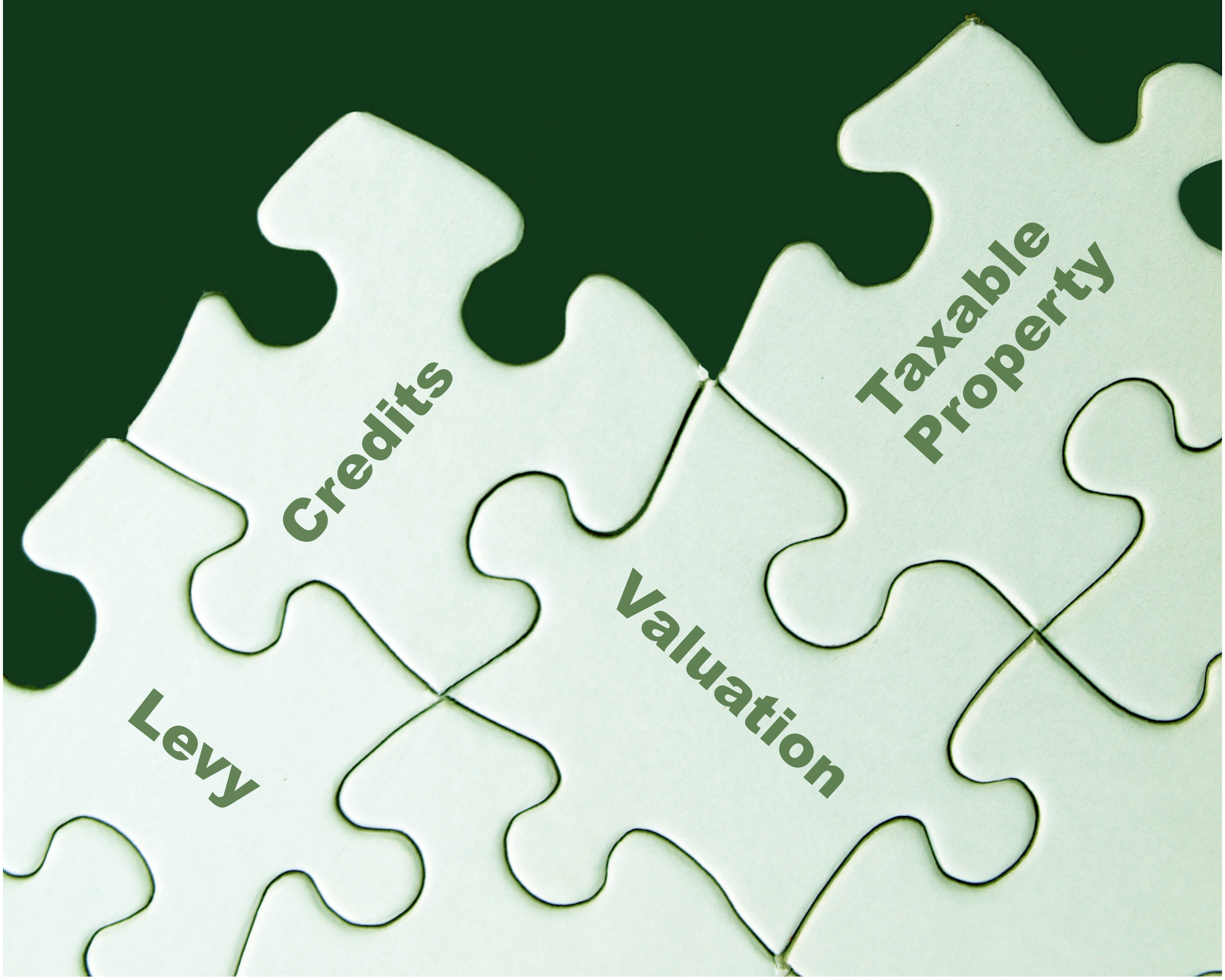
The Basics of Nebraska's Property Tax

An LRO Backgrounder



The Basics of Nebraska's Property Tax

LEGISLATIVE
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INTRODUCTION

This LRO Backgrounder—The Basics of Nebraska's Property Tax—is designed to provide a solid foundation and pertinent information regarding Nebraska's property tax. We hope this Backgrounder will be a useful resource as legislators and staff develop policy, research related issues, and provide information to or answer questions from constituents.

Property tax has been a primary topic of conversation on the campaign trail, in legislative offices, and in coffee shops throughout the state and surely will be an issue on this year's legislative agenda.

The property tax in Nebraska is older than the state itself; it was instituted in 1857 by the territorial legislature. Nebraska began levying a property tax in its first year of statehood, 1867, and continued to levy the state tax until 1966, when Nebraska voters adopted a constitutional amendment, abolishing the use of property tax for state purposes.

1966 proved to be a pivotal year in Nebraska's tax history. In addition to abolishing the state property tax, voters approved a constitutional amendment authorizing a state income tax. During the 1967 legislative session, senators passed the Nebraska Revenue Act of 1967 (Laws 1967, LB 377). The new act implemented a statewide income tax and sales and use taxes, at least in part to replace the revenue lost from the elimination of the state property tax. At that time, a portion of the revenue collected from the new taxes was used to provide financial assistance to political subdivisions, including counties, cities, and school districts.

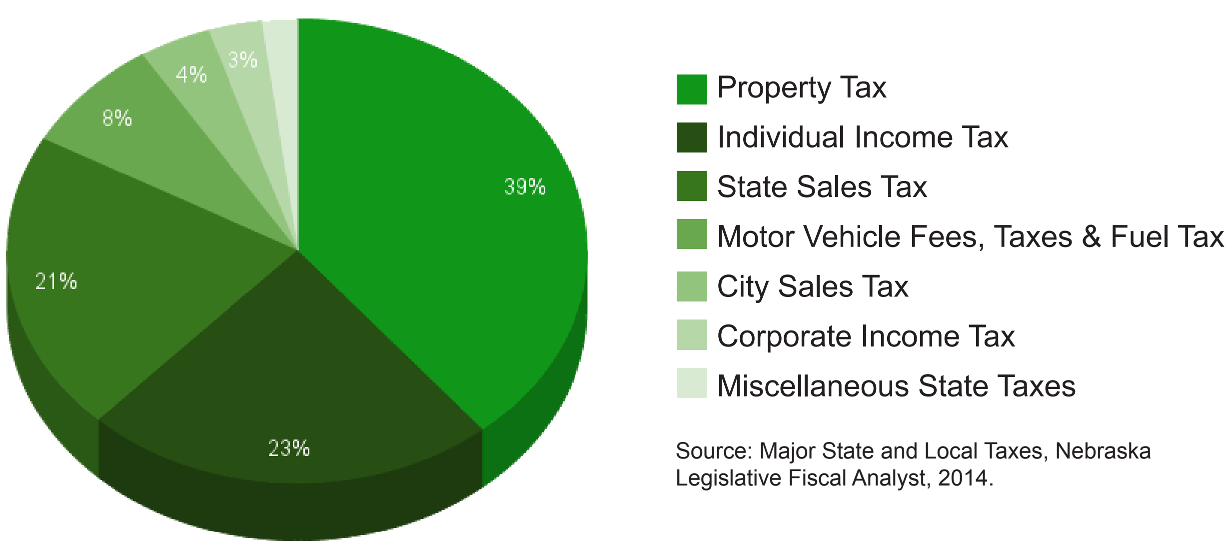
Political subdivisions began levying property taxes in 1867 and have been exclusively levying property taxes since 1967. Today, property tax is the primary revenue raising tool for political subdivisions, and in fiscal year 2013-1014, property tax revenue comprised approximately 39 percent of all state and local tax revenue collected in Nebraska.

Property tax calculation can be summarized by:

Property tax = (Assessed Taxable Property x Rate) – Credits.

This backgrounder focuses on the primary components of Nebraska's property tax system: (1) the kind of property that is taxed (and exempted from tax), (2) assessment and equalization to determine a taxable value of property, (3) the tax rate (often referred to as the tax levy), (4) adjustments to the total tax due, such as credits, and (5) the general timeline of the property tax process. Additionally, a brief discussion on public policy considerations, closely related to the property tax, as well as a list of available resources for more in-depth information, are included.

State and Local Tax Revenue FY 2013-2014



Source: Major State and Local Taxes, Nebraska Legislative Fiscal Analyst, 2014.

TAXABLE PROPERTY

Two types of property are taxed in Nebraska: real property and tangible personal property. Real property includes land, buildings, improvements, fixtures, mobile homes, minerals, wells, and payments related to oil or gas leases. Personal property includes everything else, and is divided into two categories: tangible personal property and intangible personal property. Tangible personal property includes property with a physical existence, such as equipment and trade fixtures.[1] Intangible property, such as stocks, contract rights, bonds, bank accounts, and other similar items, is not taxable property and has been exempt since 1967.

Real property and tangible personal property are subject to tax. Some property is specifically exempt from tax, either by constitutional provision or law (see sidebars).

Notably, many of these exemptions were enacted in the past decade. In 2004, voters approved a constitutional amendment (Laws 2003, LR 2CA, sec. 1) to exempt the increased value of real property from improvements resulting from renovating, rehabilitating, or preserving historically significant real property. Subsequently, the Legislature passed Laws 2005, LB 66, which defined historically significant property for purposes of the partial property tax exemption and prescribed an application process.

Nebraska's Beginning Farmer Tax Credit Act, created in 2008, prescribed several exemptions for tangible personal property. The exemption for property used in wind generation was enacted in 2010, and the exemption for data center property in 2012.

The state's primary business tax incentive program, the Nebraska Advantage Act was enacted in 2005 and revamped the Employment and Investment Growth Act (Laws 1987, LB 775). The Nebraska Advantage Act is a program offering tax credits, sales and use tax refunds, and property tax exemptions to companies in the state that meet certain employee and capital investment goals.

All of these tax exemptions must be applied for through the applicable tax incentive program.[2]

Exempt real property includes:

- a portion of value of certain homesteads owned by persons over age 65, qualified disabled persons, and qualified disabled veterans and their widow(er)s;
- a mobile home owned by a blind or disabled veteran;
- the increased value of real property from improvements, such as renovating, rehabilitating, or preserving historically significant real property; and
- the increased value in real property due to trees planted along the highway.

Exempt tangible personal property includes:

- household goods and personal effects;
- non-depreciable tangible personal property;
- motor vehicles, which are subject to a different taxation scheme;
- business and agricultural inventory;
- certain property owned by a taxpayer who has a signed agreement pursuant to the Employment and Investment Growth Act or the Nebraska Advantage Act, and certain property owned by qualifying taxpayers pursuant to the Beginning Farmer Tax Credit Act;
- livestock;
- depreciable tangible personal property used for wind-generated electricity; and
- personal property assembled, engineered, or processed as part of a data center for use at a location outside of the state.

Real and tangible personal property exempt from property tax because of the status of the taxpayer includes:

- property owned by the state or governmental subdivisions that is used for a public purpose;
- property owned and used by agricultural and horticultural societies; and
- property owned by education, religious, charitable, or cemetery organizations and used for the organizations' purposes, subject to some limitations.

[1] Trade fixtures were considered real property until Laws 2007, LB 334, was enacted, which redefined them as personal property.

[2] Exempt entities must apply for the property tax exemption as well. Applications are reviewed by the county board of equalization, and an entity, other than a cemetery organization, must reapply every four years. Cemetery organizations need only apply once. Exempt entities may also be required to make a payment in lieu of tax to the county to replace foregone tax revenue. For instance, a hospital leasing space to private business, certain public power and irrigation districts, certain cities and villages that own an electric distribution system, housing agencies, the Game and Parks Commission for land used for wildlife management, state and local governments with unleased land that is not being developed or used for a public purpose, and community development authorities, all may make in lieu of tax payments.

THE HOMESTEAD EXEMPTION

Probably the best-known property tax exemption is the homestead exemption. First enacted in 1969, it provides property tax relief to homeowners by exempting a portion of their homesteads from tax.

Like many other exemptions, the homestead exemption program is authorized by the Constitution. However, the homestead exemption is unique in that the political subdivisions that lose revenue as a result of the exemption are reimbursed by the state. The amount reimbursed to political subdivisions for the homestead exemption was approximately $46,500,000 in 2003 and has increased over time to approximately $65,000,000 in 2013.

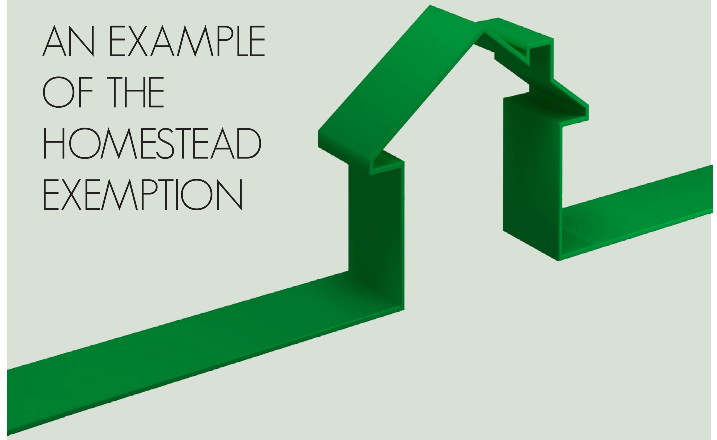
Those eligible to claim a homestead exemption are:

• individuals age 65 or older prior to January 1 of the applicable tax year;
• individuals with certain permanent physical disabilities;
• individuals with a developmental disability;
• veterans or unremarried widow(er)s of veterans who (1) were honorably discharged and (2) have a 100 percent disability or who died from a service-related disability or while on active duty.

Those qualifying for the exemption must submit an application. The specific exemption amount varies depending on the application. Beginning in 2015, some qualified veterans and widow(er)s of veterans will be allowed to claim an exemption of the total taxable value of the homestead. For veterans who are paraplegic or multiple amputees, the total value of a home substantially contributed to by the U.S. Department of Veterans Affairs is also exempt.

Exemptions for the other qualified persons are subject to income limitations, statutory restrictions on the maximum value of the homestead property, and limitations on the maximum exempt amount. The limitations vary depending upon the category in which the applicant is eligible. The Legislature increased the maximum exempt amount and maximum value in 2006 and the income limitation amounts in 2014.

AN EXAMPLE OF THE HOMESTEAD EXEMPTION



Taxpayer A is married and over age 65. Household income is $35,000, and the home is valued at $70,000. The average assessed value in the county is $60,000.

• The maximum exempt amount = $60,000. The allowable exempt amount is either $40,000 or 100 percent of the average assessed value in the county, whichever is greater.

• The maximum value = $120,000. The allowable maximum value is $95,000 or 200 percent of the average assessed value in the county, whichever is greater.

o If taxpayer A's home value exceeds the maximum value, the homestead exemption amount decreases. If the home's value is $20,000 above maximum value, the taxpayer is no longer eligible for a homestead exemption.

• With a household income of $35,000, taxpayer A is eligible for relief equal to 80 percent times the maximum exempt value. The income limitation allows for a lower homestead exemption as the taxpayer's household income increases.

• In this case, the homestead exemption is $70,000 x 0.80 = $56,000.

• Therefore, taxpayer A's taxable home value is $70,000 minus $56,000, or $14,000.

THE VALUE OF PROPERTY

After determining if the real or tangible personal property is subject to tax, the property must be assigned a value. In assigning a taxable value, property must be assessed (determining taxability and a taxable value) and equalized (comparing valuations of similar property to ensure fair and equal treatment in the assessment process), pursuant to the uniformity clause.

The Uniformity Clause

The Nebraska Constitution, Article VIII, sec. 1 requires all property taxes to be levied by valuation uniformly and proportionately upon all property. This is known as the uniformity clause.

The Nebraska Supreme Court (Court) has interpreted the uniformity clause to mean that the taxation of property must be uniform both as to the rate of tax and the value of the property. The Court has held that there cannot be a difference in the method of determining the value of the property or the property tax rate, unless separate classifications are based on public policy or a substantial difference in the property.

The Constitution allows certain property to be classified differently, including agricultural and horticultural land, tangible personal property, motor vehicles, and livestock. All other property is subject to the uniformity clause.

Assessment and Equalization

Assessment and equalization pursuant to the uniformity clause have several steps.

Property in Nebraska is taxed at actual value. Actual value is defined as the market value of real property, i.e. an estimate of a price for the property if it was for sale. Actual value can be determined using different methods: sales comparison, income approach, and cost approach. Physical characteristics of the property and the nature of the legal ownership of the property can be used to help determine actual value.

County assessors are responsible for determining actual value in order to assess all taxable property within the county.[3] Assessors are also responsible for compiling the assessment roll (a verified list of all real and taxable tangible personal property in the county) and tax lists of all property and taxes due in the county.

The county board of equalization, composed of members of the county board, equalizes the property within the county by correcting any current assessments that are deemed undervalued or overvalued. The county board of equalization also hears any taxpayer protests regarding property valuations, equalization, and other matters.

Any decision of the county board of equalization can be appealed to the Tax Equalization and Review Commission (TERC), a constitutionally created commission of three members appointed by the governor. The county board of equalization can also petition TERC to equalize a class of property within that particular county.

By law, TERC must also equalize all property within each county as submitted by county assessors. In the equalization process, TERC can increase or decrease the value of a class of property so that the values fall within an acceptable range. Acceptable ranges for different types of property are prescribed in statute.

THE UNIFORMITY CLAUSE IN PRACTICE

In essence, to levy a uniform and proportionate tax, you must have a uniform and proportionate system. The Court has stated that the purpose of the uniformity clause is met if all property is assessed and taxed at a uniform standard of value. In addition, the Court has recognized that equalization ensures all taxable property is placed on the assessment roll at a uniform percentage of its actual value. Assessment and equalization work together to safeguard a taxpayer from paying a higher proportion of taxes than a taxpayer with similar property.

[3] In the past, some counties turned over assessment responsibilities to the state, but in 2009, the Legislature passed LB 121, which required those nine counties to reassume assessments before June 30, 2013.

THE VALUE OF PROPERTY

Agricultural and Horticultural Land

The special valuation for agricultural and horticultural land, a constitutional exception to the uniformity clause, has often been the subject of legislation, political debate, and coffee shop talk around the state.

Since 1972, agricultural and horticultural land have been treated differently than other real property for property tax purposes. In 1972, voters passed a constitutional amendment, authorizing the special valuation which allowed agricultural and horticultural land to be valued based on its current use, rather than potential use.

In 1984, the Constitution was amended again to make agricultural and horticultural land a distinct class of property. In 1990, a third constitutional amendment was passed, which removed agricultural and horticultural land from the reach of the uniformity clause. Under current law, agricultural and horticultural land must be uniformly assessed within its own class of property, but not with other types of real property.

Beginning in 1992, agricultural and horticultural land was assessed at 80 percent of its actual value, rather than 100 percent of its actual value, like other real property. Laws 2006, LB 968 lowered the percentage to 75 percent of its actual value, which is the assessment rate today.

To qualify for the special value, land must be (1) outside the boundaries of any SID, city, or village, and (2) used for agricultural or horticultural purposes.[4] Applicants must apply for the special valuation and can appeal a denial of the application. If approved, applicants can still protest the valuation. The land is disqualified from the special valuation if any of the qualifications are no longer met.

Agricultural land is divided into subclasses, including irrigated cropland, dryland cropland, grassland, wasteland, nurseries, feedlots, and orchards, for better comparison of property in the assessment process. In addition, many characteristics are taken into account in evaluating comparable sales for assessment purposes.

Tangible Personal Property

Tangible personal property is also assessed differently than real property. Depreciable taxable property, or property used in a trade or business or used for production of income with a determinable life of more than one year, is assessed using the net book value. Net book value is determined by using a depreciation scale for property with a life of three, five, seven, ten, fifteen, or twenty years. Taxpayers must provide a list of all taxable tangible personal property as of January 1 of each year to the county assessor.

Motor Vehicles

Since the Legislature enacted Laws 1997, LB 271, taxation of motor vehicles is also different than taxation of other property. Taxes and fees for motor vehicles are based on a formula taking into account the type of vehicle, the initial value of the vehicle, and a schedule of declining fractions based upon the age of the vehicle. For example, a taxpayer with a new 2015 automobile (valued at $30,000) pays $500 in motor vehicle taxes for the current year. A taxpayer, who owns an automobile that was new in 2013 and also valued at $30,000 when new, pays $400 in taxes in 2015.

Centrally Assessed Property

Nearly all property is assessed by the county in which it is located. However, some property in the state is assessed not by the county assessor, but by the Property Tax Administrator (PTA) with the Nebraska Department of Revenue. Railroad operating property, public service entity operating property, car line company property, and air carrier flight equipment are assessed by the state. This property is not subject to equalization by the county board of equalization; instead, TERC equalizes all centrally assessed property.

For railroads and public service entities, the PTA distributes the taxable value to counties and political subdivisions for assessment and tax collection. However, for car line companies and air carriers, the PTA collects the taxes, and the State Treasurer distributes the taxes to the counties. Appeals are made to the Tax Commissioner, and decisions of the commissioner can then be appealed to TERC.

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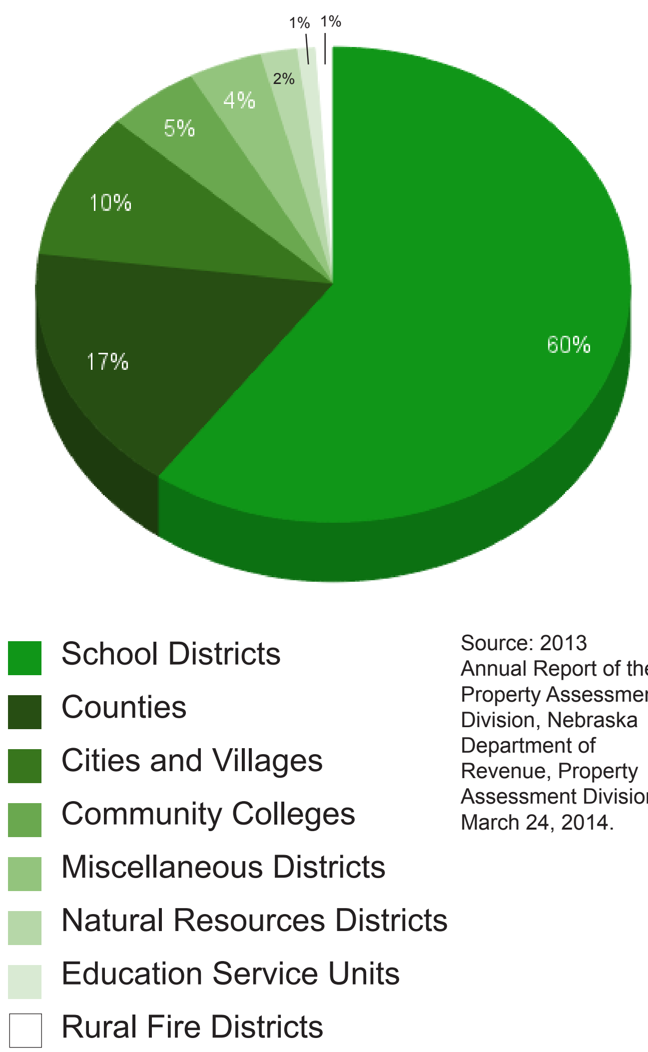
[4]Laws 2006, LB 808 eliminated agricultural zoning requirements, but clarified that the entire parcel must be used for agricultural or horticultural purposes in order to receive the special valuation. Laws 2008, LB 777 excluded land associated with buildings from the parcel of agricultural and horticultural land and clarified the rest of the parcel can qualify for the special valuation if it meets the other requirements.

THE TAX LEVY

Once assessment and equalization are complete, each political subdivision is authorized to determine its tax levy. As previously discussed, the uniformity clause also applies to the rate of tax imposed, so the law requires uniformity within the political subdivision.

Over 30 types of political subdivisions are statutorily created, and many of these levy property taxes. Taxes paid to school districts comprise the largest share of most individuals' tax bills. As the following chart illustrates, school districts levy nearly 60 percent of the total property taxes collected.

2013 Property Taxes
Levied by Political Subdivision



Source: 2013 Annual Report of the Property Assessment Division, Nebraska Department of Revenue, Property Assessment Division, March 24, 2014.

Tax levies for most political subdivisions are subject to a limitation (see table). School districts have the highest levy limit, at $1.05 per $100 of valuation.[5] In Douglas and Sarpy Counties, public school districts are members of a learning community, a political subdivision authorized by the Legislature in 2006. Member schools have a levy limit of $1.05 per $100 of valuation, but the learning community itself is authorized to levy $0.95 of that for the members schools' use.

Educational Service Units (ESUs), which provide services to member public schools in their region, can levy a tax up to $0.015 per $100 valuation.

Political Subdivision	Levy per $100 valuation
School District	$1.05
County	$0.50
City	$0.50
Natural Resources District	$0.045
Community College	$0.1125
Sanitary Improvement District	$0.40

Counties are constitutionally limited to a levy of $0.50 per $100 of valuation. State statute limits counties to $0.45 per $100 of valuation but provides for an additional levy of $0.05 for expenses incurred in joint agreements. Counties may delegate up to $0.15 of the total $0.50 levy to other entities within the county.

Cities and villages are limited to a maximum levy of $0.45 per $100 of valuation, but can levy an additional $0.05 for expenses incurred in joint agreements. Again, the city may delegate a portion of the overall levy to other entities within the city or village.

Natural resources districts (NRDs) are authorized to levy a tax up to $0.045 per $100 of valuation. Some NRDs can also levy additional taxes to administer and implement activities pursuant to the Nebraska Ground Water Management and Protection Act.

[5] The levy limit was lowered to the current amount by Laws 2003, LB 540, before which the limit was $1.10 per $100 of valuation. The limit was originally set to be reduced further to $1.00, but Laws 2006, LB 968 kept the limit at its current amount.

THE TAX LEVY

(continued)

Community colleges are authorized to levy a tax up to $0.1125 per $100 of valuation. The current levy has been in place since 2012, when it increased from $0.1025 per $100 of valuation.

Sanitary and improvement districts (SIDs) are widely used in southeastern Nebraska, especially Douglas and Sarpy counties, and collect a large share of revenue in the miscellaneous districts category from the pie chart found on page 6. Newly created SIDs do not have a levy limit, but SIDs in existence for more than five years are limited to $0.40 per $100 of valuation, except in a municipal county, in which case the limit is $0.85.

These political subdivisions can request a vote of the people in the political subdivision to exceed the levy limit. In addition, most political subdivisions can issue bonds for certain purposes.

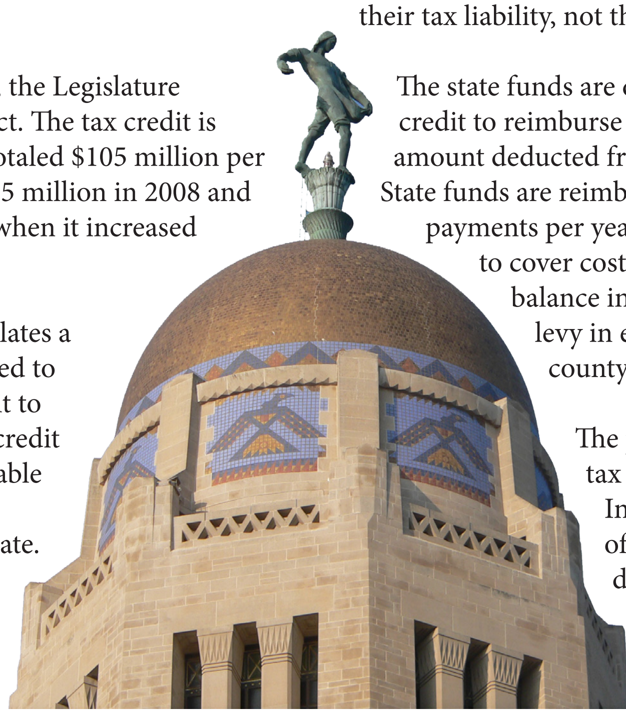
Many other political subdivisions are authorized to levy a tax. These include county agricultural societies, county fair boards, joint airport authorities, airport authorities, bridge commissions, cemetery districts, community redevelopment authorities, drainage districts, historical societies, hospital districts, irrigation districts, public building commissions, railroad transportation safety districts, reclamation districts, road districts, rural water districts, offstreet parking districts, and transit authorities. Many of these political subdivisions have a levy limitation, but also must fall within either the county or the municipality levy limit. In several instances, special levies for particular purposes have been instituted, and many of these political subdivisions are also authorized to request a vote to override the levy limit.

ADJUSTMENTS TO THE TAX

Adjustments to taxes apply after the tax bill is calculated, i.e. the taxable property is assessed and equalized and the levy is applied.

In 2007, via the passage of LB 367, the Legislature created the Property Tax Credit Act. The tax credit is funded by the state, and initially totaled $105 million per year. The amount increased to $115 million in 2008 and remained at that level until 2014, when it increased to $140 million per year.

The Department of Revenue calculates a uniform rate of credit, which is used to determine the amount of the credit to the taxpayer. The uniform rate of credit equals the amount of money available for the credit divided by the total valuation of real property in the state. For 2014, this uniform rate of credit is 0.0007154, or $71.54 per $100,000 of valuation. All real property is credited at the same rate, except that taxpayers receiving a homestead exemption have a credit based on their tax liability, not the assessed value.



The state funds are dispersed in the amount of the credit to reimburse political subdivisions for the amount deducted from taxpayers' property tax bills. State funds are reimbursed to each county in two payments per year. The county keeps one percent to cover costs, and disperses the remaining balance in equal proportion to the taxing levy in each political subdivision in the county.

The property tax credit does not affect tax rates or property assessments. Instead, it is considered a reduction of tax once the tax liability is determined and is displayed on a taxpayer's property tax statement as such.

PROCESS OF COLLECTING TAX

Throughout the property tax process, there are numerous deadlines and due dates. This timeline illustrates when taxpayers, county officials, and TERC must complete many of the important steps.

YEAR ONE

Jan. 1	Assessment of taxable real and tangible personal property
Jan. 15	Preliminary valuation changes sent to taxpayers in counties of more than 150,000 people
March 19	Determination of taxable value and assessment roll completed (March 25 in counties with more than 150,000 people)
May 1	Tangible personal property tax returns due
June 1	Adjustments to assessment roll completed; notice of valuation changes sent to taxpayer; publication of assessment roll
June 1 – July 25	County board of equalization meets
June 30	Deadline to apply for homestead exemption; deadline to file protest of valuation of tangible personal property or real property
July 26	Deadline for the county board of equalization to file an equalization petition for an adjustment for a class of property with TERC
Aug. 1	Deadline for political subdivisions to file a levy request
Aug. 2	Notice sent to taxpayer of decision by county board of equalization on valuation protest
Aug. 10	Deadline for TERC decision on an equalization petition for an adjustment for a class of property
Aug. 20	Deadline for completed adjustment made by county assessor pursuant to TERC decision on an equalization petition for an adjustment for a class of property
Aug. 24	Deadline to file appeal with TERC on taxpayer valuation protest (may be extended to September 10)
Sept. 15	Deadline for decision by county board of equalization on undervalued or overvalued property protest
Oct. 15	County board of equalization sets the levies for all political subdivisions; deadline to file appeal to TERC on undervalued or overvalued property protest (may be extended to October 30)
Nov. 20	Tax list of all property and taxes due compiled by county assessor
Nov. 22	Tax list delivered to county treasurer
Dec 1	County tax lists of property and taxes due certified by Property Tax Administrator

YEAR TWO

Jan. 1	Deadline for county treasurer to send notice to taxpayers regarding total tax due
May 1	Payment for first half of year one taxes due (April 1 if in county of more than 100,000 people)
Sept 1	Payment for second half of year one taxes due (August 1 if in county of more than 100,000 people)

POLICY CONSIDERATIONS

Property taxes are complex, with many moving parts. They are controversial, drawing the ire of many taxpayers who believe property taxes are too high and government is too reliant on them. On the other hand, local governments who rely on property tax revenue are concerned reductions in property tax will jeopardize many programs. Not surprisingly, lawmakers face difficult decisions when considering changes to the state's property tax structure. Following are some considerations when evaluating whether and how to enact legislation.

Agricultural Land

Although the special assessment for agricultural land decreased eight years ago to 75 percent, there has been a push to decrease it further due to rapid rates of growth in agricultural land prices over the past decade. There are no caps on growth in assessed value of land, and as market values increased substantially, assessed values, even with the special valuation, have seen tremendous growth. Most rural counties have seen total valuation more than double with cumulative change exceeding 100 percent.

Changes in assessments and property taxes levied from 2003-2013 by county can be found in Appendix A, following this report. Appendix B shows changes in valuation and taxes levied for the same time period by political subdivision. Rising valuations of agricultural land have driven many of the changes in property tax levies and tax burden in recent years.

However, what goes up, must come down, and as commodity prices have fallen over the last two years, land prices may have stabilized and even be declining in some areas. Property taxes are assessed and taxes are due long before actual payments are made, so often taxpayers face higher tax bills even after market prices begin to decrease.

Tax Equity and Educational Opportunities Support Act (TEEOSA)

Recent increases in agricultural land valuation have also greatly impacted state aid to schools through TEEOSA. School districts are eligible to receive state aid through TEEOSA to supplement property tax revenue. Part of TEEOSA's funding formula is based upon the property tax resources available in the district.[6]

Over the past several years, an increasing number of schools have become non-equalized and do not receive any state funds. These school districts, largely in rural areas, must then rely solely on property taxes. Debate continues on whether state aid to schools should be retooled in an effort to reduce reliance on property tax revenue in the affected rural areas.

Tax Increment Financing (TIF)

TIF was enacted in 1979 under Nebraska's Community Development Law. TIF provides public funds for private development of blighted areas in communities throughout the state. TIF projects can be residential, commercial, industrial, or mixed use projects.

Bonds are issued to pay for public costs of the project. These bonds are financed by higher future property tax revenue, which is created by increasing the value of the property through development.

Numerous cities in the state have authorized use of public funds through TIF. The program has grown tremendously. In 2004, 393 TIF projects were authorized and $25,677,422 in excess taxes were levied. In 2014, 655 projects were authorized and $55,023,663 in excess taxes were levied.

The Legislature has amended the relevant statutes many times to change definitions, project timelines, limitations on blighted areas within a city, requirements of redevelopment plans, possible locations of projects, and more. The program is likely to continue to evolve in future legislative sessions.

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[6]The state aid value used to determine property tax resources in the district is an adjusted valuation for real property: real property is valued at 96 percent of actual value, and agricultural and horticultural land is valued at 72 percent of actual value.

RESOURCES

1. Nebraska Constitution Article VIII.
2. Nebraska Regulations Title 316, Title 350
3. Nebraska Statutes
    a. Taxable property—Neb. Rev. Stat. secs. 18-2137; 37-355; 70-651.01; 70-651.03; 70-651.05; 70-653.01; 77-103; 77-201—77-202.24; 77-211; 77-1385—77-1394.
    b. Homestead exemption—Neb. Rev. Stat. secs. 77-3501—77-3529.
    c. Assessment and equalization—Neb. Rev. Stat. secs. 77-101; 77-112; 77-119—77-120; 77-129; 77-1016; 77-5022—77-5023.
    d. Agricultural and horticultural land—Neb. Rev. Stat. secs. 77-1343—77-1371.
    e. Centrally assessed property—Neb. Rev. Stat. secs. 77-601; 77-604; 77-612; 77-682; 77-684; 77-801—77-802.02; 77-1245; 77-1249—77-1250; 77-1503.01.
    f. Motor Vehicle taxes and fees—Neb. Rev. Stat. secs. 60-3,187—60-3,190.
    g. Levies—Neb. Rev. Stat. secs. 2-3225; 13-503; 77-3442—77-3444; 85-1517.
    h. Property tax credit—Neb. Rev. Stat. sec. 77-4212.
    i. Process of collecting tax—Neb. Rev. Stat. secs. 77-204; 77-1201; 77-1229; 77-1301—77-1315; 77-1501—77-1514; 77-1601—77-1624; 77-1701; 77-1801—77-1941.
    j. TIF—Neb. Rev. Stat secs. 18-2101—18-2154.
4. Other Resources
    a. *Annual Reports of the Property Assessment Division*, Nebraska Department of Revenue, 2003-2013.
    b. *A Brief History of Property Taxation in Nebraska during the Last Half Century*, Nebraska Legislative Research Office, July 2002.
    c. *Community Redevelopment Tax Increment Financing Projects Tax Year 2013*, Nebraska Department of Revenue, March 1, 2014.
    d. *Nebraska Homestead Exemption Information Guide*, Division of Property Tax Assessment, Nebraska Department of Revenue, April 2014.
    e. *Real Property Tax Credit for 2014 News Release*, Division of Property Tax Assessment, Nebraska Department of Revenue, September 12, 2014.
5. Significant cases on the Uniformity Clause
    a. *State ex rel. Meyer v. Peters*, 191 Neb. 330 (1974).
    b. *Constructors, Inc. v. Cass Cty. Bd. of Equal.*, 258 Neb. 866 (2000).
    c. *Brenner v. Banner County Bd. of Equalization*, 276 Neb. 275 (2008).
    d. *County of Douglas v. Nebraska Tax Equalization and Review Com'n*, 262 Neb. 578 (2001).
6. Significant tax legislation 2004-2014
    a. Laws 2005, LB 312
    b. Laws 2006, LB 968
    c. Laws 2006, LB 1024
    d. Laws 2006, LB 1226
    e. Laws 2007, LB 342
    f. Laws 2008, LB 988
    g. Laws 2008, LB 1027
    h. Laws 2009, LB 315
    i. Laws 2010, LB 1048
    j. Laws 2011, LB 374
    k. Laws 2012, LB 946
    l. Laws 2012, LB 1080
    m. Laws 2014, LB 905
    n. Laws 2014, LB 986
    o. Laws 2014, LB 1087

APPENDIX A

Percent Change in Valuation and Taxes Levied by County (2003-2013)

	Valuation		Taxes Levied			Valuation		Taxes Levied	
County	Cumulative % Change 2003-2013	Annual % Change 2003-2013	Cumulative % Change 2003-2013	Annual % Change 2003-2013	County	Cumulative % Change 2003-2013	Annual % Change 2003-2013	Cumulative % Change 2003-2013	Annual % Change 2003-2013
ADAMS	81.40%	6.14%	53.95%	4.41%	JEFFERSON	167.30%	10.33%	97.27%	7.03%
ANTELOPE	171.13%	10.49%	108.96%	7.65%	JOHNSON	98.17%	7.08%	77.86%	5.93%
ARTHUR	77.95%	5.93%	71.72%	5.56%	KEARNEY	107.81%	7.59%	87.95%	6.51%
BANNER	102.35%	7.30%	105.33%	7.46%	KEITH	82.61%	6.21%	82.79%	6.22%
BLAINE	88.43%	6.54%	59.67%	4.79%	KEYA PAHA	139.96%	9.15%	67.21%	5.28%
BOONE	178.09%	10.77%	98.60%	7.10%	KIMBALL	80.13%	6.06%	80.93%	6.11%
BOX BUTTE	75.00%	5.76%	66.74%	5.25%	KNOX	176.19%	10.69%	108.05%	7.60%
BOYD	98.31%	7.09%	85.31%	6.36%	LANCASTER	39.23%	3.36%	38.91%	3.34%
BROWN	96.37%	6.98%	76.71%	5.86%	LINCOLN	78.76%	5.98%	76.78%	5.86%
BUFFALO	82.15%	6.18%	103.14%	7.34%	LOGAN	104.29%	7.41%	105.31%	7.46%
BURT	131.64%	8.76%	109.13%	7.66%	LOUP	84.54%	6.32%	97.76%	7.06%
BUTLER	147.06%	9.47%	106.11%	7.50%	MADISON	76.22%	5.83%	79.32%	6.01%
CASS	79.94%	6.05%	80.28%	6.07%	MCPHERSON	71.83%	5.56%	89.38%	6.59%
CEDAR	202.33%	11.70%	110.88%	7.75%	MERRICK	107.83%	7.59%	83.49%	6.26%
CHASE	95.54%	6.94%	65.04%	5.14%	MORRILL	142.06%	9.24%	115.10%	7.96%
CHERRY	64.03%	5.07%	58.48%	4.71%	NANCE	143.46%	9.31%	103.12%	7.34%
CHEYENNE	76.88%	5.87%	89.57%	6.60%	NEMAHA	99.00%	7.12%	77.60%	5.91%
CLAY	144.36%	9.35%	93.64%	6.83%	NUCKOLLS	178.59%	10.79%	114.68%	7.94%
COLFAX	114.21%	7.92%	99.87%	7.17%	OTOE	85.72%	6.39%	75.93%	5.81%
CUMING	125.34%	8.46%	94.33%	6.87%	PAWNEE	143.60%	9.31%	95.59%	6.94%
CUSTER	129.75%	8.67%	109.50%	7.68%	PERKINS	154.31%	9.78%	96.57%	6.99%
DAKOTA	68.62%	5.36%	62.65%	4.98%	PHELPS	114.91%	7.95%	104.17%	7.40%
DAWES	91.81%	6.73%	68.53%	5.36%	PIERCE	150.53%	9.62%	115.25%	7.97%
DAWSON	74.50%	5.73%	66.63%	5.24%	PLATTE	88.38%	6.54%	65.74%	5.18%
DEUEL	60.71%	4.86%	54.40%	4.44%	POLK	120.88%	8.25%	90.30%	6.65%
DIXON	134.95%	8.92%	96.88%	7.01%	RED WILLOW	60.57%	4.85%	48.25%	4.02%
DODGE	62.95%	5.00%	64.68%	5.11%	RICHARDSON	133.48%	8.85%	102.59%	7.32%
DOUGLAS	43.94%	3.71%	48.24%	4.02%	ROCK	99.23%	7.14%	79.14%	6.00%
DUNDY	107.30%	7.56%	54.43%	4.44%	SALINE	98.79%	7.11%	78.07%	5.94%
FILLMORE	165.25%	10.25%	78.72%	5.98%	SARPY	73.25%	5.65%	79.91%	6.05%
FRANKLIN	118.42%	8.13%	78.67%	5.98%	SAUNDERS	107.96%	7.60%	105.83%	7.49%
FRONTIER	103.45%	7.36%	64.00%	5.07%	SCOTTS BLUFF	52.94%	4.34%	65.75%	5.18%
FURNAS	117.06%	8.06%	79.86%	6.05%	SEWARD	103.60%	7.37%	77.59%	5.91%
GAGE	87.56%	6.49%	70.77%	5.50%	SHERIDAN	69.66%	5.43%	73.02%	5.64%
GARDEN	80.53%	6.08%	50.72%	4.19%	SHERMAN	113.21%	7.87%	99.11%	7.13%
GARFIELD	104.27%	7.40%	106.42%	7.52%	SIOUX	93.05%	6.80%	86.24%	6.42%
GOSPER	131.28%	8.75%	118.52%	8.13%	STANTON	120.80%	8.24%	95.25%	6.92%
GRANT	79.18%	6.01%	20.73%	1.90%	THAYER	154.17%	9.78%	83.88%	6.28%
GREELEY	131.38%	8.75%	113.64%	7.89%	THOMAS	106.05%	7.50%	90.13%	6.64%
HALL	58.10%	4.69%	56.81%	4.60%	THURSTON	173.43%	10.58%	133.43%	8.85%
HAMILTON	143.54%	9.31%	107.84%	7.59%	VALLEY	132.93%	8.82%	136.20%	8.98%
HARLAN	117.95%	8.10%	82.95%	6.23%	WASHINGTON	84.09%	6.29%	85.93%	6.40%
HAYES	120.28%	8.22%	98.33%	7.09%	WAYNE	145.91%	9.42%	107.03%	7.55%
HITCHCOCK	135.57%	8.95%	122.90%	8.35%	WEBSTER	136.64%	9.00%	119.59%	8.18%
HOLT	124.53%	8.42%	104.06%	7.39%	WHEELER	107.34%	7.56%	68.93%	5.38%
HOOKER	105.11%	7.45%	68.96%	5.38%	YORK	122.34%	8.32%	84.06%	6.29%
HOWARD	110.31%	7.72%	94.55%	6.88%	**STATE TOTALS**	**76.92%**	**5.87%**	**66.81%**	**5.25%**

Source: *Cumulative % Change Property Taxes 2003 to 2013, Alphabetical By County Exhibit #4b,* Property Assessment Division, Nebraska Department of Revenue, December 2013.

APPENDIX B

History of Valuation & Taxes Levied by Political Subdivision (2003-2013)

	POLITICAL SUBDIVISIONS - VALUATIONS:									
Year	County	%chg	Townships	%chg	Cities&Villages	%chg	Fire Districts	%chg	NRDs	%chg
2003	$104,200,041,104		$16,448,351,828		$56,354,754,978		$49,370,116,959		$104,200,041,095	
2004	$109,123,243,710	4.72%	$16,880,715,566	2.63%	$58,441,678,511	3.70%	$52,312,964,362	5.96%	$109,123,243,410	4.72%
2005	$116,267,633,375	6.55%	$17,443,278,169	3.33%	$61,590,953,807	5.39%	$56,473,345,473	7.95%	$116,267,633,390	6.55%
2006	$125,064,178,626	7.57%	$18,750,181,084	7.49%	$65,427,960,760	6.23%	$61,688,304,092	9.23%	$125,064,178,711	7.57%
2007	$131,993,854,563	5.54%	$19,470,240,556	3.84%	$69,841,321,097	6.75%	$64,358,687,634	4.33%	$131,993,854,402	5.54%
2008	$139,910,063,115	6.00%	$21,365,893,722	9.74%	$73,246,545,516	4.88%	$69,030,113,561	7.26%	$139,910,069,701	6.00%
2009	$147,626,212,873	5.52%	$23,894,958,199	11.84%	$74,623,738,606	1.88%	$75,565,529,355	9.47%	$147,626,589,041	5.52%
2010	$154,005,148,221	4.32%	$29,857,792,431	24.95%	$75,170,038,397	0.73%	$81,486,373,251	7.84%	$154,005,148,476	4.32%
2011	$160,728,246,466	4.37%	$30,787,263,951	3.11%	$76,424,444,838	1.67%	$87,143,914,154	6.94%	$160,728,247,551	4.37%
2012	$169,958,724,711	5.74%	$33,869,067,036	10.01%	$78,132,611,262	2.24%	$94,750,554,278	8.73%	$169,958,725,109	5.74%
2013	$184,353,161,915	8.47%	$39,097,772,539	15.44%	$79,327,262,863	1.53%	$108,100,533,787	14.09%	$184,353,179,444	8.47%
Cumulative %chg		**76.92%**		**137.70%**		**40.76%**		**118.96%**		**76.92%**
Annual Rate %chg		**5.87%**		**9.04%**		**3.48%**		**8.15%**		**5.87%**

	POLITICAL SUBDIVISIONS - VALUATIONS:									
Year	Misc.Dist.	%chg	ESUs	%chg	Comm.Colleges	%chg	School Districts	%chg	Total Value	%chg
2003	$247,303,905,304		$104,009,357,568		$104,200,041,103		$104,200,039,654		$104,200,041,104	
2004	$261,466,564,078	5.73%	$108,919,281,446	4.72%	$109,123,243,708	4.72%	$109,123,243,667	4.72%	$109,123,243,710	4.72%
2005	$283,470,267,496	8.42%	$116,027,660,838	6.53%	$116,267,633,375	6.55%	$116,267,633,329	6.55%	$116,267,633,375	6.55%
2006	$311,170,738,856	9.77%	$124,809,971,414	7.57%	$125,064,178,626	7.57%	$125,064,176,458	7.57%	$125,064,178,626	7.57%
2007	$329,590,061,629	5.92%	$131,993,816,970	5.76%	$131,993,854,560	5.54%	$131,993,759,202	5.54%	$131,993,854,563	5.54%
2008	$351,073,204,931	6.52%	$139,910,324,793	6.00%	$139,910,069,708	6.00%	$139,910,061,275	6.00%	$139,910,063,115	6.00%
2009	$355,789,850,450	1.34%	$147,626,212,879	5.51%	$147,626,212,877	5.52%	$147,626,212,906	5.52%	$147,626,212,873	5.52%
2010	$367,517,415,461	3.30%	$154,005,736,337	4.32%	$154,005,148,489	4.32%	$154,005,148,238	4.32%	$154,005,148,221	4.32%
2011	$382,079,086,864	3.96%	$160,728,246,478	4.37%	$160,728,246,465	4.37%	$160,728,246,572	4.37%	$160,728,246,466	4.37%
2012	$399,194,582,389	4.48%	$169,959,735,597	5.74%	$169,958,724,709	5.74%	$169,958,762,719	5.74%	$169,958,724,711	5.74%
2013	$458,563,569,532	14.87%	$184,353,161,926	8.47%	$184,353,161,914	8.47%	$184,353,161,950	8.47%	$184,353,161,915	8.47%
Cumulative %chg		**85.43%**		**77.25%**		**76.92%**		**76.92%**		**76.92%**
Annual Rate %chg		**6.37%**		**5.89%**		**5.87%**		**5.87%**		**5.87%**

	POLITICAL SUBDIVISIONS - TAXES LEVIED:									
Year	County	%chg	Townships	%chg	Cities&Villages	%chg	Fire Districts	%chg	NRDs	%chg
2003	$321,016,370		$9,800,769		$219,615,828		$22,879,875		$32,643,605	
2004	$340,606,873	6.10%	$10,233,494	4.42%	$226,999,695	3.36%	$23,929,009	4.59%	$38,022,147	16.48%
2005	$368,559,351	8.21%	$10,464,502	2.26%	$241,989,667	6.60%	$26,072,117	8.96%	$43,257,620	13.77%
2006	$393,816,418	6.85%	$11,102,880	6.10%	$253,672,669	4.83%	$27,684,870	6.19%	$48,687,325	12.55%
2007	$417,047,416	5.90%	$11,822,448	6.48%	$274,204,507	8.09%	$29,348,929	6.01%	$54,114,929	11.15%
2008	$442,543,981	6.11%	$12,601,710	6.59%	$290,516,115	5.95%	$31,408,104	7.02%	$52,972,469	-2.11%
2009	$464,194,036	4.89%	$13,081,116	3.80%	$311,282,052	7.15%	$34,608,262	10.19%	$55,738,939	5.22%
2010	$492,464,502	6.09%	$13,925,087	6.45%	$320,814,632	3.06%	$36,004,232	4.03%	$55,482,551	-0.46%
2011	$513,300,121	4.23%	$14,608,496	4.91%	$333,718,492	4.02%	$37,312,994	3.64%	$60,115,840	8.35%
2012	$541,757,212	5.54%	$15,109,242	3.43%	$340,610,815	2.07%	$39,993,026	7.18%	$60,130,614	0.02%
2013	$564,516,999	4.20%	$16,099,936	6.56%	$344,063,476	1.01%	$43,026,285	7.58%	$65,627,319	9.14%
Cumulative %chg		**75.85%**		**64.27%**		**56.67%**		**88.05%**		**101.04%**
Annual Rate %chg		**5.81%**		**5.09%**		**4.59%**		**6.52%**		**7.23%**

	POLITICAL SUBDIVISIONS - TAXES LEVIED:											
Year	Misc.Dist.	%chg	ESUs	%chg	Comm.Colleges	%chg	School Districts Taxes and Bond	%chg	School Bond Taxes	%chg	Total Taxes	%chg
2003	$85,803,019		$16,452,234		$75,645,216		$1,254,770,485		$112,120,923		$2,038,627,402	
2004	$93,864,277	9.40%	$17,076,961	3.80%	$81,273,023	7.44%	$1,307,534,623	4.21%	$108,403,674	-3.32%	$2,139,540,101	4.95%
2005	$105,410,321	12.30%	$18,054,775	5.73%	$89,275,387	9.85%	$1,378,914,526	5.46%	$116,656,184	7.61%	$2,281,998,267	6.66%
2006	$117,836,764	11.79%	$19,157,306	6.11%	$95,830,077	7.34%	$1,474,275,271	6.92%	$146,620,511	25.69%	$2,442,063,581	7.01%
2007	$123,541,509	4.84%	$21,695,631	13.25%	$97,073,760	1.30%	$1,552,763,379	5.32%	$151,908,759	3.61%	$2,581,612,508	5.71%
2008	$128,410,765	3.94%	$23,111,834	6.53%	$109,125,278	12.41%	$1,632,162,007	5.11%	$156,605,824	3.09%	$2,722,852,264	5.47%
2009	$130,639,244	1.74%	$24,029,567	3.97%	$126,311,455	15.75%	$1,716,241,505	5.15%	$166,214,806	6.14%	$2,876,126,176	5.63%
2010	$134,604,213	3.04%	$25,291,070	5.25%	$133,648,554	5.81%	$1,778,846,009	3.65%	$170,135,346	2.36%	$2,991,080,851	4.00%
2011	$138,859,474	3.16%	$26,258,454	3.82%	$141,336,477	5.75%	$1,843,237,551	3.62%	$172,298,391	1.27%	$3,108,747,898	3.93%
2012	$134,230,301	-3.33%	$27,013,861	2.88%	$150,396,406	6.41%	$1,922,638,274	4.31%	$173,250,495	0.55%	$3,231,879,749	3.96%
2013	$144,887,387	7.94%	$27,917,710	3.35%	$169,670,391	12.82%	$2,024,910,737	5.32%	$178,140,792	2.82%	$3,400,720,239	5.22%
Cumulative %chg		**68.86%**		**69.69%**		**124.30%**		**61.38%**				**66.81%**
Annual Rate %chg		**5.38%**		**5.43%**		**8.41%**		**4.90%**				**5.25%**

Source: *History Value and Taxes by Subdivision* , Property Assessment Division, Nebraska Department of Revenue, 2013.