section 77-27,119, Revised Statutes Supplement, 2021, is  
21 amended to read:

22 77-27,119 (1) The Tax Commissioner shall administer and enforce the  
23 income tax imposed by sections 77-2714 to 77-27,135, and he or she is  
24 authorized to conduct hearings, to adopt and promulgate such rules and  
25 regulations, and to require such facts and information to be reported as  
26 he or she may deem necessary to enforce the income tax provisions of such  
27 sections, except that such rules, regulations, and reports shall not be  
28 inconsistent with the laws of this state or the laws of the United  
29 States. The Tax Commissioner may for enforcement and administrative  
30 purposes divide the state into a reasonable number of districts in which  
31 branch offices may be maintained.

1           (2)(a) The Tax Commissioner may prescribe the form and contents of  
2 any return or other document required to be filed under the income tax  
3 provisions. Such return or other document shall be compatible as to form  
4 and content with the return or document required by the laws of the  
5 United States. The form shall have a place where the taxpayer shall  
6 designate the school district in which he or she lives and the county in  
7 which the school district is headquartered. The Tax Commissioner shall  
8 adopt and promulgate such rules and regulations as may be necessary to  
9 insure compliance with this requirement.

10           (b) The State Department of Education, with the assistance and  
11 cooperation of the Department of Revenue, shall develop a uniform system  
12 for numbering all school districts in the state. Such system shall be  
13 consistent with the data processing needs of the Department of Revenue  
14 and shall be used for the school district identification required by  
15 subdivision (a) of this subsection.

16           (c) The proper filing of an income tax return shall consist of the  
17 submission of such form as prescribed by the Tax Commissioner or an exact  
18 facsimile thereof with sufficient information provided by the taxpayer on  
19 the face of the form from which to compute the actual tax liability. Each  
20 taxpayer shall include such taxpayer's correct social security number or  
21 state identification number and the school district identification number  
22 of the school district in which the taxpayer resides on the face of the  
23 form. A filing is deemed to occur when the required information is  
24 provided.

25           (3) The Tax Commissioner, for the purpose of ascertaining the  
26 correctness of any return or other document required to be filed under  
27 the income tax provisions, for the purpose of determining corporate  
28 income, individual income, and withholding tax due, or for the purpose of  
29 making an estimate of taxable income of any person, shall have the power  
30 to examine or to cause to have examined, by any agent or representative  
31 designated by him or her for that purpose, any books, papers, records, or

1 memoranda bearing upon such matters and may by summons require the  
2 attendance of the person responsible for rendering such return or other  
3 document or remitting any tax, or any officer or employee of such person,  
4 or the attendance of any other person having knowledge in the premises,  
5 and may take testimony and require proof material for his or her  
6 information, with power to administer oaths or affirmations to such  
7 person or persons.

8 (4) The time and place of examination pursuant to this section shall  
9 be such time and place as may be fixed by the Tax Commissioner and as are  
10 reasonable under the circumstances. In the case of a summons, the date  
11 fixed for appearance before the Tax Commissioner shall not be less than  
12 twenty days from the time of service of the summons.

13 (5) No taxpayer shall be subjected to unreasonable or unnecessary  
14 examinations or investigations.

15 (6) Except in accordance with proper judicial order or as otherwise  
16 provided by law, it shall be unlawful for the Tax Commissioner, any  
17 officer or employee of the Tax Commissioner, any person engaged or  
18 retained by the Tax Commissioner on an independent contract basis, any  
19 person who pursuant to this section is permitted to inspect any report or  
20 return or to whom a copy, an abstract, or a portion of any report or  
21 return is furnished, any employee of the State Treasurer or the  
22 Department of Administrative Services, or any other person to divulge,  
23 make known, or use in any manner the amount of income or any particulars  
24 set forth or disclosed in any report or return required except for the  
25 purpose of enforcing sections 77-2714 to 77-27,135. The officers charged  
26 with the custody of such reports and returns shall not be required to  
27 produce any of them or evidence of anything contained in them in any  
28 action or proceeding in any court, except on behalf of the Tax  
29 Commissioner in an action or proceeding under the provisions of the tax  
30 law to which he or she is a party or on behalf of any party to any action  
31 or proceeding under such sections when the reports or facts shown thereby

1 are directly involved in such action or proceeding, in either of which  
2 events the court may require the production of, and may admit in  
3 evidence, so much of such reports or of the facts shown thereby as are  
4 pertinent to the action or proceeding and no more. Nothing in this  
5 section shall be construed (a) to prohibit the delivery to a taxpayer,  
6 his or her duly authorized representative, or his or her successors,  
7 receivers, trustees, personal representatives, administrators, assignees,  
8 or guarantors, if directly interested, of a certified copy of any return  
9 or report in connection with his or her tax, (b) to prohibit the  
10 publication of statistics so classified as to prevent the identification  
11 of particular reports or returns and the items thereof, (c) to prohibit  
12 the inspection by the Attorney General, other legal representatives of  
13 the state, or a county attorney of the report or return of any taxpayer  
14 who brings an action to review the tax based thereon, against whom an  
15 action or proceeding for collection of tax has been instituted, or  
16 against whom an action, proceeding, or prosecution for failure to comply  
17 with the Nebraska Revenue Act of 1967 is being considered or has been  
18 commenced, (d) to prohibit furnishing to the Nebraska Workers'  
19 Compensation Court the names, addresses, and identification numbers of  
20 employers, and such information shall be furnished on request of the  
21 court, (e) to prohibit the disclosure of information and records to a  
22 collection agency contracting with the Tax Commissioner pursuant to  
23 sections 77-377.01 to 77-377.04, (f) to prohibit the disclosure of  
24 information pursuant to section 77-27,195, 77-4110, 77-5731, 77-6521,  
25 77-6837, 77-6839, or 77-6928, (g) to prohibit the disclosure to the  
26 Public Employees Retirement Board of the addresses of individuals who are  
27 members of the retirement systems administered by the board, and such  
28 information shall be furnished to the board solely for purposes of its  
29 administration of the retirement systems upon written request, which  
30 request shall include the name and social security number of each  
31 individual for whom an address is requested, (h) to prohibit the

1 disclosure of information to the Department of Labor necessary for the  
2 administration of the Employment Security Law, the Contractor  
3 Registration Act, or the Employee Classification Act, (i) to prohibit the  
4 disclosure to the Department of Motor Vehicles of tax return information  
5 pertaining to individuals, corporations, and businesses determined by the  
6 Department of Motor Vehicles to be delinquent in the payment of amounts  
7 due under agreements pursuant to the International Fuel Tax Agreement  
8 Act, and such disclosure shall be strictly limited to information  
9 necessary for the administration of the act, (j) to prohibit the  
10 disclosure under section 42-358.08, 43-512.06, or 43-3327 to any court-  
11 appointed individuals, the county attorney, any authorized attorney, or  
12 the Department of Health and Human Services of an absent parent's  
13 address, social security number, amount of income, health insurance  
14 information, and employer's name and address for the exclusive purpose of  
15 establishing and collecting child, spousal, or medical support, (k) to  
16 prohibit the disclosure of information to the Department of Insurance,  
17 the Nebraska State Historical Society, or the State Historic Preservation  
18 Officer as necessary to carry out the Department of Revenue's  
19 responsibilities under the Nebraska Job Creation and Mainstreet  
20 Revitalization Act, ~~or~~ (l) to prohibit the disclosure to the Department  
21 of Insurance of information pertaining to authorization for, and use of,  
22 tax credits under the New Markets Job Growth Investment Act, or (m) to  
23 prohibit disclosure of information to the Nebraska Statewide Workforce  
24 and Education Reporting System as required under section 5 of this act.  
25 Information so obtained shall be used for no other purpose. Any person  
26 who violates this subsection shall be guilty of a felony and shall upon  
27 conviction thereof be fined not less than one hundred dollars nor more  
28 than five hundred dollars, or be imprisoned not more than five years, or  
29 be both so fined and imprisoned, in the discretion of the court and shall  
30 be assessed the costs of prosecution. If the offender is an officer or  
31 employee of the state, he or she shall be dismissed from office and be

1 ineligible to hold any public office in this state for a period of two  
2 years thereafter.

3 (7) Reports and returns required to be filed under income tax  
4 provisions of sections 77-2714 to 77-27,135 shall be preserved until the  
5 Tax Commissioner orders them to be destroyed.

6 (8) Notwithstanding the provisions of subsection (6) of this  
7 section, the Tax Commissioner may permit the Secretary of the Treasury of  
8 the United States or his or her delegates or the proper officer of any  
9 state imposing an income tax, or the authorized representative of either  
10 such officer, to inspect the income tax returns of any taxpayer or may  
11 furnish to such officer or his or her authorized representative an  
12 abstract of the return of income of any taxpayer or supply him or her  
13 with information concerning an item of income contained in any return or  
14 disclosed by the report of any investigation of the income or return of  
15 income of any taxpayer, but such permission shall be granted only if the  
16 statutes of the United States or of such other state, as the case may be,  
17 grant substantially similar privileges to the Tax Commissioner of this  
18 state as the officer charged with the administration of the income tax  
19 imposed by sections 77-2714 to 77-27,135.

20 (9) Notwithstanding the provisions of subsection (6) of this  
21 section, the Tax Commissioner may permit the Postal Inspector of the  
22 United States Postal Service or his or her delegates to inspect the  
23 reports or returns of any person filed pursuant to the Nebraska Revenue  
24 Act of 1967 when information on the reports or returns is relevant to any  
25 action or proceeding instituted or being considered by the United States  
26 Postal Service against such person for the fraudulent use of the mails to  
27 carry and deliver false and fraudulent tax returns to the Tax  
28 Commissioner with the intent to defraud the State of Nebraska or to evade  
29 the payment of Nebraska state taxes.

30 (10)(a) Notwithstanding the provisions of subsection (6) of this  
31 section, the Tax Commissioner shall, upon written request by the Auditor

1 of Public Accounts or the office of Legislative Audit, make tax returns  
2 and tax return information open to inspection by or disclosure to  
3 officers and employees of the Auditor of Public Accounts or employees of  
4 the office of Legislative Audit for the purpose of and to the extent  
5 necessary in making an audit of the Department of Revenue pursuant to  
6 section 50-1205 or 84-304. The Auditor of Public Accounts or office of  
7 Legislative Audit shall statistically and randomly select the tax returns  
8 and tax return information to be audited based upon a computer tape  
9 provided by the Department of Revenue which contains only total  
10 population documents without specific identification of taxpayers. The  
11 Tax Commissioner shall have the authority to approve the statistical  
12 sampling method used by the Auditor of Public Accounts or office of  
13 Legislative Audit. Confidential tax returns and tax return information  
14 shall be audited only upon the premises of the Department of Revenue. All  
15 audit workpapers pertaining to the audit of the Department of Revenue  
16 shall be stored in a secure place in the Department of Revenue.

17 (b) When selecting tax returns or tax return information for a  
18 performance audit of a tax incentive program, the office of Legislative  
19 Audit shall select the tax returns or tax return information for either  
20 all or a statistically and randomly selected sample of taxpayers who have  
21 applied for or who have qualified for benefits under the tax incentive  
22 program that is the subject of the audit. When the office of Legislative  
23 Audit reports on its review of tax returns and tax return information, it  
24 shall comply with subdivision (10)(c) of this section.

25 (c) No officer or employee of the Auditor of Public Accounts or  
26 office of Legislative Audit employee shall disclose to any person, other  
27 than another officer or employee of the Auditor of Public Accounts or  
28 office of Legislative Audit whose official duties require such  
29 disclosure, any return or return information described in the Nebraska  
30 Revenue Act of 1967 in a form which can be associated with or otherwise  
31 identify, directly or indirectly, a particular taxpayer.

1 (d) Any person who violates the provisions of this subsection shall  
2 be guilty of a Class IV felony and, in the discretion of the court, may  
3 be assessed the costs of prosecution. The guilty officer or employee  
4 shall be dismissed from employment and be ineligible to hold any position  
5 of employment with the State of Nebraska for a period of two years  
6 thereafter. For purposes of this subsection, officer or employee shall  
7 include a former officer or employee of the Auditor of Public Accounts or  
8 former employee of the office of Legislative Audit.

9 (11) For purposes of subsections (10) through (13) of this section:

10 (a) Tax returns shall mean any tax or information return or claim  
11 for refund required by, provided for, or permitted under sections 77-2714  
12 to 77-27,135 which is filed with the Tax Commissioner by, on behalf of,  
13 or with respect to any person and any amendment or supplement thereto,  
14 including supporting schedules, attachments, or lists which are  
15 supplemental to or part of the filed return;

16 (b) Return information shall mean:

17 (i) A taxpayer's identification number and (A) the nature, source,  
18 or amount of his or her income, payments, receipts, deductions,  
19 exemptions, credits, assets, liabilities, net worth, tax liability, tax  
20 withheld, deficiencies, overassessments, or tax payments, whether the  
21 taxpayer's return was, is being, or will be examined or subject to other  
22 investigation or processing or (B) any other data received by, recorded  
23 by, prepared by, furnished to, or collected by the Tax Commissioner with  
24 respect to a return or the determination of the existence or possible  
25 existence of liability or the amount of liability of any person for any  
26 tax, penalty, interest, fine, forfeiture, or other imposition or offense;  
27 and

28 (ii) Any part of any written determination or any background file  
29 document relating to such written determination; and

30 (c) Disclosures shall mean the making known to any person in any  
31 manner a return or return information.



1           (12) The Auditor of Public Accounts shall (a) notify the Tax  
2 Commissioner in writing thirty days prior to the beginning of an audit of  
3 his or her intent to conduct an audit, (b) provide an audit plan, and (c)  
4 provide a list of the tax returns and tax return information identified  
5 for inspection during the audit. The office of Legislative Audit shall  
6 notify the Tax Commissioner of the intent to conduct an audit and of the  
7 scope of the audit as provided in section 50-1209.

8           (13) The Auditor of Public Accounts or the office of Legislative  
9 Audit shall, as a condition for receiving tax returns and tax return  
10 information: (a) Subject employees involved in the audit to the same  
11 confidential information safeguards and disclosure procedures as required  
12 of Department of Revenue employees; (b) establish and maintain a  
13 permanent system of standardized records with respect to any request for  
14 tax returns or tax return information, the reason for such request, and  
15 the date of such request and any disclosure of the tax return or tax  
16 return information; (c) establish and maintain a secure area or place in  
17 the Department of Revenue in which the tax returns, tax return  
18 information, or audit workpapers shall be stored; (d) restrict access to  
19 the tax returns or tax return information only to persons whose duties or  
20 responsibilities require access; (e) provide such other safeguards as the  
21 Tax Commissioner determines to be necessary or appropriate to protect the  
22 confidentiality of the tax returns or tax return information; (f) provide  
23 a report to the Tax Commissioner which describes the procedures  
24 established and utilized by the Auditor of Public Accounts or office of  
25 Legislative Audit for insuring the confidentiality of tax returns, tax  
26 return information, and audit workpapers; and (g) upon completion of use  
27 of such returns or tax return information, return to the Tax Commissioner  
28 such returns or tax return information, along with any copies.

29           (14) The Tax Commissioner may permit other tax officials of this  
30 state to inspect the tax returns and reports filed under sections 77-2714  
31 to 77-27,135, but such inspection shall be permitted only for purposes of

1 enforcing a tax law and only to the extent and under the conditions  
2 prescribed by the rules and regulations of the Tax Commissioner.

3 (15) The Tax Commissioner shall compile the school district  
4 information required by subsection (2) of this section. Insofar as it is  
5 possible, such compilation shall include, but not be limited to, the  
6 total adjusted gross income of each school district in the state. The Tax  
7 Commissioner shall adopt and promulgate such rules and regulations as may  
8 be necessary to insure that such compilation does not violate the  
9 confidentiality of any individual income tax return nor conflict with any  
10 other provisions of state or federal law.

11 Sec. 9. Original sections 48-648, 48-2303, 48-3701, and 60-484,  
12 Reissue Revised Statutes of Nebraska, and section 77-27,119, Revised  
13 Statutes Supplement, 2021, are repealed.