

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 853

Introduced by Jacobson, 42.

Read first time January 03, 2024

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
2 77-3501.01 and 77-3507, Reissue Revised Statutes of Nebraska,
3 section 77-3508, Revised Statutes Cumulative Supplement, 2022, and
4 section 77-3506, Revised Statutes Supplement, 2023; to redefine a
5 term; to change provisions relating to homestead exemptions; to
6 harmonize provisions; to repeal the original sections; to outright
7 repeal sections 77-3505.02 and 77-3506.03, Reissue Revised Statutes
8 of Nebraska; and to declare an emergency.
9 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-3501.01, Reissue Revised Statutes of Nebraska,
2 is amended to read:

3 77-3501.01 (1) For purposes of section 77-3507, exempt amount shall
4 mean the lesser of (a) the taxable value of the homestead or (b) three
5 ~~one~~ hundred fifty percent of the average assessed value of single-family
6 residential property in the claimant's county of residence as determined
7 in section 77-3506.02 or three hundred forty thousand dollars, whichever
8 is greater.

9 (2) For purposes of section 77-3508, exempt amount shall mean the
10 lesser of (a) the taxable value of the homestead or (b) three ~~one~~ hundred
11 fifty ~~twenty~~ percent of the average assessed value of single-family
12 residential property in the claimant's county of residence as determined
13 in section 77-3506.02 or three hundred fifty thousand dollars, whichever
14 is greater.

15 (3) For purposes of section 77-3506, exempt amount shall mean the
16 taxable value of the homestead.

17 Sec. 2. Section 77-3506, Revised Statutes Supplement, 2023, is
18 amended to read:

19 77-3506 (1) All homesteads in this state shall be assessed for
20 taxation the same as other property, except that:

21 (a) There ~~there~~ shall be exempt from taxation, on any homestead
22 described in subdivision (2)(a), (b), (c), (d), (e), or (f) ~~subsection (2)~~
23 of this section, one hundred percent of the exempt amount; and -

24 (b) There shall be exempt from taxation, on any homestead described
25 in subdivision (2)(g) of this section, an amount equal to the exempt
26 amount multiplied by the disability percentage of the veteran.

27 (2) The exemption described in subsection (1) of this section shall
28 apply to homesteads of:

29 (a) A veteran who was discharged or otherwise separated with a
30 characterization of honorable or general (under honorable conditions),
31 who is drawing compensation from the United States Department of Veterans

1 Affairs because of a one hundred percent service-connected permanent
2 disability, and who is not eligible for total exemption under sections
3 77-3526 to 77-3528;

4 (b) An unremarried surviving spouse of a veteran described in
5 subdivision (2)(a) of this section or a surviving spouse of such a
6 veteran who remarries after attaining the age of fifty-seven years;

7 (c) A veteran who was discharged or otherwise separated with a
8 characterization of honorable or general (under honorable conditions),
9 who is drawing compensation from the United States Department of Veterans
10 Affairs because of one hundred percent service-connected temporary
11 disability, and who is not eligible for total exemption under sections
12 77-3526 to 77-3528, an unremarried spouse of such a veteran, or a
13 surviving spouse of such a veteran who remarries after attaining the age
14 of fifty-seven years;

15 (d) An unremarried surviving spouse of any veteran, including a
16 veteran other than a veteran described in section 80-401.01, who was
17 discharged or otherwise separated with a characterization of honorable or
18 general (under honorable conditions) and who died because of a service-
19 connected disability or a surviving spouse of such a veteran who
20 remarries after attaining the age of fifty-seven years;

21 (e) An unremarried surviving spouse of a serviceman or servicewoman,
22 including a veteran other than a veteran described in section 80-401.01,
23 whose death while on active duty was service-connected or a surviving
24 spouse of such a serviceman or servicewoman who remarries after attaining
25 the age of fifty-seven years;~~and~~

26 (f) An unremarried surviving spouse of a serviceman or servicewoman
27 who died while on active duty during the periods described in section
28 80-401.01 or a surviving spouse of such a serviceman or servicewoman who
29 remarries after attaining the age of fifty-seven years; and -

30 (g) Beginning January 1, 2025, a veteran who was discharged or
31 otherwise separated with a characterization of honorable or general

1 (under honorable conditions), who is drawing compensation from the United
2 States Department of Veterans Affairs because the veteran is disabled but
3 less than one hundred percent disabled due to a service-connected
4 disability, and who is not eligible for total exemption under sections
5 77-3526 to 77-3528, an unremarried surviving spouse of such a veteran, or
6 a surviving spouse of such a veteran who remarries after attaining the
7 age of fifty-seven years.

8 (3) Application for exemption under subdivision (2)(a) of this
9 section shall be required in every subsequent year evenly divisible by
10 five and shall include certification of the status described in
11 subdivision (2)(a) of this section from the United States Department of
12 Veterans Affairs. Application for exemption under subdivision (2)(b),
13 (c), (d), (e), ~~or (f),~~ or (g) of this section shall be required annually
14 and shall include certification of the status described in subdivision
15 (2)(b), (c), (d), (e), ~~or (f),~~ or (g) of this section from the United
16 States Department of Veterans Affairs, except that such certification of
17 status shall only be required in every subsequent year evenly divisible
18 by five.

19 Sec. 3. Section 77-3507, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 77-3507 (1) All homesteads in this state shall be assessed for
22 taxation the same as other property, except that there shall be exempt
23 from taxation, on homesteads of qualified claimants, one hundred percent
24 of the exempt amount if the qualified claimant's household income meets
25 the requirements of this section a percentage of the exempt amount as
26 limited by section 77-3506.03. The percentage of the exempt amount shall
27 be determined based on the household income of a claimant pursuant to
28 subsections (2) through (4) of this section.

29 (2) For 2024 ~~2014~~, for a qualified married or closely related
30 claimant, the percentage of the exempt amount for which the claimant
31 shall be eligible for the exemption described in subsection (1) of this

1 ~~section if shall be the percentage in Column B which corresponds with the~~
2 ~~claimant's household income is seventy-five thousand dollars or less in~~
3 ~~Column A in the table found in this subsection.~~

4	Column A	Column B
5	Household Income	Percentage
6	In Dollars	Of Relief
7	0 through 31,600	100
8	31,601 through 33,300	90
9	33,301 through 35,000	80
10	35,001 through 36,700	70
11	36,701 through 38,400	60
12	38,401 through 40,100	50
13	40,101 through 41,800	40
14	41,801 through 43,500	30
15	43,501 through 45,200	20
16	45,201 through 46,900	10
17	46,901 and over	0

18 (3) For ~~2024~~ 2014, for a qualified single claimant, the ~~percentage~~
19 ~~of the exempt amount for which the claimant shall be eligible for the~~
20 ~~exemption described in subsection (1) of this section if shall be the~~
21 ~~percentage in Column B which corresponds with the claimant's household~~
22 ~~income is sixty thousand dollars or less in Column A in the table found~~
23 ~~in this subsection.~~

24	Column A	Column B
25	Household Income	Percentage
26	In Dollars	Of Relief
27	0 through 26,900	100
28	26,901 through 28,300	90
29	28,301 through 29,700	80
30	29,701 through 31,100	70

1	31,101 through 32,500	60
2	32,501 through 33,900	50
3	33,901 through 35,300	40
4	35,301 through 36,700	30
5	36,701 through 38,100	20
6	38,101 through 39,500	10
7	39,501 and over	0

8 (4) ~~For exemption applications filed in calendar years 2015 through~~
9 ~~2017, the income eligibility amounts in subsections (2) and (3) of this~~
10 ~~section shall be adjusted by the percentage determined pursuant to the~~
11 ~~provisions of section 1(f) of the Internal Revenue Code of 1986, as it~~
12 ~~existed prior to December 22, 2017. For exemption applications filed in~~
13 ~~calendar year 2025 2018 and each calendar year thereafter, the income~~
14 ~~eligibility amounts in subsections (2) and (3) of this section shall be~~
15 ~~adjusted by the percentage change in the Consumer Price Index for All~~
16 ~~Urban Consumers published by the federal Bureau of Labor Statistics from~~
17 ~~the twelve months ending on August 31, 2023 2016, to the twelve months~~
18 ~~ending on August 31 of the year preceding the applicable calendar year.~~
19 ~~The income eligibility amounts shall be adjusted for cumulative inflation~~
20 ~~since 2024 2014. If any amount is not a multiple of one hundred dollars,~~
21 ~~the amount shall be rounded to the next lower multiple of one hundred~~
22 ~~dollars.~~

23 Sec. 4. Section 77-3508, Revised Statutes Cumulative Supplement,
24 2022, is amended to read:

25 77-3508 (1)(a) All homesteads in this state shall be assessed for
26 taxation the same as other property, except that there shall be exempt
27 from taxation, on any homestead described in subdivision (b) of this
28 subsection, one hundred percent of the exempt amount if the claimant's
29 household income meets the requirements of this section ~~a percentage of~~
30 ~~the exempt amount as limited by section 77-3506.03. The exemption shall~~
31 ~~be based on the household income of a claimant pursuant to subsections~~

1 ~~(2) through (4) of this section.~~

2 (b) The exemption described in subdivision (a) of this subsection
3 shall apply to homesteads of:

4 (i) Veterans as defined in section 80-401.01 who were discharged or
5 otherwise separated with a characterization of honorable or general
6 (under honorable conditions) and who are totally disabled by a non-
7 service-connected accident or illness;

8 (ii) Individuals who have a permanent physical disability and have
9 lost all mobility so as to preclude locomotion without the use of a
10 mechanical aid or a prosthetic device as defined in section 77-2704.09;

11 (iii) Individuals who have undergone amputation of both arms above
12 the elbow or who have a permanent partial disability of both arms in
13 excess of seventy-five percent; and

14 (iv) Beginning January 1, 2015, individuals who have a developmental
15 disability as defined in section 83-1205.

16 (c) Application for the exemption described in subdivision (a) of
17 this subsection shall include certification from a qualified medical
18 physician, physician assistant, or advanced practice registered nurse for
19 subdivisions (b)(i) through (b)(iii) of this subsection, certification
20 from the United States Department of Veterans Affairs affirming that the
21 homeowner is totally disabled due to non-service-connected accident or
22 illness for subdivision (b)(i) of this subsection, or certification from
23 the Department of Health and Human Services for subdivision (b)(iv) of
24 this subsection. Such certification from a qualified medical physician,
25 physician assistant, or advanced practice registered nurse or from the
26 Department of Health and Human Services shall be made on forms prescribed
27 by the Department of Revenue. If an individual described in subdivision
28 (b)(i), (ii), (iii), or (iv) of this subsection is granted a homestead
29 exemption pursuant to this section for any year, such individual shall
30 not be required to submit the certification required under this
31 subdivision in succeeding years if no change in medical condition has

1 occurred, except that the county assessor or the Tax Commissioner may
2 request such certification to verify that no change in medical condition
3 has occurred.

4 (2) For ~~2024~~ 2014, for a married or closely related claimant as
5 described in subsection (1) of this section, ~~the percentage of the exempt~~
6 ~~amount for which~~ the claimant shall be eligible for the exemption
7 described in subdivision (1)(a) of this section if shall be the
8 percentage in Column B which corresponds with the claimant's household
9 income is seventy-five thousand dollars or less in Column A in the table
10 found in this subsection.

11	Column A	Column B
12	Household Income	Percentage
13	In Dollars	Of Relief
14	0 through 34,700	100
15	34,701 through 36,400	90
16	36,401 through 38,100	80
17	38,101 through 39,800	70
18	39,801 through 41,500	60
19	41,501 through 43,200	50
20	43,201 through 44,900	40
21	44,901 through 46,600	30
22	46,601 through 48,300	20
23	48,301 through 50,000	10
24	50,001 and over	0

25 (3) For ~~2024~~ 2014, for a single claimant as described in subsection
26 (1) of this section, ~~the percentage of the exempt amount for which the~~
27 ~~claimant shall be eligible~~ for the exemption described in subdivision (1)
28 (a) of this section if shall be the percentage in Column B which
29 corresponds with the claimant's household income is sixty thousand
30 dollars or less in Column A in the table found in this subsection.

1	Column A	Column B
2	Household Income	Percentage
3	In Dollars	Of Relief
4	0 through 30,300	100
5	30,301 through 31,700	90
6	31,701 through 33,100	80
7	33,101 through 34,500	70
8	34,501 through 35,900	60
9	35,901 through 37,300	50
10	37,301 through 38,700	40
11	38,701 through 40,100	30
12	40,101 through 41,500	20
13	41,501 through 42,900	10
14	42,901 and over	0

15 (4) For exemption applications filed in calendar years ~~2015 through~~
16 ~~2017~~, the income eligibility amounts in subsections (2) and (3) of this
17 section shall be adjusted by the percentage determined pursuant to the
18 provisions of section 1(f) of the Internal Revenue Code of 1986, as it
19 existed prior to December 22, 2017. For exemption applications filed in
20 calendar year 2025 ~~2018~~ and each calendar year thereafter, the income
21 eligibility amounts in subsections (2) and (3) of this section shall be
22 adjusted by the percentage change in the Consumer Price Index for All
23 Urban Consumers published by the federal Bureau of Labor Statistics from
24 the twelve months ending on August 31, 2023 ~~2016~~, to the twelve months
25 ending on August 31 of the year preceding the applicable calendar year.
26 The income eligibility amounts shall be adjusted for cumulative inflation
27 since 2024 ~~2014~~. If any amount is not a multiple of one hundred dollars,
28 the amount shall be rounded to the next lower multiple of one hundred
29 dollars.

30 Sec. 5. Original sections 77-3501.01 and 77-3507, Reissue Revised
31 Statutes of Nebraska, section 77-3508, Revised Statutes Cumulative

1 Supplement, 2022, and section 77-3506, Revised Statutes Supplement, 2023,
2 are repealed.

3 Sec. 6. The following sections are outright repealed: Sections
4 77-3505.02 and 77-3506.03, Reissue Revised Statutes of Nebraska.

5 Sec. 7. Since an emergency exists, this act takes effect when
6 passed and approved according to law.