

LEGISLATIVE BILL 26

Approved by the Governor February 14, 1995

Introduced by Warner, 25

AN ACT relating to revenue and taxation; to amend section 77-3801, Reissue Revised Statutes of Nebraska; to define a term relating to financial institution taxes; to provide an operative date; and to repeal the original section.

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

Section 1. Section 77-3801, Reissue Revised Statutes of Nebraska, is amended to read:

77-3801. As used in For purposes of sections 77-3801 to 77-3807, unless the context otherwise requires:

(1) All terms shall have the same meaning as provided in the Nebraska Revenue Act of 1967;

(2) Average deposits shall mean (a) for a financial institution on a calendar year, the total of the deposits held on the last day of the preceding year and the last day of each calendar quarter, divided by five or (b) for a financial institution on a fiscal year other than a calendar year, the total of the deposits held on the last day of the preceding fiscal year, the last day of each calendar quarter within the fiscal year, and the last day of the fiscal year, divided by the number of amounts added together;

(3) Deposits shall mean the amount of money placed in the custody of a financial institution for safety or convenience that may be withdrawn at the will of the depositor or under the rules or regulations agreed upon by the financial institution and the depositor. Deposits shall also include amounts for which a certificate may be issued and which are payable on demand, on certain notice, or at a fixed future date or time. Deposits shall not include any money placed in a fiduciary capacity in the custody of a trust department of any financial institution having trust powers granted by appropriate regulatory authority which is not placed by the trust department as a deposit in such financial institution;

(4) Financial institution shall mean:

(a) Any bank, building and loan association, cooperative credit association, credit union, industrial loan and investment company, savings and loan association, or savings bank chartered or qualified to do business in this state, or any subsidiary of such financial institution; or

(b) Any bank, bank holding company or subsidiary of a bank holding company as defined in 12 U.S.C. 1841, affiliate of a bank holding company as defined in 12 U.S.C. 221a, building and loan association, cooperative credit association, credit union, industrial loan and investment company, savings and loan association, or savings bank which is not chartered to do business in this state but maintains a permanent place of business in this state and actively solicits deposits from residents of this state for an affiliate, regardless of whether the affiliate maintains an office in this state, in which event the deposits of the affiliate shall be deemed deposits of such institution; and

(5) Net financial income shall mean the income of the financial institution, including its subsidiaries, after ordinary and necessary expenses but before income taxes and extraordinary gains or losses. Net financial income shall include, but not be limited to, income from fiduciary activities, interest, rent, or service charges. Ordinary and necessary expenses shall include, but not be limited to, fees, depreciation on furniture and equipment, interest, salaries and benefits, and supplies. Income and expenses shall be computed according to the regular books and records of the institution; and

(6) Subsidiary shall not include any bank, bank holding company, or savings and loan association which is owned fifty percent or more by a mutual savings and loan association and which does not actively solicit deposits from residents of this state.

Sec. 2. This act is operative for all taxable years beginning or deemed to begin on or after January 1, 1993, under the Internal Revenue Code of 1986, as amended.

Sec. 3. Original section 77-3801, Reissue Revised Statutes of Nebraska, is repealed.