

LEGISLATIVE BILL 539

Passed over the Governor's veto April 16, 1986.

Introduced by Revenue Committee, V. Johnson, 8,
Chairperson; Hartnett, 45; Hefner, 19;
Landis, 46; Miller, 37; Pirsch, 10;
Rogers, 41; Sieck, 24

AN ACT relating to revenue and taxation; to amend section 77-2701.02, Revised Statutes Supplement, 1984, section 77-2701.01, Revised Statutes Supplement, 1984, as amended by section 1, Legislative Bill 35, Eighty-ninth Legislature, Second Special Session, 1985, and section 77-27,132, Revised Statutes Supplement, 1984, as amended by section 23, Legislative Bill 599, Eighty-ninth Legislature, Second Session, 1986; to change the sales tax rate; to change provisions governing distribution of certain funds; to harmonize provisions; to provide an operative date; and to repeal the original sections.

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

Section 1. That section 77-2701.01, Revised Statutes Supplement, 1984, as amended by section 1, Legislative Bill 35, Eighty-ninth Legislature, Second Special Session, 1985, be amended to read as follows:

77-2701.01. Pursuant to section 77-2715.01, the rate of the income tax ~~imposed by levied pursuant to~~ section 77-2715 shall be nineteen per cent, except that for taxable years beginning or deemed to begin on or after January 1, 1985, and on or before December 31, 1985, the rate shall be twenty per cent.

Sec. 2. That section 77-2701.02, Revised Statutes Supplement, 1984, be amended to read as follows:

77-2701.02. Pursuant to section 77-2715.01, the rate of the sales tax ~~imposed by levied pursuant to~~ section 77-2703 shall be ~~three and one half~~ four per cent.

Sec. 3. That section 77-27,132, Revised Statutes Supplement, 1984, as amended by section 23, Legislative Bill 599, Eighty-ninth Legislature, Second Session, 1986, be amended to read as follows:

77-27,132. (1) There is hereby created a fund to be designated the Tax Refund Fund which shall be set

apart and maintained by the State Treasurer for prompt payments of all tax refunds under Chapter 66, article 4, the Special Fuel Tax Act, and the Nebraska Revenue Act of 1967 and for transfers to the Nongame and Endangered Species Conservation Fund pursuant to sections 37-439 and 77-27,119.01. Such fund shall be in such amount as the State Treasurer, with the advice of the Tax Commissioner, shall determine is necessary to meet current refunding requirements under such provisions. Any money in the Tax Refund Fund available for investment shall be invested by the state investment officer pursuant to sections 72-1237 to 72-1269.

(2) The Tax Commissioner shall pay to a depository bank designated by the State Treasurer all amounts collected under the Nebraska Revenue Act of 1967. The Tax Commissioner shall present to the State Treasurer bank receipts showing amounts so deposited in the aforementioned bank and of the amounts so deposited the State Treasurer shall (a) first credit to the Tax Refund Fund such amounts as are necessary to maintain such Tax Refund Fund at the level required by subsection (1) of this section ~~and~~ (b) then, commencing with all amounts credited on or after July 1, 1986, and on or before June 30, 1987, credit to the Highway Trust Fund the portion ~~all~~ of the proceeds of the sales and use taxes derived from motor vehicles, trailers, and semitrailers which is attributable to a sales and use tax rate of three and one half per cent. and (c) commencing with all amounts credited on or after July 1, 1987, credit to the Highway Trust Fund all of the proceeds of the sales and use taxes derived from motor vehicles, trailers, and semitrailers. The balance of the amounts so paid shall be credited to the General Fund.

Sec. 4. This act shall become operative on January 1, 1987.

Sec. 5. That original section 77-2701.02, Revised Statutes Supplement, 1984, section 77-2701.01, Revised Statutes Supplement, 1984, as amended by section 1, Legislative Bill 35, Eighty-ninth Legislature, Second Special Session, 1985, and section 77-27,132, Revised Statutes Supplement, 1984, as amended by section 23, Legislative Bill 599, Eighty-ninth Legislature, Second Session, 1986, are repealed.