

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SEVENTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 233**

Introduced by Friesen, 34.

Read first time January 11, 2021

Committee:

- 1 A BILL FOR AN ACT relating to sales and use taxes; to amend sections
- 2 77-2703 and 77-2708, Revised Statutes Cumulative Supplement, 2020;
- 3 to provide sales and use tax collection duties for certain peer-to-
- 4 peer rentals of vehicles; to harmonize provisions; to provide an
- 5 operative date; and to repeal the original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2703, Revised Statutes Cumulative Supplement,  
2 2020, is amended to read:

3 77-2703 (1) There is hereby imposed a tax at the rate provided in  
4 section 77-2701.02 upon the gross receipts from all sales of tangible  
5 personal property sold at retail in this state; the gross receipts of  
6 every person engaged as a public utility, as a community antenna  
7 television service operator, or as a satellite service operator, any  
8 person involved in the connecting and installing of the services defined  
9 in subdivision (2)(a), (b), (d), or (e) of section 77-2701.16, or every  
10 person engaged as a retailer of intellectual or entertainment properties  
11 referred to in subsection (3) of section 77-2701.16; the gross receipts  
12 from the sale of admissions in this state; the gross receipts from the  
13 sale of warranties, guarantees, service agreements, or maintenance  
14 agreements when the items covered are subject to tax under this section;  
15 beginning January 1, 2008, the gross receipts from the sale of bundled  
16 transactions when one or more of the products included in the bundle are  
17 taxable; the gross receipts from the provision of services defined in  
18 subsection (4) of section 77-2701.16; and the gross receipts from the  
19 sale of products delivered electronically as described in subsection (9)  
20 of section 77-2701.16. Except as provided in section 77-2701.03, when  
21 there is a sale, the tax shall be imposed at the rate in effect at the  
22 time the gross receipts are realized under the accounting basis used by  
23 the retailer to maintain his or her books and records.

24 (a) The tax imposed by this section shall be collected by the  
25 retailer from the consumer. It shall constitute a part of the purchase  
26 price and until collected shall be a debt from the consumer to the  
27 retailer and shall be recoverable at law in the same manner as other  
28 debts. The tax required to be collected by the retailer from the consumer  
29 constitutes a debt owed by the retailer to this state.

30 (b) It is unlawful for any retailer to advertise, hold out, or state  
31 to the public or to any customer, directly or indirectly, that the tax or

1 part thereof will be assumed or absorbed by the retailer, that it will  
2 not be added to the selling, renting, or leasing price of the property  
3 sold, rented, or leased, or that, if added, it or any part thereof will  
4 be refunded. The provisions of this subdivision shall not apply to a  
5 public utility.

6 (c) The tax required to be collected by the retailer from the  
7 purchaser, unless otherwise provided by statute or by rule and regulation  
8 of the Tax Commissioner, shall be displayed separately from the list  
9 price, the price advertised in the premises, the marked price, or other  
10 price on the sales check or other proof of sales, rentals, or leases.

11 (d) For the purpose of more efficiently securing the payment,  
12 collection, and accounting for the sales tax and for the convenience of  
13 the retailer in collecting the sales tax, it shall be the duty of the Tax  
14 Commissioner to provide a schedule or schedules of the amounts to be  
15 collected from the consumer or user to effectuate the computation and  
16 collection of the tax imposed by the Nebraska Revenue Act of 1967. Such  
17 schedule or schedules shall provide that the tax shall be collected from  
18 the consumer or user uniformly on sales according to brackets based on  
19 sales prices of the item or items. Retailers may compute the tax due on  
20 any transaction on an item or an invoice basis. The rounding rule  
21 provided in section 77-3,117 applies.

22 (e) The use of tokens or stamps for the purpose of collecting or  
23 enforcing the collection of the taxes imposed in the Nebraska Revenue Act  
24 of 1967 or for any other purpose in connection with such taxes is  
25 prohibited.

26 (f) For the purpose of the proper administration of the provisions  
27 of the Nebraska Revenue Act of 1967 and to prevent evasion of the retail  
28 sales tax, it shall be presumed that all gross receipts are subject to  
29 the tax until the contrary is established. The burden of proving that a  
30 sale of property is not a sale at retail is upon the person who makes the  
31 sale unless he or she takes from the purchaser (i) a resale certificate

1 to the effect that the property is purchased for the purpose of  
2 reselling, leasing, or renting it, (ii) an exemption certificate pursuant  
3 to subsection (7) of section 77-2705, or (iii) a direct payment permit  
4 pursuant to sections 77-2705.01 to 77-2705.03. Receipt of a resale  
5 certificate, exemption certificate, or direct payment permit shall be  
6 conclusive proof for the seller that the sale was made for resale or was  
7 exempt or that the tax will be paid directly to the state.

8 (g) In the rental or lease of automobiles, trucks, trailers,  
9 semitrailers, and truck-tractors as defined in the Motor Vehicle  
10 Registration Act, the tax shall be collected by the lessor on the rental  
11 or lease price, except as otherwise provided within this section.

12 (h) In peer-to-peer rentals of automobiles, trucks, trailers,  
13 semitrailers, and truck-tractors as defined in the Motor Vehicle  
14 Registration Act which are made through a digital platform or other  
15 digital medium, the tax shall be collected on the rental price by the  
16 party facilitating the rental. For purposes of this subdivision, peer-to-  
17 peer rental means a rental transaction in which one individual rents his  
18 or her personal property to another individual for short-term use.

19 (i) ~~(h)~~ In the rental or lease of automobiles, trucks, trailers,  
20 semitrailers, and truck-tractors as defined in the Motor Vehicle  
21 Registration Act act, for periods of one year or more, the lessor may  
22 elect not to collect and remit the sales tax on the gross receipts and  
23 instead pay a sales tax on the cost of such vehicle. If such election is  
24 made, it shall be made pursuant to the following conditions:

25 (i) Notice of the desire to make such election shall be filed with  
26 the Tax Commissioner and shall not become effective until the Tax  
27 Commissioner is satisfied that the taxpayer has complied with all  
28 conditions of this subsection and all rules and regulations of the Tax  
29 Commissioner;

30 (ii) Such election when made shall continue in force and effect for  
31 a period of not less than two years and thereafter until such time as the

1 lessor elects to terminate the election;

2 (iii) When such election is made, it shall apply to all vehicles of  
3 the lessor rented or leased for periods of one year or more except  
4 vehicles to be leased to common or contract carriers who provide to the  
5 lessor a valid common or contract carrier exemption certificate. If the  
6 lessor rents or leases other vehicles for periods of less than one year,  
7 such lessor shall maintain his or her books and records and his or her  
8 accounting procedure as the Tax Commissioner prescribes; and

9 (iv) The Tax Commissioner by rule and regulation shall prescribe the  
10 contents and form of the notice of election, a procedure for the  
11 determination of the tax base of vehicles which are under an existing  
12 lease at the time such election becomes effective, the method and manner  
13 for terminating such election, and such other rules and regulations as  
14 may be necessary for the proper administration of this subdivision.

15 (j) ~~(i)~~ The tax imposed by this section on the sales of motor  
16 vehicles, semitrailers, and trailers as defined in sections 60-339,  
17 60-348, and 60-354 shall be the liability of the purchaser and, with the  
18 exception of motor vehicles, semitrailers, and trailers registered  
19 pursuant to section 60-3,198, the tax shall be collected by the county  
20 treasurer as provided in the Motor Vehicle Registration Act or by an  
21 approved licensed dealer participating in the electronic dealer services  
22 system pursuant to section 60-1507 at the time the purchaser makes  
23 application for the registration of the motor vehicle, semitrailer, or  
24 trailer for operation upon the highways of this state. The tax imposed by  
25 this section on motor vehicles, semitrailers, and trailers registered  
26 pursuant to section 60-3,198 shall be collected by the Department of  
27 Motor Vehicles at the time the purchaser makes application for the  
28 registration of the motor vehicle, semitrailer, or trailer for operation  
29 upon the highways of this state. At the time of the sale of any motor  
30 vehicle, semitrailer, or trailer, the seller shall (i) state on the sales  
31 invoice the dollar amount of the tax imposed under this section and (ii)

1 furnish to the purchaser a certified statement of the transaction, in  
2 such form as the Tax Commissioner prescribes, setting forth as a minimum  
3 the total sales price, the allowance for any trade-in, and the difference  
4 between the two. The sales tax due shall be computed on the difference  
5 between the total sales price and the allowance for any trade-in as  
6 disclosed by such certified statement. Any seller who willfully  
7 understates the amount upon which the sales tax is due shall be subject  
8 to a penalty of one thousand dollars. A copy of such certified statement  
9 shall also be furnished to the Tax Commissioner. Any seller who fails or  
10 refuses to furnish such certified statement shall be guilty of a  
11 misdemeanor and shall, upon conviction thereof, be punished by a fine of  
12 not less than twenty-five dollars nor more than one hundred dollars. If  
13 the purchaser does not register such motor vehicle, semitrailer, or  
14 trailer for operation on the highways of this state within thirty days of  
15 the purchase thereof, the tax imposed by this section shall immediately  
16 thereafter be paid by the purchaser to the county treasurer or the  
17 Department of Motor Vehicles. If the tax is not paid on or before the  
18 thirtieth day after its purchase, the county treasurer or Department of  
19 Motor Vehicles shall also collect from the purchaser interest from the  
20 thirtieth day through the date of payment and sales tax penalties as  
21 provided in the Nebraska Revenue Act of 1967. The county treasurer or  
22 Department of Motor Vehicles shall report and remit the tax so collected  
23 to the Tax Commissioner by the fifteenth day of the following month. The  
24 county treasurer, for his or her collection fee, shall deduct and  
25 withhold, from all amounts required to be collected under this  
26 subsection, the collection fee permitted to be deducted by any retailer  
27 collecting the sales tax, all of which shall be deposited in the county  
28 general fund, plus an additional amount equal to one-half of one percent  
29 of all amounts in excess of six thousand dollars remitted each month.  
30 Prior to January 1, 2023, fifty percent of such additional amount shall  
31 be deposited in the county general fund and fifty percent of such

1 additional amount shall be deposited in the county road fund. On and  
2 after January 1, 2023, seventy-five percent of such additional amount  
3 shall be deposited in the county general fund and twenty-five percent of  
4 such additional amount shall be deposited in the county road fund. In any  
5 county with a population of one hundred fifty thousand inhabitants or  
6 more, the county treasurer shall remit one dollar of his or her  
7 collection fee for each of the first five thousand motor vehicles,  
8 semitrailers, or trailers registered with such county treasurer on or  
9 after January 1, 2020, to the State Treasurer for credit to the  
10 Department of Revenue Enforcement Fund. The Department of Motor Vehicles,  
11 for its collection fee, shall deduct, withhold, and deposit in the Motor  
12 Carrier Division Cash Fund the collection fee permitted to be deducted by  
13 any retailer collecting the sales tax. The collection fee for the county  
14 treasurer or the Department of Motor Vehicles shall be forfeited if the  
15 county treasurer or department violates any rule or regulation pertaining  
16 to the collection of the use tax.

17 ~~(j)(i)~~ (k)(i) The tax imposed by this section on the sale of a  
18 motorboat as defined in section 37-1204 shall be the liability of the  
19 purchaser. The tax shall be collected by the county treasurer at the time  
20 the purchaser makes application for the registration of the motorboat. At  
21 the time of the sale of a motorboat, the seller shall (A) state on the  
22 sales invoice the dollar amount of the tax imposed under this section and  
23 (B) furnish to the purchaser a certified statement of the transaction, in  
24 such form as the Tax Commissioner prescribes, setting forth as a minimum  
25 the total sales price, the allowance for any trade-in, and the difference  
26 between the two. The sales tax due shall be computed on the difference  
27 between the total sales price and the allowance for any trade-in as  
28 disclosed by such certified statement. Any seller who willfully  
29 understates the amount upon which the sales tax is due shall be subject  
30 to a penalty of one thousand dollars. A copy of such certified statement  
31 shall also be furnished to the Tax Commissioner. Any seller who fails or

1 refuses to furnish such certified statement shall be guilty of a  
2 misdemeanor and shall, upon conviction thereof, be punished by a fine of  
3 not less than twenty-five dollars nor more than one hundred dollars. If  
4 the purchaser does not register such motorboat within thirty days of the  
5 purchase thereof, the tax imposed by this section shall immediately  
6 thereafter be paid by the purchaser to the county treasurer. If the tax  
7 is not paid on or before the thirtieth day after its purchase, the county  
8 treasurer shall also collect from the purchaser interest from the  
9 thirtieth day through the date of payment and sales tax penalties as  
10 provided in the Nebraska Revenue Act of 1967. The county treasurer shall  
11 report and remit the tax so collected to the Tax Commissioner by the  
12 fifteenth day of the following month. The county treasurer, for his or  
13 her collection fee, shall deduct and withhold for the use of the county  
14 general fund, from all amounts required to be collected under this  
15 subsection, the collection fee permitted to be deducted by any retailer  
16 collecting the sales tax. The collection fee shall be forfeited if the  
17 county treasurer violates any rule or regulation pertaining to the  
18 collection of the use tax.

19 (ii) In the rental or lease of motorboats, the tax shall be  
20 collected by the lessor on the rental or lease price.

21 (l)(i) ~~(k)(i)~~ The tax imposed by this section on the sale of an all-  
22 terrain vehicle as defined in section 60-103 or a utility-type vehicle as  
23 defined in section 60-135.01 shall be the liability of the purchaser. The  
24 tax shall be collected by the county treasurer or by an approved licensed  
25 dealer participating in the electronic dealer services system pursuant to  
26 section 60-1507 at the time the purchaser makes application for the  
27 certificate of title for the all-terrain vehicle or utility-type vehicle.  
28 At the time of the sale of an all-terrain vehicle or a utility-type  
29 vehicle, the seller shall (A) state on the sales invoice the dollar  
30 amount of the tax imposed under this section and (B) furnish to the  
31 purchaser a certified statement of the transaction, in such form as the



1 Tax Commissioner prescribes, setting forth as a minimum the total sales  
2 price, the allowance for any trade-in, and the difference between the  
3 two. The sales tax due shall be computed on the difference between the  
4 total sales price and the allowance for any trade-in as disclosed by such  
5 certified statement. Any seller who willfully understates the amount upon  
6 which the sales tax is due shall be subject to a penalty of one thousand  
7 dollars. A copy of such certified statement shall also be furnished to  
8 the Tax Commissioner. Any seller who fails or refuses to furnish such  
9 certified statement shall be guilty of a misdemeanor and shall, upon  
10 conviction thereof, be punished by a fine of not less than twenty-five  
11 dollars nor more than one hundred dollars. If the purchaser does not  
12 obtain a certificate of title for such all-terrain vehicle or utility-  
13 type vehicle within thirty days of the purchase thereof, the tax imposed  
14 by this section shall immediately thereafter be paid by the purchaser to  
15 the county treasurer. If the tax is not paid on or before the thirtieth  
16 day after its purchase, the county treasurer shall also collect from the  
17 purchaser interest from the thirtieth day through the date of payment and  
18 sales tax penalties as provided in the Nebraska Revenue Act of 1967. The  
19 county treasurer shall report and remit the tax so collected to the Tax  
20 Commissioner by the fifteenth day of the following month. The county  
21 treasurer, for his or her collection fee, shall deduct and withhold for  
22 the use of the county general fund, from all amounts required to be  
23 collected under this subsection, the collection fee permitted to be  
24 deducted by any retailer collecting the sales tax. The collection fee  
25 shall be forfeited if the county treasurer violates any rule or  
26 regulation pertaining to the collection of the use tax.

27 (ii) In the rental or lease of an all-terrain vehicle or a utility-  
28 type vehicle, the tax shall be collected by the lessor on the rental or  
29 lease price.

30 (iii) County treasurers are appointed as sales and use tax  
31 collectors for all sales of all-terrain vehicles or utility-type vehicles

1 made outside of this state to purchasers or users of all-terrain vehicles  
2 or utility-type vehicles which are required to have a certificate of  
3 title in this state. The county treasurer shall collect the applicable  
4 use tax from the purchaser of an all-terrain vehicle or a utility-type  
5 vehicle purchased outside of this state at the time application for a  
6 certificate of title is made. The full use tax on the purchase price  
7 shall be collected by the county treasurer if a sales or occupation tax  
8 was not paid by the purchaser in the state of purchase. If a sales or  
9 occupation tax was lawfully paid in the state of purchase at a rate less  
10 than the tax imposed in this state, use tax must be collected on the  
11 difference as a condition for obtaining a certificate of title in this  
12 state.

13 (m) ~~(1)~~ The Tax Commissioner shall adopt and promulgate necessary  
14 rules and regulations for determining the amount subject to the taxes  
15 imposed by this section so as to insure that the full amount of any  
16 applicable tax is paid in cases in which a sale is made of which a part  
17 is subject to the taxes imposed by this section and a part of which is  
18 not so subject and a separate accounting is not practical or economical.

19 (2) A use tax is hereby imposed on the storage, use, or other  
20 consumption in this state of property purchased, leased, or rented from  
21 any retailer and on any transaction the gross receipts of which are  
22 subject to tax under subsection (1) of this section on or after June 1,  
23 1967, for storage, use, or other consumption in this state at the rate  
24 set as provided in subsection (1) of this section on the sales price of  
25 the property or, in the case of leases or rentals, of the lease or rental  
26 prices.

27 (a) Every person storing, using, or otherwise consuming in this  
28 state property purchased from a retailer or leased or rented from another  
29 person for such purpose shall be liable for the use tax at the rate in  
30 effect when his or her liability for the use tax becomes certain under  
31 the accounting basis used to maintain his or her books and records. His

1 or her liability shall not be extinguished until the use tax has been  
2 paid to this state, except that a receipt from a retailer engaged in  
3 business in this state or from a retailer who is authorized by the Tax  
4 Commissioner, under such rules and regulations as he or she may  
5 prescribe, to collect the sales tax and who is, for the purposes of the  
6 Nebraska Revenue Act of 1967 relating to the sales tax, regarded as a  
7 retailer engaged in business in this state, which receipt is given to the  
8 purchaser pursuant to subdivision (b) of this subsection, shall be  
9 sufficient to relieve the purchaser from further liability for the tax to  
10 which the receipt refers.

11 (b) Every retailer engaged in business in this state and selling,  
12 leasing, or renting property for storage, use, or other consumption in  
13 this state shall, at the time of making any sale, collect any tax which  
14 may be due from the purchaser and shall give to the purchaser, upon  
15 request, a receipt therefor in the manner and form prescribed by the Tax  
16 Commissioner.

17 (c) The Tax Commissioner, in order to facilitate the proper  
18 administration of the use tax, may designate such person or persons as he  
19 or she may deem necessary to be use tax collectors and delegate to such  
20 persons such authority as is necessary to collect any use tax which is  
21 due and payable to the State of Nebraska. The Tax Commissioner may  
22 require of all persons so designated a surety bond in favor of the State  
23 of Nebraska to insure against any misappropriation of state funds so  
24 collected. The Tax Commissioner may require any tax official, city,  
25 county, or state, to collect the use tax on behalf of the state. All  
26 persons designated to or required to collect the use tax shall account  
27 for such collections in the manner prescribed by the Tax Commissioner.  
28 Nothing in this subdivision shall be so construed as to prevent the Tax  
29 Commissioner or his or her employees from collecting any use taxes due  
30 and payable to the State of Nebraska.

31 (d) All persons designated to collect the use tax and all persons

1 required to collect the use tax shall forward the total of such  
2 collections to the Tax Commissioner at such time and in such manner as  
3 the Tax Commissioner may prescribe. For all use taxes collected prior to  
4 October 1, 2002, such collectors of the use tax shall deduct and withhold  
5 from the amount of taxes collected two and one-half percent of the first  
6 three thousand dollars remitted each month and one-half of one percent of  
7 all amounts in excess of three thousand dollars remitted each month as  
8 reimbursement for the cost of collecting the tax. For use taxes collected  
9 on and after October 1, 2002, such collectors of the use tax shall deduct  
10 and withhold from the amount of taxes collected two and one-half percent  
11 of the first three thousand dollars remitted each month as reimbursement  
12 for the cost of collecting the tax. Any such deduction shall be forfeited  
13 to the State of Nebraska if such collector violates any rule, regulation,  
14 or directive of the Tax Commissioner.

15 (e) For the purpose of the proper administration of the Nebraska  
16 Revenue Act of 1967 and to prevent evasion of the use tax, it shall be  
17 presumed that property sold, leased, or rented by any person for delivery  
18 in this state is sold, leased, or rented for storage, use, or other  
19 consumption in this state until the contrary is established. The burden  
20 of proving the contrary is upon the person who purchases, leases, or  
21 rents the property.

22 (f) For the purpose of the proper administration of the Nebraska  
23 Revenue Act of 1967 and to prevent evasion of the use tax, for the sale  
24 of property to an advertising agency which purchases the property as an  
25 agent for a disclosed or undisclosed principal, the advertising agency is  
26 and remains liable for the sales and use tax on the purchase the same as  
27 if the principal had made the purchase directly.

28 Sec. 2. Section 77-2708, Revised Statutes Cumulative Supplement,  
29 2020, is amended to read:

30 77-2708 (1)(a) The sales and use taxes imposed by the Nebraska  
31 Revenue Act of 1967 shall be due and payable to the Tax Commissioner

1 monthly on or before the twentieth day of the month next succeeding each  
2 monthly period unless otherwise provided pursuant to the Nebraska Revenue  
3 Act of 1967.

4 (b)(i) On or before the twentieth day of the month following each  
5 monthly period or such other period as the Tax Commissioner may require,  
6 a return for such period, along with all taxes due, shall be filed with  
7 the Tax Commissioner in such form and content as the Tax Commissioner may  
8 prescribe and containing such information as the Tax Commissioner deems  
9 necessary for the proper administration of the Nebraska Revenue Act of  
10 1967. The Tax Commissioner, if he or she deems it necessary in order to  
11 insure payment to or facilitate the collection by the state of the amount  
12 of sales or use taxes due, may require returns and payment of the amount  
13 of such taxes for periods other than monthly periods in the case of a  
14 particular seller, retailer, or purchaser, as the case may be. The Tax  
15 Commissioner shall by rule and regulation require reports and tax  
16 payments from sellers, retailers, or purchasers depending on their yearly  
17 tax liability. Except as required by the streamlined sales and use tax  
18 agreement, annual returns shall be required if such sellers', retailers',  
19 or purchasers' yearly tax liability is less than nine hundred dollars,  
20 quarterly returns shall be required if their yearly tax liability is nine  
21 hundred dollars or more and less than three thousand dollars, and monthly  
22 returns shall be required if their yearly tax liability is three thousand  
23 dollars or more. The Tax Commissioner shall have the discretion to allow  
24 an annual return for seasonal retailers, even when their yearly tax  
25 liability exceeds the amounts listed in this subdivision.

26 The Tax Commissioner may adopt and promulgate rules and regulations  
27 to allow annual, semiannual, or quarterly returns for any retailer making  
28 monthly remittances or payments of sales and use taxes by electronic  
29 funds transfer or for any retailer remitting tax to the state pursuant to  
30 the streamlined sales and use tax agreement. Such rules and regulations  
31 may establish a method of determining the amount of the payment that will

1 result in substantially all of the tax liability being paid each quarter.  
2 At least once each year, the difference between the amount paid and the  
3 amount due shall be reconciled. If the difference is more than ten  
4 percent of the amount paid, a penalty of fifty percent of the unpaid  
5 amount shall be imposed.

6 (ii) For purposes of the sales tax, a return shall be filed by every  
7 retailer liable for collection from a purchaser and payment to the state  
8 of the tax, except that a combined sales tax return may be filed for all  
9 licensed locations which are subject to common ownership. For purposes of  
10 this subdivision, common ownership means the same person or persons own  
11 eighty percent or more of each licensed location. For purposes of the use  
12 tax, a return shall be filed by every retailer engaged in business in  
13 this state and by every person who has purchased property, the storage,  
14 use, or other consumption of which is subject to the use tax, but who has  
15 not paid the use tax due to a retailer required to collect the tax.

16 (iii) The Tax Commissioner may require that returns be signed by the  
17 person required to file the return or by his or her duly authorized agent  
18 but need not be verified by oath.

19 (iv) A taxpayer who keeps his or her regular books and records on a  
20 cash basis, an accrual basis, or any generally recognized accounting  
21 basis which correctly reflects the operation of the business may file the  
22 sales and use tax returns required by the Nebraska Revenue Act of 1967 on  
23 the same accounting basis that is used for the regular books and records,  
24 except that on credit, conditional, and installment sales, the retailer  
25 who keeps his or her books on an accrual basis may report such sales on  
26 the cash basis and pay the tax upon the collections made during each  
27 month. If a taxpayer transfers, sells, assigns, or otherwise disposes of  
28 an account receivable, he or she shall be deemed to have received the  
29 full balance of the consideration for the original sale and shall be  
30 liable for the remittance of the sales tax on the balance of the total  
31 sale price not previously reported, except that such transfer, sale,

1 assignment, or other disposition of an account receivable by a retailer  
2 to a subsidiary shall not be deemed to require the retailer to pay the  
3 sales tax on the credit sale represented by the account transferred prior  
4 to the time the customer makes payment on such account. If the subsidiary  
5 does not obtain a Nebraska sales tax permit, the taxpayer shall obtain a  
6 surety bond in favor of the State of Nebraska to insure payment of the  
7 tax and any interest and penalty imposed thereon under this section in an  
8 amount not less than two times the amount of tax payable on outstanding  
9 accounts receivable held by the subsidiary as of the end of the prior  
10 calendar year. Failure to obtain either a sales tax permit or a surety  
11 bond in accordance with this section shall result in the payment on the  
12 next required filing date of all sales taxes not previously remitted.  
13 When the retailer has adopted one basis or the other of reporting credit,  
14 conditional, or installment sales and paying the tax thereon, he or she  
15 will not be permitted to change from that basis without first having  
16 notified the Tax Commissioner.

17 (c) Except as provided in the streamlined sales and use tax  
18 agreement, the taxpayer required to file the return shall deliver or mail  
19 any required return together with a remittance of the net amount of the  
20 tax due to the office of the Tax Commissioner on or before the required  
21 filing date. Failure to file the return, filing after the required filing  
22 date, failure to remit the net amount of the tax due, or remitting the  
23 net amount of the tax due after the required filing date shall be cause  
24 for a penalty, in addition to interest, of ten percent of the amount of  
25 tax not paid by the required filing date or twenty-five dollars,  
26 whichever is greater, unless the penalty is being collected under  
27 subdivision (1)(j) ~~(1)(i)~~, (1)(k)(i) ~~(1)(j)(i)~~, or (1)(l)(i) ~~(1)(k)(i)~~ of  
28 section 77-2703 by a county treasurer or the Department of Motor  
29 Vehicles, in which case the penalty shall be five dollars.

30 (d) The taxpayer shall deduct and withhold, from the taxes otherwise  
31 due from him or her on his or her tax return, two and one-half percent of

1 the first three thousand dollars remitted each month to reimburse himself  
2 or herself for the cost of collecting the tax. Taxpayers filing a  
3 combined return as allowed by subdivision (1)(b)(ii) of this subsection  
4 shall compute such collection fees on the basis of the receipts and  
5 liability of each licensed location.

6 (e) A retailer that makes sales into Nebraska using a multivendor  
7 marketplace platform is relieved of its obligation to collect and remit  
8 sales taxes to Nebraska with regard to any sales taxes collected and  
9 remitted by the multivendor marketplace platform. Such a retailer must  
10 include all sales into Nebraska in its gross receipts in its return, but  
11 may claim credit for any sales taxes collected and remitted by the  
12 multivendor marketplace platform with respect to such retailer's sales.  
13 Such retailer is liable for the sales tax due on sales into Nebraska as  
14 provided in section 77-2704.35.

15 (f) A multivendor marketplace platform is relieved of its obligation  
16 to collect and remit the correct amount of state and local sales taxes to  
17 Nebraska to the extent that the multivendor marketplace platform can  
18 establish that the error was due to insufficient or incorrect information  
19 given to the multivendor marketplace platform by the seller and relied on  
20 by the multivendor marketplace platform. This subdivision shall not apply  
21 if the multivendor marketplace platform and the seller are related  
22 persons under either section 267(b) or (c) or section 707(b) of the  
23 Internal Revenue Code of 1986 or if the seller is also the multivendor  
24 marketplace platform operator.

25 (2)(a) If the Tax Commissioner determines that any sales or use tax  
26 amount, penalty, or interest has been paid more than once, has been  
27 erroneously or illegally collected or computed, or has been paid and the  
28 purchaser qualifies for a refund under section 77-2708.01, the Tax  
29 Commissioner shall set forth that fact in his or her records and the  
30 excess amount collected or paid may be credited on any sales, use, or  
31 income tax amounts then due and payable from the person under the



1 Nebraska Revenue Act of 1967. Any balance may be refunded to the person  
2 by whom it was paid or his or her successors, administrators, or  
3 executors.

4 (b) No refund shall be allowed unless a claim therefor is filed with  
5 the Tax Commissioner by the person who made the overpayment or his or her  
6 attorney, executor, or administrator within three years from the required  
7 filing date following the close of the period for which the overpayment  
8 was made, within six months after any determination becomes final under  
9 section 77-2709, or within six months from the date of overpayment with  
10 respect to such determinations, whichever of these three periods expires  
11 later, unless the credit relates to a period for which a waiver has been  
12 given. Failure to file a claim within the time prescribed in this  
13 subsection shall constitute a waiver of any demand against the state on  
14 account of overpayment.

15 (c) Every claim shall be in writing on forms prescribed by the Tax  
16 Commissioner and shall state the specific amount and grounds upon which  
17 the claim is founded. No refund shall be made in any amount less than two  
18 dollars.

19 (d) The Tax Commissioner shall allow or disallow a claim within one  
20 hundred eighty days after it has been filed. A request for a hearing  
21 shall constitute a waiver of the one-hundred-eighty-day period. The  
22 claimant and the Tax Commissioner may also agree to extend the one-  
23 hundred-eighty-day period. If a hearing has not been requested and the  
24 Tax Commissioner has neither allowed nor disallowed a claim within either  
25 the one hundred eighty days or the period agreed to by the claimant and  
26 the Tax Commissioner, the claim shall be deemed to have been allowed.

27 (e) Within thirty days after disallowing any claim in whole or in  
28 part, the Tax Commissioner shall serve notice of his or her action on the  
29 claimant in the manner prescribed for service of notice of a deficiency  
30 determination.

31 (f) Within thirty days after the mailing of the notice of the Tax

1 Commissioner's action upon a claim filed pursuant to the Nebraska Revenue  
2 Act of 1967, the action of the Tax Commissioner shall be final unless the  
3 taxpayer seeks review of the Tax Commissioner's determination as provided  
4 in section 77-27,127.

5 (g) Upon the allowance of a credit or refund of any sum erroneously  
6 or illegally assessed or collected, of any penalty collected without  
7 authority, or of any sum which was excessive or in any manner wrongfully  
8 collected, interest shall be allowed and paid on the amount of such  
9 credit or refund at the rate specified in section 45-104.02, as such rate  
10 may from time to time be adjusted, from the date such sum was paid or  
11 from the date the return was required to be filed, whichever date is  
12 later, to the date of the allowance of the refund or, in the case of a  
13 credit, to the due date of the amount against which the credit is  
14 allowed, but in the case of a voluntary and unrequested payment in excess  
15 of actual tax liability or a refund under section 77-2708.01, no interest  
16 shall be allowed when such excess is refunded or credited.

17 (h) No suit or proceeding shall be maintained in any court for the  
18 recovery of any amount alleged to have been erroneously or illegally  
19 determined or collected unless a claim for refund or credit has been duly  
20 filed.

21 (i) The Tax Commissioner may recover any refund or part thereof  
22 which is erroneously made and any credit or part thereof which is  
23 erroneously allowed by issuing a deficiency determination within one year  
24 from the date of refund or credit or within the period otherwise allowed  
25 for issuing a deficiency determination, whichever expires later.

26 (j)(i) Credit shall be allowed to the retailer, contractor, or  
27 repairperson for sales or use taxes paid pursuant to the Nebraska Revenue  
28 Act of 1967 on any deduction taken that is attributed to bad debts not  
29 including interest. Bad debt has the same meaning as in 26 U.S.C. 166, as  
30 such section existed on January 1, 2003. However, the amount calculated  
31 pursuant to 26 U.S.C. 166 shall be adjusted to exclude: Financing charges

1 or interest; sales or use taxes charged on the purchase price;  
2 uncollectible amounts on property that remains in the possession of the  
3 seller until the full purchase price is paid; and expenses incurred in  
4 attempting to collect any debt and repossessed property.

5 (ii) Bad debts may be deducted on the return for the period during  
6 which the bad debt is written off as uncollectible in the claimant's  
7 books and records and is eligible to be deducted for federal income tax  
8 purposes. A claimant who is not required to file federal income tax  
9 returns may deduct a bad debt on a return filed for the period in which  
10 the bad debt is written off as uncollectible in the claimant's books and  
11 records and would be eligible for a bad debt deduction for federal income  
12 tax purposes if the claimant was required to file a federal income tax  
13 return.

14 (iii) If a deduction is taken for a bad debt and the debt is  
15 subsequently collected in whole or in part, the tax on the amount so  
16 collected must be paid and reported on the return filed for the period in  
17 which the collection is made.

18 (iv) When the amount of bad debt exceeds the amount of taxable sales  
19 for the period during which the bad debt is written off, a refund claim  
20 may be filed within the otherwise applicable statute of limitations for  
21 refund claims. The statute of limitations shall be measured from the due  
22 date of the return on which the bad debt could first be claimed.

23 (v) If filing responsibilities have been assumed by a certified  
24 service provider, the service provider may claim, on behalf of the  
25 retailer, any bad debt allowance provided by this section. The certified  
26 service provider shall credit or refund the full amount of any bad debt  
27 allowance or refund received to the retailer.

28 (vi) For purposes of reporting a payment received on a previously  
29 claimed bad debt, any payments made on a debt or account are applied  
30 first proportionally to the taxable price of the property or service and  
31 the sales tax thereon, and secondly to interest, service charges, and any

1 other charges.

2 (vii) In situations in which the books and records of the party  
3 claiming the bad debt allowance support an allocation of the bad debts  
4 among the member states in the streamlined sales and use tax agreement,  
5 the state shall permit the allocation.

6 (3) Beginning July 1, 2020, if a refund claim under this section  
7 involves a refund of a tax imposed under the Local Option Revenue Act or  
8 section 13-319, 13-2813, or 77-6403 and the amount of such tax to be  
9 refunded is at least five thousand dollars, the Tax Commissioner shall  
10 notify the affected city, village, county, or municipal county of such  
11 claim within twenty days after receiving the claim. If the Tax  
12 Commissioner allows the claim and the refund of such tax is at least five  
13 thousand dollars, the Tax Commissioner shall notify the affected city,  
14 village, county, or municipal county of such refund and shall give the  
15 city, village, county, or municipal county the option of having such  
16 refund deducted from its tax proceeds in one lump sum or in twelve equal  
17 monthly installments. The city, village, county, or municipal county  
18 shall make its selection and shall certify the selection to the Tax  
19 Commissioner within twenty days after receiving notice of the refund. The  
20 Tax Commissioner shall then deduct such refund from the applicable tax  
21 proceeds in accordance with the selection when he or she deducts refunds  
22 pursuant to section 13-324, 13-2814, 77-27,144, or 77-6403, whichever is  
23 applicable.

24 Sec. 3. This act becomes operative on October 1, 2021.

25 Sec. 4. Original sections 77-2703 and 77-2708, Revised Statutes  
26 Cumulative Supplement, 2020, are repealed.