

## LEGISLATIVE BILL 862

Approved by the Governor March 12, 1984

Introduced by Lundy, 36; Abboud, 12

AN ACT relating to revenue and taxation; to amend section 77-2602, Revised Statutes Supplement, 1983; to change the tax rate on certain packages of cigarettes; to modify the disposition of proceeds as prescribed; to provide an operative date; and to repeal the original section.

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

Section 1. That section 77-2602, Revised Statutes Supplement, 1983, be amended to read as follows:

77-2602. Every person engaged in distributing or selling cigarettes at wholesale in this state shall pay to the Tax Commissioner of this state a special privilege tax. This shall be in addition to all other taxes. It shall be paid prior to or at the time of the sale, gift, or delivery to the retail dealer in the several amounts as follows: On all cigarettes, eighteen cents per package containing not more than twenty cigarettes, and on packages containing more than twenty cigarettes a tax of eighteen cents for the first each twenty cigarettes or fractional part thereof in each package and a tax of one-twentieth of the tax on the first twenty cigarettes on each cigarette in excess of twenty cigarettes in each package. Thirteen cents of such tax shall be placed in the General Fund. The proceeds of the remaining five cents proceeds of such tax shall be distributed in the following order:

First, there shall be placed in the State Office Building Fund the sum of one million two hundred thousand dollars each year for fiscal years 1974-75, 1975-76, 1976-77, and 1977-78 and three million six hundred thousand dollars for each fiscal year beginning with 1978-79 through 1983-84. Such amounts are hereby appropriated and the unexpended balances existing in such fund at the end of each fiscal year through June 30, 1984, are hereby reappropriated. Money in the State Office Building Fund may be transferred to the General Fund at the direction of the Legislature;

Second, there shall be placed in the Downtown Education Center and Office Rental Fund the sum of nine hundred sixty thousand dollars each year for fiscal years 1976-77 through 1983-84 and two million two hundred eighty thousand dollars each year for fiscal years 1984-85 and 1985-86. Such amounts are hereby appropriated and the unexpended balances existing in such fund at the end of

each fiscal year through June 30, 1986, are hereby reappropriated. Money in the Downtown Education Center and Office Rental Fund may be transferred to the General Fund at the direction of the Legislature;

Third, beginning July 1, 1980, the equivalent of one cent of such tax shall be placed in the Nebraska Outdoor Recreation Development Cash Fund. There shall be placed in such fund one million thirty thousand one hundred dollars for fiscal year 1979-80;

Fourth, beginning July 1, 1983, the equivalent of one cent of such tax shall be placed in the Nebraska Cancer Research Fund to carry out the provisions of sections 81-637 to 81-640;

Fifth, there shall be placed in the University Buildings Renovation and Land Acquisition Fund the sum of one million seven hundred sixty-five thousand one hundred fifty-three dollars and in the State College Buildings Renovation and Land Acquisition Fund the sum of three hundred sixty-one thousand two hundred twenty-two dollars each year for fiscal year 1984-85 through fiscal year 1994-95. Such amounts are hereby appropriated and the unexpended balances existing in such funds at the end of each fiscal year through June 30, 1995, are hereby reappropriated. The money in such funds shall be used for payment of the costs of building repair, remodeling, and renovation projects and land acquisition projects of the University of Nebraska and the Nebraska state colleges authorized by sections 85-1,111, 85-1,112, 85-322, and 85-323; and

Sixth, the balance of such proceeds shall be placed in a special fund to be known as the Nebraska Capital Construction Fund and disbursements from such fund shall be as the Legislature shall from time to time provide.

Sec. 2. This act shall become operative on August 1, 1984.

Sec. 3. That original section 77-2602, Revised Statutes Supplement, 1983, is repealed.