

# SUMMARY

## 2008 Nebraska Tax Expenditure Report

### SECTION A - Nebraska and Local Option Sales and Use Tax Expenditures

Page		Actual or Estimated Tax Expenditure Cost NA = Not Available
	<b>Exemptions</b>	
A2	Property sold to a Native American Indian living on the Indian Reservation when the sale is within the boundaries of such .....	\$756,000
A2	Wire orders received by Nebraska florists .....	\$569,000
A2	Accessories purchased for use with the common or contract carrier vehicle not included in list price of vehicle .....	NA
A2	Equipment required by a federal or state regulatory agency to be included on a vehicle for the safety of passengers or cargo.....	NA
A2	Meals furnished at fraternities, sororities, co-ops, or summer camps.....	\$370,000
A2	Sales of property intended for resale, rental, or lease.....	\$1,659,075,000
A2	Rebates granted by motor vehicle or motorboat dealers or manufacturers .....	\$14,348,000
A3	Occasional sales:	
	An inter-company sale .....	NA
	Garage sales .....	\$1,770,000
	Business or farm machinery and equipment.....	NA
	Property by a religious organization .....	NA
	Property of a trade or business to a single buyer.....	NA
A3	Room rentals made by hospitals, nursing homes, college dorms, and other such facilities licensed by the state.....	\$58,243,000
A3	Lodging rented for 30 days or longer .....	\$69,509,000
A3	Cash discounts taken on sales.....	\$2,250,000
A3	Separately stated finance, service, or interest charges on credit extended under a deferred payment plan .....	\$315,000
A3	Any taxes legally imposed on the consumer that are separately stated on the invoice given to the purchaser (i.e. federal luxury tax).....	Minimal
A3	Value of trade-ins taken with a sale of property .....	\$4,270,000
A4	Trade-in value of a motor vehicle .....	\$136,170,000
A4	Purchases by the U.S. government .....	(State taxation prohibited)
A4	Fuel for use in aircraft.....	\$6,930,000
A4	Minerals, oil, and gas severed from the ground.....	\$6,407,000
A4	Motor vehicle fuels .....	\$279,140,000
A4	Newspapers and ad supplements issued at least once a week.....	\$6,260,000
A4	Leased property sold to a lessee .....	NA
A4	Prescription medicines, medical equipment, and supplies .....	\$63,139,000

A4	Meals and food served by schools .....	\$3,454,000
A5	Meals and food products sold by a church.....	\$664,000
A5	Meals and food served to patients and inmates of hospitals and other institutions.....	\$10,926,000 or \$5,840,000
A5	Fees charged by ballot candidates/political party committees.....	Minimal
A5	Fees charged by schools at functions.....	\$1,157,000
A5	Property retained solely for transporting out-of-state or to be incorporated into other property which will be transported out-of-state .....	\$3,411,000
A5	Charges for fabrication of property owned by a customer which is fabricated in this state and then shipped out-of-state.....	NA
A5	Purchases made by religious organizations, schools, colleges, universities, hospitals, nursing facilities, etc.....	\$44,986,000
A6	A contractor appointed as the purchasing agent of the above entities .....	\$10,250,000
A6	Refund of sales and use tax to organizations not using purchasing agents for construction or repair projects.....	NA
A6	Sales and purchases of energy sources and fuels when more than fifty percent of the amount purchases if for irrigation or farming.....	\$109,938,976
A6	Sales and purchases of such energy sources or fuels.....	\$117,208,722
A6	Water used for irrigation of ag land and manufacturing purposes.....	\$1,329,000
A6	The use of coin-operated machines used for laundering and cleaning except the cleaning or washing of motor vehicles,.....	\$756,000
A6	Purchases by state or local governments .....	\$232,805,000*
A7	The appointment of purchasing agents as related to above .....	*included above
A7	Purchases made by the Nebraska State Fair Board .....	\$58,500
A7	Purchases made by NIFA, the SBD Authority, and licensees of the State Racing Commission .....	Minimal
A7	Motor vehicles purchased by the V.A. or the Dept. of H.H.S. Finance and Support for a disabled person.....	\$41,000
A7	The sale, lease, rental, storage, or use of manufacturing machinery and equipment.....	\$17,005,000*
A7	The sale of installation, repair, and maintenance services performed on or with respect to manufacturing machinery and equipment.....	*included above
A7	Semen used in ranching, farming, or commercial use .....	\$541,000
A7	Food or food ingredients for human consumption except for prepared food and food sold through vending machines.....	\$147,658,000
A8	Property sold by parent booster clubs, parent-teacher-student associations, and stores approved by an elementary or secondary school.....	\$120,000
A8	An aircraft delivered or any service listed in 77-2701.16 that is rendered here to a nonresident when the aircraft is not to be based in this state.....	NA
A8	Railroad rolling stock including rental or lease.....	\$10,363,000
A8	Rentals of railroad rolling stock pursuant to the Interstate Commerce Act .....	\$1,164,000
A8	An inter-company lease if the transferor directly or indirectly has previously paid a sales and use tax thereon .....	NA
A8	Agricultural machinery for use in commercial agriculture .....	\$13,639,000
A8	Lottery tickets sold pursuant to the State Lottery Act.....	\$5,962,000
A8	Sales of syndicated programming for rebroadcast by radio or TV station .....	NA
A8	Sales of molds, dies, and patterns .....	NA

A8	Animal life whose products constitute food for human consumption .....	\$441,064,000
A9	Copies of public records, except those made available for sale to the general public.....	NA
A9	Industrial machinery and equipment, including parts for repairs, by another state if the other state provides a reciprocal exemption.....	NA
A9	Property purchased by a non-nexus seller and transported out-of-state.....	NA
A9	Any person who purchases property in another state with the intent of using such property at that location .....	NA
A9	Property which becomes part of property manufactured for resale .....	\$800,446,000
A9	Seeds and plants sold, the products being for human consumption.....	\$18,927,000
A9	Ag chemicals applied to land or crops.....	\$36,660,000
A9	Oxygen for use in aqua-culture.....	NA
A9	Nonreturnable containers, containers which hold contents not subject to sales tax, and returnable containers when sold with the contents or when sold for refilling .....	\$26,039,000
A10	Property which has been taxed in another state .....	NA
A10	Materials and parts used in common or contract carriers; the purchase of such vehicles, water-craft, or aircraft; the purchase of accessories; and the purchase of equipment required by a regulatory agency.....	NA
A10	Gross receipts from sales of telecommunications service between telecommunications companies.....	\$11,046,000
A10	Telephone services rendered using a prepaid telephone calling arrangement .....	\$993,000
A10	Gross income received from videotape, film rentals, and satellite programming (when tax is charged on the admission or service).....	\$1,563,000
A10	Food or food ingredients purchased by electronic benefits transfer or food coupons.....	\$5,447,000
A10	Purchases of fine art by a museum as defined in section 51-702.....	\$62,500

### Credits and Refunds

A11	Refund for sales tax paid on materials annexed outside the U.S.....	NA
A11	Credit or refund is given when a written contract exists for a construction project and the rate is increased during the term.....	NA
A11	The owner of an owner-occupied residential dwelling may obtain a refund of sales tax paid on the contractor labor performed on the unit.....	NA
A11	Credit is given to the retailer for sales charged off as worthless for income tax purposes and a credit is given for the portion of the purchase price remaining unpaid at the time of repossession.....	NA
A11	Refund for sales tax paid on repairs or parts for farm equipment.....	NA
A11	Refund for sales taxes paid on an air or water pollution control facility .....	\$36,100
A11	Nebraska Advantage Rural Development Act .....	(See Section V)
A11	Employment and Investment Growth Act.....	(See Section V)

### Deductions

A12	Collection fee taken by retailers.....	\$14,950,000
A12	The state deducts from the local sales tax proceeds the amount of refunds and a three percent administrative fee .....	\$8,156,000

## SECTION B - Property Assessment and Homestead Exemptions

### Exemptions

B3	Property of the Conservation Corporation.....	NA
B3	Municipal airports and landing fields.....	NA
B3	City airport authorities .....	NA
B3	County airport authorities.....	NA
B3	Joint airport authorities.....	NA
B3	Cemetery associations.....	NA
B3	Burial lots sold by a cemetery association.....	NA
B3	Metropolitan cities .....	NA
B4	Municipal parking authorities.....	NA
B4	Metropolitan transit authorities .....	NA
B4	Primary class cities .....	NA
B4	Corporations organized for holding property in trust .....	NA
B4	Industrial development public corporations.....	NA
B4	Hospital authorities.....	NA
B4	Property held by the Nebraska Game and Parts Commission .....	NA
B4	Public museums .....	NA
B4	The Nebraska Investment Finance Authority.....	NA
B4	The Small Business Development Authority .....	NA
B4	The state and its governmental subdivisions.....	NA
B4	Agricultural and horticultural societies.....	NA
B4	Educational, religious, charitable, or cemetery organizations.....	NA
B4	Household goods and personal effects .....	NA
B5	Value of land due to trees planted along the highway .....	NA
B5	Property not depreciable .....	NA
B5	Vehicles paying a registration fee in-lieu-of ad valorem taxes.....	NA
B5	Business and agricultural inventory .....	NA
B5	Mobile home and vehicle owned by a disabled or blind veteran.....	NA
B5	Space provided for supportive medical services .....	NA
B5	Qualifying personal property exempt from property tax under the Employment and Investment Growth Act (LB775) .....	(See Section V)
B5	Beginning Farmer Act.....	NA
B6	Married claimants 65 years of age or over with household income of less than \$35,301.....	NA
B6	Single claimant 65 years of age or over with household income of less than \$30,001.....	NA
B6	Married veteran totally disabled by non-service connected accident or illness with household income of less than \$38,001.....	NA
B7	Single veteran totally disabled by a non-service connected accident or illness with household income of less than \$32,901.....	NA
B7	Married disabled individual with household income of less than \$38,001 .....	NA
B7	Single disabled individual with household income of less than \$32,901.....	NA
B8	Married veteran drawing compensation from DVA for 100 percent service-	

	connected disability with household income of less than \$38,001 .....	NA
B8	Single veteran drawing compensation from DVA for 100 percent service-connected disability with household income of less than \$32,901 .....	NA

**Preferential Tax Rates and Valuations**

B9	When a community redevelopment authority purchases or acquires real property pursuant to sections 18-2101 to 18-2144, the authority shall pay in-lieu-of taxes to the respective political subdivisions.....	\$0
B9	When Game and Parks Commission acquires private lands, they shall make payments in-lieu-of taxes as were made for the year prior to such acquisition to the county treasurer of the county in which the land is located.....	\$472,235
B9	A housing agency may agree to make payments in-lieu-of all taxes .....	\$429,313
B10	Pursuant to section 77-211, any political subdivision, tax-exempt corporation acting with respect to any hospital shall charge such tenants a sufficient amount of rent to cover the in-lieu-of taxes.....	\$17,493
B10	Land valued for agricultural use .....	NA
B10	Public corporations and political subdivisions paying in-lieu-of-taxes.....	\$1,022,156
B11	FY 2007-08 Homestead Exemption Reimbursement .....	\$62,526,067

**SECTION C - Income Tax: Individual, Fiduciary, Corporation, and Financial Institution Tax**

**Exemptions**

C3	Nebraskas income tax system. Federal tax credits not recognized unless specifically approved. Any federal taxable income that is exempt from state taxation pursuant to federal law is not taxed by Nebraska.....	NA
C3	A taxpayer with less than \$5,000 in adjustments increasing federal AGI shall not have a state tax liability greater than their federal income tax liability.....	\$785,000

**Deductions**

C3	Interest or dividends on obligations of the United States and dividends from a regulated investment company .....	\$12,000,000
C4	Net operating loss derived from Nebraska sources.....	\$5,000,000
C4	State income tax refunds included in federal AGI.....	\$7,500,000
C4	Dividends received from corporations not subject to the Internal Revenue Code .....	NA
C4	Corporate taxpayers subtract a portion of the income subject to tax by a foreign country .....	\$9,750,000
C4	Income shall exclude any amount repaid by the taxpayer for which a reduction in federal tax is allowed under section 1341(a)(5).....	NA
C4	Federal AGI shall be deducted by the amount donated to the Nebraska educational savings plan trust.....	NA
C5	Deduction by the amount of contribution made to the Nebraska educational savings plan trust.....	\$752,000

C5	Individuals may take a deduction for contributions to the Nebraska Long-Term Care Savings Plan .....	NA
C5	Individuals that don't itemize are allowed a standard deduction .....	\$164,925,000
C5	The greater of either the standard deduction or all federal itemized deductions, except for state or local income taxes paid.....	\$194,180,000
C5	Corporate taxpayers are allowed to deduct allocable/non-apportionable income, less related expenses from income subject to apportionment.....	NA
C5	Carry-forward of net operating loss .....	\$24,276,000
C5	Certain awards to individuals and businesses under LB254 (Relocation Assistance Act).....	NA

## Exclusions

C6	Gain from the sale or exchange of capital stock of a corporation acquired by the individual .....	\$24,000,000
C6	Exclude the portion of the income received from a small business corporation that is not derived from or connected with Nebraska sources .....	\$36,700,000

## Credits

C6	Credit for the elderly and disabled.....	\$34,000
C6	Credit for child/dependent care.....	\$12,250,000
C6	Credit for income tax imposed on them by another state.....	\$37,000,000
C7	Refundable credit under the Beginning Farmer Tax Credit Act.....	\$50,000
C7	Credit for contributions to certified community betterment programs.....	\$252,000
C7	Nonrefundable credit against individual's income tax liability .....	\$1,250,000
C7	Refundable earned income tax credit is allowed to NE residents equal to ten percent of the federal earned income tax credit .....	\$21,350,000
C7	Non-refundable credit .....	\$147,000,000
C7	Dual resident taxpayers allowed to reduce the tax on portion of income subject to tax in both jurisdictions .....	Minimal
C7	Credit for the amount of in-leu-of intangible tax paid .....	\$17,000,000
C7	Non-refundable income tax credit for biodiesel facility .....	\$2,200,000
C8	A NE resident is allowed a credit of 15 percent of the charitable gift portion of a planned gift to any qualified endowment.....	150,000
C8	Employment and Investment Growth Act.....	(See Section V)
C8	LB829 (Quality Jobs Act).....	(See Section V)
C8	LB936 (Rural Economic Opportunities Act).....	(See Section V)
C9	LB620 (Invest Nebraska Act).....	(See Section V)
C9	LB775 is replaced with the Nebraska Advantage Act (LB312).....	(See Section V)
C9	Incentive program for businesses that invest in research and experimental activities.....	NA
C9	Micro-business tax incentive program .....	NA
C9	The Employment Expansion and Investment Act was renamed the Nebraska Advantage Rural Development Act (LB312) .....	(See Section V)
C9	Renewable energy tax credit for producers of electricity generated by a new zero-emission facility.....	NA

**Preferential Tax Rates**

C10	The individual and fiduciary income tax rates are calculated as a percent of the primary rate .....	NA
C10	Corporate income tax.....	\$7,500,000
C10	Insurance companies .....	NA

**Financial Institution Taxes**

**Exemptions**

C11	Federal credit unions and mutual fund companies .....	\$362,100
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**Credits**

C11	Credit for contributions to community betterment programs .....	\$39,270
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**SECTION D - Railroads, Public Service Entities, Car Lines, and Air Carrier Flight Equipment Property Tax**

**Exemptions**

D3	Governmental Subdivision and Not-For-Profit Organizations.....	NA
D3	Railroad Personal Property.....	\$0
D3	Public Service Company Personal Property.....	\$0
D3	Air Carriers Flight Equipment.....	\$0
D3	Collection fee (Car Lines).....	\$98,638
D3	Collection fee (Air Carriers).....	\$82,925

**SECTION E - Alcoholic Beverages Tax and Fees**

**Exemptions**

E2	The possession of alcoholic liquors for personal use .....	NA
E2	The making of alcoholic beverages if used solely for the use of the maker.....	NA
E2	The use by a physician or dentist in the practice of their profession .....	Minimal
E2	The use by a hospital or other institution caring for the treatment of patients.....	NA
E2	The use by a drugstore in the compounding of prescriptions of licensed physicians .....	NA
E2	The dispensation of wine by any church for religious ceremonies.....	NA
E2	Liquors shipped out-of-state for consumption outside Nebraska .....	NA
E2	Dry or fortified wines used for sacramental purposes.....	NA
E2	Beer sold to a manufacturer for use in the manufacture of patent and proprietary medicines; flavoring extracts; scientific, industrial, and chemical products; for scientific, chemical, experimental or mechanical purposes.....	\$0
E3	The tax is not imposed where prohibited under the United States Constitution and federal law.....	NA
E3	No tax is imposed upon the U S Armed Forces engaged in resale activity.....	NA

**Deductions**

E3 The manufacturer or distributor is allowed a discount of one percent of the tax for timely payment of the tax.....\$254,732

**Credits**

E3 A credit is allowed for tax paid for: (1) beer shipped out of Nebraska, and (2) beer returned to the manufacturer ..... \$31,542

E3 A credit is allowed for the amount of tax paid by any instrumentality of the United States Armed Forces engaged in resale activities ..... \$35,918

**Preferential Tax Rates**

E3 Different rates of tax:

Beer - \$0.31 per gallon ..... \$0.01 increase would generate \$453,743 additional revenue

E3 Wines - \$0.95 per gallon..... \$0.05 increase would generate \$122,957 additional revenue

E4 Alcohol and Spirits - \$3.75 per gallon..... \$0.05 increase would generate \$125,225 additional revenue

E4 Wine from farm wineries - \$0.06 per gallon..... \$0.05 increase would generate \$2,639 additional revenue

E4 Wine from direct shippers - \$3.75 per gallon..... \$0.05 increase would generate \$614 in additional revenue

**SECTION F - Bingo, Lottery, Raffle and Lottery by Pickle Card Tax**

**Exemptions**

F4 Bingo taxes do not apply to any bingo game played for which no charge is made and/or when any prize awarded does not exceed twenty-five dollars in value..... Minimal

F4 The state bingo tax does not apply on sales of supplies by a licensed distributor to a licensed organization or on the sale of such supplies by some other retail business to the general public ..... Minimal

F4 Any lottery conducted by a nonprofit organization with gross proceeds not exceeding \$1,000, or any raffle conducted by a nonprofit organization with gross proceeds not exceeding \$5,000..... NA

F4 Federal law prohibits state regulation and taxation on bingo activities conducted by Indian Tribes on Indian land within Nebraska ..... NA

## SECTION G - Cigarette Tax

### Exemptions

G1	The portion of the wholesale dealer's stock which is not intended to be sold or given away .....	NA
G1	Federal law prohibits state taxation of cigarettes sold to the U.S. government or one of its agencies .....	\$0

### Deduction

G2	Discount of one and seven-tenths percent of face value of the tax is given as a commission for affixing and canceling of such stamps.....	\$1,304,800
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### Credits

G2	Unused or spoiled stamps are redeemed by the Tax Commissioner .....	\$285,700
G2	Federal statutes and treaties prohibit state taxation of cigarettes sold to Native American Indians .....	\$630,000

## SECTION H - Corporation Occupation Tax

### Exemptions

H3	The listed activities of a foreign corporation are not considered to be transacting business in Nebraska and therefore exempt the corporation from imposition of the corporate occupation tax.....	NA
H4	All entities paying fees and making reports to the Auditor of Public Accounts or the Director of Banking and Finance, and all other corporations paying an annual occupation tax to the state are exempt.....	NA

## SECTION I - Documentary Stamp Tax

### Exemptions

I1	Deeds recorded prior to November 18, 1965.....	NA
I1	Deeds to property transferred by or to the government.....	NA
I1	Deeds which secure or release a debt or other obligation .....	NA
I1	Deeds which supplement a deed previously recorded but which do not extend or limit existing title or interest.....	NA
I2	Deeds between family members without actual consideration .....	NA
I2	Tax deeds.....	NA
I2	Deeds of partition.....	NA
I2	Deeds made pursuant to mergers, consolidations, sales, or transfers of the assets of corporations .....	NA
I2	Deeds made by a subsidiary corporation to its parent corporation for no consideration other than the cancellation or surrender of the subsidiary's stock.....	NA
I2	Cemetery deeds.....	NA
I2	Mineral deeds.....	NA

I2	Deeds executed pursuant to court decrees .....	NA
I2	Land contracts.....	NA
I2	Deeds which release a contingent interest.....	NA
I3	Deeds of distribution conveying to devisees or heirs property passing by testate or intestate succession.....	NA
I3	Deeds transferring property in a Native American Indian reservation .....	NA
I3	Deeds transferring property into a trust.....	NA
I3	Deeds transferring property from a trustee to a beneficiary of a trust .....	NA
I3	Deeds which convey property to any partner in the partnership .....	NA
I3	Leases .....	NA
I3	Easements.....	NA

## SECTION J - Estate Tax and Generation-Skipping Transfer Tax

### Deductions

J1	A deduction is allowed for the total amount of all estate, inheritance, legacy, or succession taxes paid. A deduction is allowed for the lesser of taxes paid to any state, D.C., possession of the U.S., or another formula .....	Minimal
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### Credits or Refunds

J1	A refund is allowed for any overpayment of estate tax.....	Minimal
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## SECTION K - Inheritance Tax

### Exemptions

K1	The homestead allowance is exempt .....	NA
K2	Exempt property is not subject to the tax.....	NA
K2	The family maintenance allowance is exempt.....	NA
K2	The first \$40,000 of the clear market value of property transferred to an immediate relative of the decedent is exempt .....	NA
K2	Interests passing to the surviving spouse are not subject to tax .....	NA
K2	The first \$15,000 of the clear market value of property transferred to remote relatives of the decedent is exempt .....	NA
K2	The first \$10,000 of the clear market value of the beneficial interest in the estate received by someone other than an immediate or remote relative is exempt .....	NA
K2	Payments received by an estate under an employee benefit plan are exempt .....	NA
K2	Property transferred to either (1) the United States or (2) Nebraska or any of its governmental subdivisions is exempt .....	NA
K3	All bequests to organizations organized for religious, charitable, public, scientific, or educational purposes is exempt .....	NA

**Deductions**

- K3 The following deductions from the value of the property subject to the tax are allowed:
- 1. The cost of the funeral ..... NA
  - 2. All expenses of administration..... NA
  - 3. All expenses of the last illness ..... NA
  - 4. All other debts upon which the decedent was liable ..... NA
  - 5. Any federal estate tax paid..... NA

**Credits**

- K4 In the instance where a decedent has received property received property from another person who died within five years prior to the death of the decedent upon which Nebraska inheritance tax was paid because of the death of the prior decedent, such tax so paid is allowed as a credit against the amount of inheritance tax assessed against the recipients of property from the estate of the decedent ..... NA

**Preferential Tax Rates**

- K4 Property transferred to immediate relatives, remote relatives, and others: ..... NA

		<b>Tax Rate</b>	
Immediate Relatives	\$40,000.01 & over	1%.....	NA
Remote Relatives	\$0 - \$15,000.00	0% .....	NA
	\$15,000.01 & over	13%.....	NA
Other Transfers	\$0 - 10,000.00	0%.....	NA
	\$10,000.01 & over	18%.....	NA

**SECTION L - Insurance Premium Tax**

**Exemptions**

- L3 Premiums on all annuities Domestic: .....\$2,831,343  
Foreign:..... \$14,296,179
- L3 Premiums for pension plan contracts which are described in section 818(a) of the Internal Revenue Code of 1954, as amended Domestic: .....\$1,329,783  
Foreign:.....\$1,041,282
- L3 Fraternal beneficiary associations  
On gross premium written: Domestic ..... \$37,200  
Foreign:.....\$1,340,640  
If dividend deductions were allowed: Domestic: ..... \$31,777  
Foreign:.....\$1,299,654

**Deductions**

- L3 Contributions to the Nebraska Property and Liability Insurance Guaranty Association and Life and Health Insurance Guaranty Association Domestic: .....\$303,887  
Foreign:.....\$2,927,766

**Deductions**

L3	Companies whose scheme of operation contemplates the return of a portion of premiums to policyholders	Domestic: ..... \$36,929	Foreign: ..... \$633,002
L3	Credit for contributions to Community Development Assistance Act	Domestic: ..... \$0	Foreign: ..... \$0
L4	Contributions to the Comprehensive Health Insurance Pool	Domestic: ..... \$0	Foreign: ..... \$0

**SECTION M - Local Occupation and License Tax**

**Exemptions**

M1	All lectures, entertainments, and concerts .....	NA
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**SECTION N - Lodging Tax, Nebraska and County**

**Exemptions**

	<b>State</b>	<b>Counties</b>
N1	Some entities which are exempt from the sales/use tax and state/local government exemptions	\$343,125      \$915,565
N2	Federal government	NA                      NA

**Deductions**

N3	Administrative fee	\$0	\$387,090
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**SECTION O - Motor Vehicle Fuels, Aircraft Fuels, Diesel Fuels, and Compressed Fuels Tax**

**Exemptions**

04	Motor vehicle, compressed, and diesel fuels used by a metropolitan transit authority .....	\$244,943
04	Foreign or interstate commerce (motor fuels) .....	NA
04	Natural gasoline purchased by producers for use as denaturant.....	\$729,097
04	Sold one-time only to another licensed motor fuels distributor for resale purposes .....	\$46,446,405
04	Diesel fuel dyed at the terminal rack and sold for non-highway use .....	NA
04	Motor fuel purchases by U.S. government or agencies.....	\$369,220
04	Undyed diesel fuels used in the operation of temperature control units or power take-off units under certain conditions .....	\$294,955

**Deductions**

04	Motor vehicle fuel importing dealer commission.....	\$5,983,498
05	Aircraft fuels importing dealer commission .....	\$54,916
05	Diesel fuels dealer commission .....	\$730,168
05	Compressed fuel retailer collection fee.....	\$4,920

**Credits and Refunds**

05	Buses equipped to carry more than seven persons for hire .....	Minimal
05	Diesel, compressed, and motor vehicle fuels sold on a Nebraska Native American Indian reservation to a Native American Indian residing there.....	Minimal
05	Refund of motor vehicle fuels tax on fuel:	
	Destroyed .....	Minimal
	Sold outside Nebraska .....	\$82,950
	On which there was an overpayment of taxes .....	Minimal
	Agricultural or other non-highway use .....	\$1,410,462
	Errors in payment (including fuel consumed by U.S. government.....)	\$323,000
06	Refund of aircraft fuel tax on fuel:	
	Destroyed .....	None
	Sold outside Nebraska .....	None
	On which there was an overpayment of taxes .....	None
	Errors in payment (including fuel consumed by U.S. government.....)	Minimal
06	Credit for aviation fuels for use in an FAA approved air school .....	Minimal
06	Ethanol facility shall receive a non-refundable transferable credit of 18 cents per gallon up to 15,625,000 gallons per year .....	\$21,583,667

**Preferential Tax Rates**

07	Aviation gasoline (five cents per gallon) versus aviation jet fuel (three cents per gallon).....	\$1,624,729
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**SECTION P - Motor Vehicle Registration/  
Licensing Fees**

**Exemptions**

P2	Exempt by definition from motor vehicle registration fees .....	NA
P2	Nonresident owner .....	NA
P2	Licensed dealer in motor vehicles or dealer in trailers.....	NA
P3	Licensed manufacturer .....	NA
P3	Finance companies.....	NA
P3	Transporter .....	NA
P3	Nonresidents in temporary ag. employment (temporary operation).....	NA
P3	No registration fee is required for city/village motor vehicles .....	\$734,634
P3	Motor vehicle tax .....	NA
P4	Exempts motor vehicle tax for nonresident military personnel .....	NA

**Deductions**

P4	County treasurers' collection fee for nonresident registration fees .....	NA
P4	County treasurers' collection fee for snowmobile registration fees.....	\$162

**Credits**

P4	Nonresident refund of license fee.....	NA
P4	Registration fee credit for disabled and removed motor vehicle from a fleet of registered motor vehicles.....	NA
P5	Motor vehicle tax credit when re-registering under prorate provisions.....	NA
P5	Option to register several motor vehicles on the same date and credit for registration paid.....	NA
P5	Sold or lost motor vehicle and refund of fees.....	NA
P5	Disabled motor vehicles and refund of fees.....	NA

**Preferential Tax Rates**

P6	Owners engaged in operating a fleet of apportionable vehicles .....	NA
P6	Special commercial registration fee for local vehicles solely operating within a ten-mile radius of a city/village.....	\$262,378
P6	Farm truck special registration fee .....	\$28,064,925
P6	Special fees for special purpose commercial trucks hauling livestock .....	NA
P6	Trucks used in soil and water conservation work (special registration fees).....	\$106,529
P7	30-day farm permits.....	Minimal
P7	Special fees for trailers.....	NA
P7	Special fees for recreational vehicles.....	NA
P7	Well-boring apparatus special registration fee .....	\$350,718

**SECTION Q - Oil and Gas Severance Tax**

**Exclusions**

Q1	Severing, re-pressuring, or recycling use .....	NA
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**Exemptions**

Q1	Interests of government units and Native American Indian tribes.....	None
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**Preferential Tax Rates**

Q2	Special rate for stripper wells .....	Minimal
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**SECTION R - Pari-Mutuel Wagering Tax**

**Exemptions**

R1	First \$10,000,000 wagered at every racetrack (except State Fairgrounds) .....	\$780,326
		or \$1,280,326 (See Section)

**Preferential Tax Rates**

R1	Racing at the State Fairgrounds is .....	\$524,995
	excluded from tax .....	or \$274,995 (See Section)

**Credits**

R1	Two percent of first taxable \$70,000,000, except State Fairgrounds races.....	\$1,115,043
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## SECTION S - Public Power and Irrigation Districts' Gross Revenue Tax

### Deductions

S1	Public power districts deduction from gross revenue tax (1957 in lieu of taxes).....	\$1,022,156
S1	Public power districts deduction from gross revenue tax (city occupation tax) .....	\$698,246

## SECTION T - Waste Reduction and Recycling Fees

### Exemptions

T1	Exclusions from the definition of a qualified tire .....	\$830,125
T2	Resale of qualified tire.....	\$465,055
T2	Tires sold and delivered to another state.....	\$72,685
T2	Tires sold to the federal government and agencies .....	\$2,576
T2	Tires sold to Native American Indians .....	(Included in above)

### Deductions

T2	Collection fee .....	\$73,560
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## SECTION U - Nebraska Petroleum Release Remedial Action Fee

### Exemptions

U1	Natural gasoline used as a denaturant by a Nebraska ethanol facility.....	\$262,474
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### Credits

U1	Any fee paid on petroleum which was taxed and then exported.....	\$2,128
U1	Any fee paid on petroleum which was taxed and then sold to a federal agency .....	\$8,993

### Deduction

U1	Collection fee .....	\$28,000
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**SECTION V - The Nebraska Employment and Investment Growth Act, Employment Expansion and Investment Incentive Act (including the Enterprise Zone Act), Quality Jobs Act, Invest Nebraska Act, Nebraska Advantage Act, Nebraska Advantage Rural Development Act, Nebraska Advantage Microenterprise Act, and the Nebraska Advantage Research and Development Act.**

**Exemptions**

V1 Basic provisions and tax base.....(See separate publication for estimates of exemptions)