

LEGISLATIVE BILL 1015

Approved by the Governor April 14, 1998

Introduced by Wickersham, 49

AN ACT relating to the Internal Revenue Code; to amend section 21-1916, Reissue Revised Statutes of Nebraska, and section 49-801.01, Revised Statutes Supplement, 1997; to change provisions relating to references to the code; to repeal the original sections; and to declare an emergency.

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

Section 1. Section 21-1916, Reissue Revised Statutes of Nebraska, is amended to read:

21-1916. Except when otherwise determined by a court of competent jurisdiction, a corporation that is a private foundation as defined in section 509(a) of the Internal Revenue Code:

(a) Shall distribute such amounts for each taxable year at such time and in such manner as not to subject the corporation to tax under section 4942 of the Internal Revenue Code;

(b) Shall not engage in any act of self-dealing as defined in section 4941(d) of the Internal Revenue Code;

(c) Shall not retain any excess business holdings as defined in section 4943(c) of the Internal Revenue Code;

(d) Shall not make any investments subjecting it to taxation under section 4944 of the Internal Revenue Code; and

(e) Shall not make any taxable expenditures as defined in section 4945(d) of the Internal Revenue Code.

~~All references in this section to sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986, as amended, or to corresponding provisions of subsequent internal revenue laws of the United States.~~

Sec. 2. Section 49-801.01, Revised Statutes Supplement, 1997, is amended to read:

49-801.01. Except as provided by Article VIII, section 1B, of the Constitution of Nebraska and in sections 77-2701.01, 77-2714 to 77-27,123, 77-27,191, 77-27,193, 77-4103, 77-4104, and 77-4108, any reference to the Internal Revenue Code refers to the Internal Revenue Code of 1986 as it exists on February 14, 1997 the effective date of this act.

Sec. 3. Original section 21-1916, Reissue Revised Statutes of Nebraska, and section 49-801.01, Revised Statutes Supplement, 1997, are repealed.

Sec. 4. Since an emergency exists, this act takes effect when passed and approved according to law.