

AMENDMENTS TO LB2

Introduced by Revenue.

1 1. Strike the original sections and insert the following new
2 sections:

3 Section 1. Section 77-201, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 77-201 (1) Except as provided in subsections (2) through (4) of this
6 section, all real property in this state, not expressly exempt therefrom,
7 shall be subject to taxation and shall be valued at its actual value.

8 (2) Agricultural land and horticultural land as defined in section
9 77-1359 shall constitute a separate and distinct class of property for
10 purposes of property taxation, shall be subject to taxation, unless
11 expressly exempt from taxation, and shall be valued at seventy-five
12 percent of its actual value, except that for school district taxes levied
13 to pay the principal and interest on bonds that are issued on or after
14 the operative date of this act, such land shall be valued at fifty
15 percent of its actual value.

16 (3) Agricultural land and horticultural land actively devoted to
17 agricultural or horticultural purposes which has value for purposes other
18 than agricultural or horticultural uses and which meets the
19 qualifications for special valuation under section 77-1344 shall
20 constitute a separate and distinct class of property for purposes of
21 property taxation, shall be subject to taxation, and shall be valued for
22 taxation at seventy-five percent of its special valuation value as
23 defined in section 77-1343, except that for school district taxes levied
24 to pay the principal and interest on bonds that are issued on or after
25 the operative date of this act, such land shall be valued at fifty
26 percent of its special valuation as defined in section 77-1343.

27 (4) Historically significant real property which meets the

1 qualifications for historic rehabilitation valuation under sections
2 77-1385 to 77-1394 shall be valued for taxation as provided in such
3 sections.

4 (5) Tangible personal property, not including motor vehicles,
5 trailers, and semitrailers registered for operation on the highways of
6 this state, shall constitute a separate and distinct class of property
7 for purposes of property taxation, shall be subject to taxation, unless
8 expressly exempt from taxation, and shall be valued at its net book
9 value. Tangible personal property transferred as a gift or devise or as
10 part of a transaction which is not a purchase shall be subject to
11 taxation based upon the date the property was acquired by the previous
12 owner and at the previous owner's Nebraska adjusted basis. Tangible
13 personal property acquired as replacement property for converted property
14 shall be subject to taxation based upon the date the converted property
15 was acquired and at the Nebraska adjusted basis of the converted property
16 unless insurance proceeds are payable by reason of the conversion. For
17 purposes of this subsection, (a) converted property means tangible
18 personal property which is compulsorily or involuntarily converted as a
19 result of its destruction in whole or in part, theft, seizure,
20 requisition, or condemnation, or the threat or imminence thereof, and no
21 gain or loss is recognized for federal or state income tax purposes by
22 the holder of the property as a result of the conversion and (b)
23 replacement property means tangible personal property acquired within two
24 years after the close of the calendar year in which tangible personal
25 property was converted and which is, except for date of construction or
26 manufacture, substantially the same as the converted property.

27 Sec. 2. Section 77-4212, Revised Statutes Cumulative Supplement,
28 2020, is amended to read:

29 77-4212 (1) For tax year 2007, the amount of relief granted under
30 the Property Tax Credit Act shall be one hundred five million dollars.
31 For tax year 2008, the amount of relief granted under the act shall be

1 one hundred fifteen million dollars. It is the intent of the Legislature
2 to fund the Property Tax Credit Act for tax years after tax year 2008
3 using available revenue. For tax year 2017, the amount of relief granted
4 under the act shall be two hundred twenty-four million dollars. For tax
5 years year 2020 through 2023 and each tax year thereafter, the minimum
6 amount of relief granted under the act shall be two hundred seventy-five
7 million dollars. For tax year 2024 and each tax year thereafter, the
8 minimum amount of relief granted under the act shall be the minimum
9 amount from the prior tax year increased by three percent. If money is
10 transferred or credited to the Property Tax Credit Cash Fund pursuant to
11 any other state law, such amount shall be added to the minimum amount
12 required under this subsection when determining the total amount of
13 relief granted under the act. The relief shall be in the form of a
14 property tax credit which appears on the property tax statement.

15 (2)(a) For tax years prior to tax year 2017, to determine the amount
16 of the property tax credit, the county treasurer shall multiply the
17 amount disbursed to the county under subdivision (4)(a) of this section
18 by the ratio of the real property valuation of the parcel to the total
19 real property valuation in the county. The amount determined shall be the
20 property tax credit for the property.

21 (b) Beginning with tax year 2017, to determine the amount of the
22 property tax credit, the county treasurer shall multiply the amount
23 disbursed to the county under subdivision (4)(b) of this section by the
24 ratio of the credit allocation valuation of the parcel to the total
25 credit allocation valuation in the county. The amount determined shall be
26 the property tax credit for the property.

27 (3) If the real property owner qualifies for a homestead exemption
28 under sections 77-3501 to 77-3529, the owner shall also be qualified for
29 the relief provided in the act to the extent of any remaining liability
30 after calculation of the relief provided by the homestead exemption. If
31 the credit results in a property tax liability on the homestead that is

1 less than zero, the amount of the credit which cannot be used by the
2 taxpayer shall be returned to the State Treasurer by July 1 of the year
3 the amount disbursed to the county was disbursed. The State Treasurer
4 shall immediately credit any funds returned under this subsection to the
5 Property Tax Credit Cash Fund. Upon the return of any funds under this
6 subsection, the county treasurer shall electronically file a report with
7 the Property Tax Administrator, on a form prescribed by the Tax
8 Commissioner, indicating the amount of funds distributed to each taxing
9 unit in the county in the year the funds were returned, any collection
10 fee retained by the county in such year, and the amount of unused credits
11 returned.

12 (4)(a) For tax years prior to tax year 2017, the amount disbursed to
13 each county shall be equal to the amount available for disbursement
14 determined under subsection (1) of this section multiplied by the ratio
15 of the real property valuation in the county to the real property
16 valuation in the state. By September 15, the Property Tax Administrator
17 shall determine the amount to be disbursed under this subdivision to each
18 county and certify such amounts to the State Treasurer and to each
19 county. The disbursements to the counties shall occur in two equal
20 payments, the first on or before January 31 and the second on or before
21 April 1. After retaining one percent of the receipts for costs, the
22 county treasurer shall allocate the remaining receipts to each taxing
23 unit levying taxes on taxable property in the tax district in which the
24 real property is located in the same proportion that the levy of such
25 taxing unit bears to the total levy on taxable property of all the taxing
26 units in the tax district in which the real property is located.

27 (b) Beginning with tax year 2017, the amount disbursed to each
28 county shall be equal to the amount available for disbursement determined
29 under subsection (1) of this section multiplied by the ratio of the
30 credit allocation valuation in the county to the credit allocation
31 valuation in the state. By September 15, the Property Tax Administrator

1 shall determine the amount to be disbursed under this subdivision to each
2 county and certify such amounts to the State Treasurer and to each
3 county. The disbursements to the counties shall occur in two equal
4 payments, the first on or before January 31 and the second on or before
5 April 1. After retaining one percent of the receipts for costs, the
6 county treasurer shall allocate the remaining receipts to each taxing
7 unit based on its share of the credits granted to all taxpayers in the
8 taxing unit.

9 (5) For purposes of this section, credit allocation valuation means
10 the taxable value for all real property except agricultural land and
11 horticultural land, one hundred twenty percent of taxable value for
12 agricultural land and horticultural land that is not subject to special
13 valuation, and one hundred twenty percent of taxable value for
14 agricultural land and horticultural land that is subject to special
15 valuation.

16 (6) The State Treasurer shall transfer from the General Fund to the
17 Property Tax Credit Cash Fund one hundred five million dollars by August
18 1, 2007, and one hundred fifteen million dollars by August 1, 2008.

19 (7) The Legislature shall have the power to transfer funds from the
20 Property Tax Credit Cash Fund to the General Fund.

21 Sec. 3. Section 77-5023, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 77-5023 (1) Pursuant to section 77-5022, the commission shall have
24 the power to increase or decrease the value of a class or subclass of
25 real property in any county or taxing authority or of real property
26 valued by the state so that all classes or subclasses of real property in
27 all counties fall within an acceptable range.

28 (2) An acceptable range is the percentage of variation from a
29 standard for valuation as measured by an established indicator of central
30 tendency of assessment. Acceptable ranges are: (a) For agricultural land
31 and horticultural land as defined in section 77-1359, sixty-nine to

1 seventy-five percent of actual value, except that for school district
2 taxes levied to pay the principal and interest on bonds that are issued
3 on or after the operative date of this act, the acceptable range is
4 forty-four to fifty percent of actual value; (b) for lands receiving
5 special valuation, sixty-nine to seventy-five percent of special
6 valuation as defined in section 77-1343, except that for school district
7 taxes levied to pay the principal and interest on bonds that are issued
8 on or after the operative date of this act, the acceptable range is
9 forty-four to fifty percent of special valuation as defined in section
10 77-1343; and (c) for all other real property, ninety-two to one hundred
11 percent of actual value.

12 (3) Any increase or decrease shall cause the level of value
13 determined by the commission to be at the midpoint of the applicable
14 acceptable range.

15 (4) Any decrease or increase to a subclass of property shall also
16 cause the level of value determined by the commission for the class from
17 which the subclass is drawn to be within the applicable acceptable range.

18 (5) Whether or not the level of value determined by the commission
19 falls within an acceptable range or at the midpoint of an acceptable
20 range may be determined to a reasonable degree of certainty relying upon
21 generally accepted mass appraisal techniques.

22 Sec. 4. This act becomes operative on January 1, 2022.

23 Sec. 5. Original sections 77-201 and 77-5023, Reissue Revised
24 Statutes of Nebraska, and section 77-4212, Revised Statutes Cumulative
25 Supplement, 2020, are repealed.