

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FIFTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 571**

Introduced by Friesen, 34.

Read first time January 18, 2017

Committee:

- 1 A BILL FOR AN ACT relating to the Tax Equity and Educational
- 2 Opportunities Support Act; to amend sections 79-1003 and 79-1005.01,
- 3 Revised Statutes Cumulative Supplement, 2016; to change provisions
- 4 relating to allocated income tax funds; to harmonize provisions; and
- 5 to repeal the original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-1003, Revised Statutes Cumulative Supplement,  
2 2016, is amended to read:

3 79-1003 For purposes of the Tax Equity and Educational Opportunities  
4 Support Act:

5 (1) Adjusted general fund operating expenditures means (a) for  
6 school fiscal years 2013-14 through 2015-16, the difference of the  
7 general fund operating expenditures as calculated pursuant to subdivision  
8 (23) of this section increased by the cost growth factor calculated  
9 pursuant to section 79-1007.10, minus the transportation allowance,  
10 special receipts allowance, poverty allowance, limited English  
11 proficiency allowance, distance education and telecommunications  
12 allowance, elementary site allowance, summer school allowance,  
13 instructional time allowance, teacher education allowance, and focus  
14 school and program allowance, (b) for school fiscal years 2016-17 through  
15 2018-19, the difference of the general fund operating expenditures as  
16 calculated pursuant to subdivision (23) of this section increased by the  
17 cost growth factor calculated pursuant to section 79-1007.10, minus the  
18 transportation allowance, special receipts allowance, poverty allowance,  
19 limited English proficiency allowance, distance education and  
20 telecommunications allowance, elementary site allowance, summer school  
21 allowance, best practices allowance, and focus school and program  
22 allowance, and (c) for school fiscal year 2019-20 and each school fiscal  
23 year thereafter, the difference of the general fund operating  
24 expenditures as calculated pursuant to subdivision (23) of this section  
25 increased by the cost growth factor calculated pursuant to section  
26 79-1007.10, minus the transportation allowance, special receipts  
27 allowance, poverty allowance, limited English proficiency allowance,  
28 distance education and telecommunications allowance, elementary site  
29 allowance, summer school allowance, best practices allowance, community  
30 achievement plan allowance, and focus school and program allowance;

31 (2) Adjusted valuation means the assessed valuation of taxable

1 property of each local system in the state, adjusted pursuant to the  
2 adjustment factors described in section 79-1016. Adjusted valuation means  
3 the adjusted valuation for the property tax year ending during the school  
4 fiscal year immediately preceding the school fiscal year in which the aid  
5 based upon that value is to be paid. For purposes of determining the  
6 local effort rate yield pursuant to section 79-1015.01, adjusted  
7 valuation does not include the value of any property which a court, by a  
8 final judgment from which no appeal is taken, has declared to be  
9 nontaxable or exempt from taxation;

10 (3) Allocated income tax funds means:

11 (a) For school fiscal years prior to school fiscal year 2018-19, the  
12 amount of assistance paid to a local system pursuant to section  
13 79-1005.01 as adjusted, for school fiscal years prior to school fiscal  
14 year 2017-18, by the minimum levy adjustment pursuant to section  
15 79-1008.02; and

16 (b) For school fiscal year 2018-19 and each school fiscal year  
17 thereafter, the amount of assistance paid to a local system pursuant to  
18 section 79-1005.01;

19 (4) Average daily membership means the average daily membership for  
20 grades kindergarten through twelve attributable to the local system, as  
21 provided in each district's annual statistical summary, and includes the  
22 proportionate share of students enrolled in a public school instructional  
23 program on less than a full-time basis;

24 (5) Base fiscal year means the first school fiscal year following  
25 the school fiscal year in which the reorganization or unification  
26 occurred;

27 (6) Board means the school board of each school district;

28 (7) Categorical funds means funds limited to a specific purpose by  
29 federal or state law, including, but not limited to, Title I funds, Title  
30 VI funds, federal vocational education funds, federal school lunch funds,  
31 Indian education funds, Head Start funds, and funds from the Education

1 Innovation Fund;

2 (8) Consolidate means to voluntarily reduce the number of school  
3 districts providing education to a grade group and does not include  
4 dissolution pursuant to section 79-498;

5 (9) Converted contract means an expired contract that was in effect  
6 for at least fifteen school years beginning prior to school year 2012-13  
7 for the education of students in a nonresident district in exchange for  
8 tuition from the resident district when the expiration of such contract  
9 results in the nonresident district educating students, who would have  
10 been covered by the contract if the contract were still in effect, as  
11 option students pursuant to the enrollment option program established in  
12 section 79-234;

13 (10) Converted contract option student means a student who will be  
14 an option student pursuant to the enrollment option program established  
15 in section 79-234 for the school fiscal year for which aid is being  
16 calculated and who would have been covered by a converted contract if the  
17 contract were still in effect and such school fiscal year is the first  
18 school fiscal year for which such contract is not in effect;

19 (11) Department means the State Department of Education;

20 (12) District means any Class I, II, III, IV, V, or VI school  
21 district and, beginning with the calculation of state aid for school  
22 fiscal year 2011-12 and each school fiscal year thereafter, a unified  
23 system as defined in section 79-4,108;

24 (13) Ensuing school fiscal year means the school fiscal year  
25 following the current school fiscal year;

26 (14) Equalization aid means the amount of assistance calculated to  
27 be paid to a local system pursuant to sections 79-1007.11 to 79-1007.23,  
28 79-1007.25, 79-1008.01 to 79-1022, and 79-1022.02;

29 (15) Fall membership means the total membership in kindergarten  
30 through grade twelve attributable to the local system as reported on the  
31 fall school district membership reports for each district pursuant to

1 section 79-528;

2 (16) Fiscal year means the state fiscal year which is the period  
3 from July 1 to the following June 30;

4 (17) Formula students means:

5 (a) For state aid certified pursuant to section 79-1022, the sum of  
6 the product of fall membership from the school fiscal year immediately  
7 preceding the school fiscal year in which the aid is to be paid  
8 multiplied by the average ratio of average daily membership to fall  
9 membership for the second school fiscal year immediately preceding the  
10 school fiscal year in which the aid is to be paid and the prior two  
11 school fiscal years plus sixty percent of the qualified early childhood  
12 education fall membership plus tuitioned students from the school fiscal  
13 year immediately preceding the school fiscal year in which aid is to be  
14 paid minus the product of the number of students enrolled in kindergarten  
15 that is not full-day kindergarten from the fall membership multiplied by  
16 0.5; and

17 (b) For the final calculation of state aid pursuant to section  
18 79-1065, the sum of average daily membership plus sixty percent of the  
19 qualified early childhood education average daily membership plus  
20 tuitioned students minus the product of the number of students enrolled  
21 in kindergarten that is not full-day kindergarten from the average daily  
22 membership multiplied by 0.5 from the school fiscal year immediately  
23 preceding the school fiscal year in which aid was paid;

24 (18) Free lunch and free milk calculated students means, using the  
25 most recent data available on November 1 of the school fiscal year  
26 immediately preceding the school fiscal year in which aid is to be paid,  
27 (a) for schools that did not provide free meals to all students pursuant  
28 to the community eligibility provision, students who individually  
29 qualified for free lunches or free milk pursuant to the federal Richard  
30 B. Russell National School Lunch Act, 42 U.S.C. 1751 et seq., and the  
31 federal Child Nutrition Act of 1966, 42 U.S.C. 1771 et seq., as such acts

1 and sections existed on January 1, 2015, and rules and regulations  
2 adopted thereunder, plus (b) for schools that provided free meals to all  
3 students pursuant to the community eligibility provision, (i) for school  
4 fiscal year 2016-17, the product of the students who attended such school  
5 multiplied by the identified student percentage calculated pursuant to  
6 such federal provision or (ii) for school fiscal year 2017-18 and each  
7 school fiscal year thereafter, the greater of the number of students in  
8 such school who individually qualified for free lunch or free milk using  
9 the most recent school fiscal year for which the school did not provide  
10 free meals to all students pursuant to the community eligibility  
11 provision or one hundred ten percent of the product of the students who  
12 qualified for free meals at such school pursuant to the community  
13 eligibility provision multiplied by the identified student percentage  
14 calculated pursuant to such federal provision, except that the free lunch  
15 and free milk students calculated for any school pursuant to subdivision  
16 (18)(b)(ii) of this section shall not exceed one hundred percent of the  
17 students qualified for free meals at such school pursuant to the  
18 community eligibility provision;

19 (19) Free lunch and free milk student means, for school fiscal years  
20 prior to school fiscal year 2016-17, a student who qualified for free  
21 lunches or free milk from the most recent data available on November 1 of  
22 the school fiscal year immediately preceding the school fiscal year in  
23 which aid is to be paid;

24 (20) Full-day kindergarten means kindergarten offered by a district  
25 for at least one thousand thirty-two instructional hours;

26 (21) General fund budget of expenditures means the total budget of  
27 disbursements and transfers for general fund purposes as certified in the  
28 budget statement adopted pursuant to the Nebraska Budget Act, except that  
29 for purposes of the limitation imposed in section 79-1023 and the  
30 calculation pursuant to subdivision (2) of section 79-1027.01, the  
31 general fund budget of expenditures does not include any special grant

1 funds, exclusive of local matching funds, received by a district;

2 (22) General fund expenditures means all expenditures from the  
3 general fund;

4 (23) General fund operating expenditures means for state aid  
5 calculated for school fiscal years 2012-13 and each school fiscal year  
6 thereafter, as reported on the annual financial report for the second  
7 school fiscal year immediately preceding the school fiscal year in which  
8 aid is to be paid, the total general fund expenditures minus (a) the  
9 amount of all receipts to the general fund, to the extent that such  
10 receipts are not included in local system formula resources, from early  
11 childhood education tuition, summer school tuition, educational entities  
12 as defined in section 79-1201.01 for providing distance education courses  
13 through the Educational Service Unit Coordinating Council to such  
14 educational entities, private foundations, individuals, associations,  
15 charitable organizations, the textbook loan program authorized by section  
16 79-734, federal impact aid, and levy override elections pursuant to  
17 section 77-3444, (b) the amount of expenditures for categorical funds,  
18 tuition paid, transportation fees paid to other districts, adult  
19 education, community services, redemption of the principal portion of  
20 general fund debt service, retirement incentive plans authorized by  
21 section 79-855, and staff development assistance authorized by section  
22 79-856, (c) the amount of any transfers from the general fund to any bond  
23 fund and transfers from other funds into the general fund, (d) any legal  
24 expenses in excess of fifteen-hundredths of one percent of the formula  
25 need for the school fiscal year in which the expenses occurred, (e)  
26 expenditures to pay for sums agreed to be paid by a school district to  
27 certificated employees in exchange for a voluntary termination occurring  
28 prior to July 1, 2009, occurring on or after the last day of the 2010-11  
29 school year and prior to the first day of the 2013-14 school year, or, to  
30 the extent that a district has demonstrated to the State Board of  
31 Education pursuant to section 79-1028.01 that the agreement will result

1 in a net savings in salary and benefit costs to the school district over  
2 a five-year period, occurring on or after the first day of the 2013-14  
3 school year, (f)(i) expenditures to pay for employer contributions  
4 pursuant to subsection (2) of section 79-958 to the School Employees  
5 Retirement System of the State of Nebraska to the extent that such  
6 expenditures exceed the employer contributions under such subsection that  
7 would have been made at a contribution rate of seven and thirty-five  
8 hundredths percent or (ii) expenditures to pay for school district  
9 contributions pursuant to subdivision (1)(c)(i) of section 79-9,113 to  
10 the retirement system established pursuant to the Class V School  
11 Employees Retirement Act to the extent that such expenditures exceed the  
12 school district contributions under such subdivision that would have been  
13 made at a contribution rate of seven and thirty-seven hundredths percent,  
14 and (g) any amounts paid by the district for lobbyist fees and expenses  
15 reported to the Clerk of the Legislature pursuant to section 49-1483.

16 For purposes of this subdivision (23) of this section, receipts from  
17 levy override elections shall equal ninety-nine percent of the difference  
18 of the total general fund levy minus a levy of one dollar and five cents  
19 per one hundred dollars of taxable valuation multiplied by the assessed  
20 valuation for school districts that have voted pursuant to section  
21 77-3444 to override the maximum levy provided pursuant to section  
22 77-3442;

23 (24) High school district means a school district providing  
24 instruction in at least grades nine through twelve;

25 (25) Income tax liability means the amount of the reported income  
26 tax liability for resident individuals pursuant to the Nebraska Revenue  
27 Act of 1967 less all nonrefundable credits earned and refunds made;

28 (26) Income tax receipts means the amount of income tax collected  
29 pursuant to the Nebraska Revenue Act of 1967 less all nonrefundable  
30 credits earned and refunds made;

31 (27) Limited English proficiency students means the number of



1 students with limited English proficiency in a district from the most  
2 recent data available on November 1 of the school fiscal year preceding  
3 the school fiscal year in which aid is to be paid plus the difference of  
4 such students with limited English proficiency minus the average number  
5 of limited English proficiency students for such district, prior to such  
6 addition, for the three immediately preceding school fiscal years if such  
7 difference is greater than zero;

8 (28) Local system means a learning community for purposes of  
9 calculation of state aid for each school fiscal year prior to school  
10 fiscal year 2017-18, a unified system, a Class VI district and the  
11 associated Class I districts, or a Class II, III, IV, or V district and  
12 any affiliated Class I districts or portions of Class I districts. The  
13 membership, expenditures, and resources of Class I districts that are  
14 affiliated with multiple high school districts will be attributed to  
15 local systems based on the percent of the Class I valuation that is  
16 affiliated with each high school district;

17 (29) Low-income child means (a) for school fiscal years prior to  
18 2016-17, a child under nineteen years of age living in a household having  
19 an annual adjusted gross income for the second calendar year preceding  
20 the beginning of the school fiscal year for which aid is being calculated  
21 equal to or less than the maximum household income that would allow a  
22 student from a family of four people to be a free lunch and free milk  
23 student during the school fiscal year immediately preceding the school  
24 fiscal year for which aid is being calculated and (b) for school fiscal  
25 year 2016-17 and each school fiscal year thereafter, a child under  
26 nineteen years of age living in a household having an annual adjusted  
27 gross income for the second calendar year preceding the beginning of the  
28 school fiscal year for which aid is being calculated equal to or less  
29 than the maximum household income pursuant to sections 9(b)(1) and 17(c)  
30 (4) of the Richard B. Russell National School Lunch Act, 42 U.S.C.  
31 1758(b)(1) and 42 U.S.C. 1766(c)(4), respectively, and sections 3(a)(6)

1 and 4(e)(1)(A) of the Child Nutrition Act of 1966, 42 U.S.C. 1772(a)(6)  
2 and 42 U.S.C. 1773(e)(1)(A), respectively, as such acts and sections  
3 existed on January 1, 2015, for a household of that size that would have  
4 allowed the child to meet the income qualifications for free meals during  
5 the school fiscal year immediately preceding the school fiscal year for  
6 which aid is being calculated;

7 (30) Low-income students means the number of low-income children  
8 within the district multiplied by the ratio of the formula students in  
9 the district divided by the total children under nineteen years of age  
10 residing in the district as derived from income tax information;

11 (31) Most recently available complete data year means the most  
12 recent single school fiscal year for which the annual financial report,  
13 fall school district membership report, annual statistical summary,  
14 Nebraska income tax liability by school district for the calendar year in  
15 which the majority of the school fiscal year falls, and adjusted  
16 valuation data are available;

17 (32) Poverty students means (a) for school fiscal years prior to  
18 2016-17, the number of low-income students or the number of students who  
19 are free lunch and free milk students in a district plus the difference  
20 of the number of low-income students or the number of students who are  
21 free lunch and free milk students in a district, whichever is greater,  
22 minus the average number of poverty students for such district, prior to  
23 such addition, for the three immediately preceding school fiscal years if  
24 such difference is greater than zero and (b) for school fiscal year  
25 2016-17 and each school fiscal year thereafter, the unadjusted poverty  
26 students plus the difference of such unadjusted poverty students minus  
27 the average number of poverty students for such district, prior to such  
28 addition, for the three immediately preceding school fiscal years if such  
29 difference is greater than zero;

30 (33) Qualified early childhood education average daily membership  
31 means the product of the average daily membership for school fiscal year

1 2006-07 and each school fiscal year thereafter of students who will be  
2 eligible to attend kindergarten the following school year and are  
3 enrolled in an early childhood education program approved by the  
4 department pursuant to section 79-1103 for such school district for such  
5 school year multiplied by the ratio of the actual instructional hours of  
6 the program divided by one thousand thirty-two if: (a) The program is  
7 receiving a grant pursuant to such section for the third year; (b) the  
8 program has already received grants pursuant to such section for three  
9 years; or (c) the program has been approved pursuant to subsection (5) of  
10 section 79-1103 for such school year and the two preceding school years,  
11 including any such students in portions of any of such programs receiving  
12 an expansion grant;

13 (34) Qualified early childhood education fall membership means the  
14 product of membership on the last Friday in September 2006 and each year  
15 thereafter of students who will be eligible to attend kindergarten the  
16 following school year and are enrolled in an early childhood education  
17 program approved by the department pursuant to section 79-1103 for such  
18 school district for such school year multiplied by the ratio of the  
19 planned instructional hours of the program divided by one thousand  
20 thirty-two if: (a) The program is receiving a grant pursuant to such  
21 section for the third year; (b) the program has already received grants  
22 pursuant to such section for three years; or (c) the program has been  
23 approved pursuant to subsection (5) of section 79-1103 for such school  
24 year and the two preceding school years, including any such students in  
25 portions of any of such programs receiving an expansion grant;

26 (35) Regular route transportation means the transportation of  
27 students on regularly scheduled daily routes to and from the attendance  
28 center;

29 (36) Reorganized district means any district involved in a  
30 consolidation and currently educating students following consolidation;

31 (37) School year or school fiscal year means the fiscal year of a

1 school district as defined in section 79-1091;

2 (38) Sparse local system means a local system that is not a very  
3 sparse local system but which meets the following criteria:

4 (a)(i) Less than two students per square mile in the county in which  
5 each high school is located, based on the school district census, (ii)  
6 less than one formula student per square mile in the local system, and  
7 (iii) more than ten miles between each high school attendance center and  
8 the next closest high school attendance center on paved roads;

9 (b)(i) Less than one and one-half formula students per square mile  
10 in the local system and (ii) more than fifteen miles between each high  
11 school attendance center and the next closest high school attendance  
12 center on paved roads;

13 (c)(i) Less than one and one-half formula students per square mile  
14 in the local system and (ii) more than two hundred seventy-five square  
15 miles in the local system; or

16 (d)(i) Less than two formula students per square mile in the local  
17 system and (ii) the local system includes an area equal to ninety-five  
18 percent or more of the square miles in the largest county in which a high  
19 school attendance center is located in the local system;

20 (39) Special education means specially designed kindergarten through  
21 grade twelve instruction pursuant to section 79-1125, and includes  
22 special education transportation;

23 (40) Special grant funds means the budgeted receipts for grants,  
24 including, but not limited to, categorical funds, reimbursements for  
25 wards of the court, short-term borrowings including, but not limited to,  
26 registered warrants and tax anticipation notes, interfund loans,  
27 insurance settlements, and reimbursements to county government for  
28 previous overpayment. The state board shall approve a listing of grants  
29 that qualify as special grant funds;

30 (41) State aid means the amount of assistance paid to a district  
31 pursuant to the Tax Equity and Educational Opportunities Support Act;

1 (42) State board means the State Board of Education;

2 (43) State support means all funds provided to districts by the  
3 State of Nebraska for the general fund support of elementary and  
4 secondary education;

5 (44) Statewide average basic funding per formula student means the  
6 statewide total basic funding for all districts divided by the statewide  
7 total formula students for all districts;

8 (45) Statewide average general fund operating expenditures per  
9 formula student means the statewide total general fund operating  
10 expenditures for all districts divided by the statewide total formula  
11 students for all districts;

12 (46) Teacher has the definition found in section 79-101;

13 (47) Temporary aid adjustment factor means (a) for school fiscal  
14 years before school fiscal year 2007-08, one and one-fourth percent of  
15 the sum of the local system's transportation allowance, the local  
16 system's special receipts allowance, and the product of the local  
17 system's adjusted formula students multiplied by the average formula cost  
18 per student in the local system's cost grouping and (b) for school fiscal  
19 year 2007-08, one and one-fourth percent of the sum of the local system's  
20 transportation allowance, special receipts allowance, and distance  
21 education and telecommunications allowance and the product of the local  
22 system's adjusted formula students multiplied by the average formula cost  
23 per student in the local system's cost grouping;

24 (48) Tuition receipts from converted contracts means tuition  
25 receipts received by a district from another district in the most  
26 recently available complete data year pursuant to a converted contract  
27 prior to the expiration of the contract;

28 (49) Tuitioned students means students in kindergarten through grade  
29 twelve of the district whose tuition is paid by the district to some  
30 other district or education agency;

31 (50) Unadjusted poverty students means, for school fiscal year

1 2016-17 and each school fiscal year thereafter, the greater of the number  
2 of low-income students or the free lunch and free milk calculated  
3 students in a district; and

4 (51) Very sparse local system means a local system that has:

5 (a)(i) Less than one-half student per square mile in each county in  
6 which each high school attendance center is located based on the school  
7 district census, (ii) less than one formula student per square mile in  
8 the local system, and (iii) more than fifteen miles between the high  
9 school attendance center and the next closest high school attendance  
10 center on paved roads; or

11 (b)(i) More than four hundred fifty square miles in the local  
12 system, (ii) less than one-half student per square mile in the local  
13 system, and (iii) more than fifteen miles between each high school  
14 attendance center and the next closest high school attendance center on  
15 paved roads.

16 Sec. 2. Section 79-1005.01, Revised Statutes Cumulative Supplement,  
17 2016, is amended to read:

18 79-1005.01 (1) Not later than November 15 of each year, the Tax  
19 Commissioner shall certify to the department for the preceding tax year  
20 the income tax liability of resident individuals for each local system.

21 (2) For school fiscal years prior to 2017-18, one hundred two  
22 million two hundred eighty-nine thousand eight hundred seventeen dollars  
23 which is equal to the amount appropriated to the School District Income  
24 Tax Fund for distribution in school fiscal year 1992-93 shall be  
25 disbursed as option payments as determined under section 79-1009 and as  
26 allocated income tax funds as determined in this section and sections  
27 79-1008.01, 79-1015.01, 79-1017.01, and 79-1018.01, except as provided in  
28 section 79-1008.02 for school fiscal years prior to school fiscal year  
29 2017-18. For school fiscal years prior to school fiscal year 2017-18,  
30 funds not distributed as allocated income tax funds due to minimum levy  
31 adjustments shall not increase the amount available to local systems for

1 distribution as allocated income tax funds.

2 (3) Using the data certified by the Tax Commissioner pursuant to  
3 subsection (1) of this section, the department shall calculate the  
4 allocation percentage and each local system's allocated income tax funds.  
5 The allocation percentage shall be the amount stated in subsection (2) of  
6 this section minus the total amount paid for option students pursuant to  
7 section 79-1009, with the difference divided by the aggregate statewide  
8 income tax liability of all resident individuals certified pursuant to  
9 subsection (1) of this section. Each local system's allocated income tax  
10 funds shall be calculated by multiplying the allocation percentage times  
11 the local system's income tax liability certified pursuant to subsection  
12 (1) of this section.

13 (4) For school fiscal year 2017-18 ~~and each school fiscal year~~  
14 ~~thereafter~~, each local system's allocated income tax funds shall be  
15 calculated by multiplying the local system's income tax liability  
16 certified pursuant to subsection (1) of this section by two and twenty-  
17 three hundredths percent.

18 (5) For school fiscal year 2018-19 and each school fiscal year  
19 thereafter:

20 (a) An amount equal to twenty percent of the aggregate statewide  
21 income tax liability of all resident individuals shall be disbursed as  
22 option payments as determined under section 79-1009 and as allocated  
23 income tax funds as determined in this subsection; and

24 (b) Using the data certified by the Tax Commissioner pursuant to  
25 subsection (1) of this section, the department shall calculate the  
26 allocation percentage and each local system's allocated income tax funds.  
27 The allocation percentage shall be an amount equal to twenty percent of  
28 the aggregate statewide income tax liability of all resident individuals  
29 certified pursuant to subsection (1) of this section minus the total  
30 amount paid for option students pursuant to section 79-1009, with the  
31 difference divided by the aggregate statewide income tax liability of all

1 resident individuals certified pursuant to subsection (1) of this  
2 section. Each local system's allocated income tax funds shall be  
3 calculated by multiplying the allocation percentage times the local  
4 system's income tax liability certified pursuant to subsection (1) of  
5 this section.

6       Sec. 3. Original sections 79-1003 and 79-1005.01, Revised Statutes  
7 Cumulative Supplement, 2016, are repealed.