

NEBRASKA DEPARTMENT OF REVENUE, PROPERTY ASSESSMENT DIVISION

2015 Nebraska Legislative Changes

Real Property Appraiser Act ([LB 139](#) – Operative Date: August 30, 2015). Eliminates inconsistencies in the Nebraska Real Property Appraiser Act (Act) and harmonizes the Act with federally-imposed requirements. There is a one-year moratorium on enforcement action of the Act against mass appraisals done under the authority of the county assessor by employees or independent contractors.

Personal Property Tax Relief Act ([LB 259](#) – Operative Date: January 1, 2016). Exempts the first \$10,000 of personal property for each personal property tax return filed with a county assessor. Failure to timely report tangible personal property is a forfeiture of the exemption for that year. County assessors will be required to electronically file a personal property abstract on or before July 20 of each year with the Property Tax Administrator. A compensating exemption factor will be applied to the value of centrally assessed companies to determine the property tax exemption for those companies.

On or before November 30, the county assessor and county treasurer will be required to file a Personal Property Tax Loss Summary Certificate with the Tax Commissioner for reimbursement of tax loss related to the exemption. The Tax Commissioner will determine the personal property exempt value and tax loss for centrally assessed companies and distribute that reimbursement to the county treasurers according to distribution formulas established by the bill.

Correction of Centrally Assessed Errors ([LB 260](#) – Operative Date: March 6, 2015). Allows the Property Tax Administrator to make corrections of errors affecting the value of centrally assessed companies within three years of that value being certified to counties, or tax being distributed to counties.

Equalization Adjustment for Air Carriers ([LB 261](#) – Operative Date: August 30, 2015 and January 1, 2016). Eliminates obsolete provisions relating to the Property Tax Administrator assuming the assessment function in counties. This bill also provides for the equalization adjustment for air carriers required by the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), a federal law which extends the same equalization protection to air carriers that is provided for rail transportation properties under the 4R Act. Other sections of this bill are part of the Department of Revenue's omnibus bill.

Liens for Special Assessments Made By SIDs ([LB 277](#)- Operative Date: August 30, 2015). Provides that any county treasurer's tax deed that has been issued will remain subject to any liens for special assessments made by sanitary and improvement districts.

Levy Limits for Fire Districts ([LB 325](#) – Operative Date: July 1, 2016). Restores property tax levy authority to fire protection districts if the fire district is located in a county that in the

previous year had a levy of at least 40 cents or the county did not authorize any levy authority to the fire districts in the previous year.

Rent-restricted Housing ([LB 356](#) – Operative Date: August 30, 2015). Requires use of the income approach in valuing rent-restricted housing projects, which are projects consisting of five or more houses or residential units receiving an allocation of federal low-income housing tax credits under Section 42 of the Internal Revenue Code. This bill also establishes the Rent-Restricted Housing Projects Valuation Committee (Committee). The Committee will develop a market-derived capitalization rate to be used by county assessors when using the income approach to value rent-restricted housing projects. The Committee may determine a different capitalization rate for different areas of the state if it is deemed appropriate. The owner of a rent-restricted housing project must file an income and expense statement with both the Committee and the county assessor on or before October 1 of each year. If the statement is not timely filed, the county assessor may use any professionally accepted mass appraisal technique for determining actual value of the property. If actual value is not achieved using the income approach, the county assessor may present these findings to the county board of equalization, which may petition the Tax Equalization and Review Commission (Commission) no later than January 31 of each year for use of another professional accepted mass appraisal technique in determining actual value. The Tax Commissioner may also file a similar petition with the Commission.

Fraternal Benefit Societies Exempt from Property Tax ([LB 414](#) – Operative Date: January 1, 2016). Includes fraternal benefit societies (as organized and licensed under Neb. Rev. Stat. §§ 44-1072 to 44-10,109) in the definition of “charitable organization.” Such organizations are exempt from property taxes pursuant to Neb. Rev. Stat. § 77-202.

Nameplate Capacity Tax ([LB 424](#) – Operative Date: January 1, 2016). Expands the nameplate capacity tax to include any depreciable tangible personal property used directly in the generation of electricity using solar, biomass, or landfill gas as the fuel source and has a nameplate capacity of 100 kW or more. Depreciable tangible personal property subject to the nameplate capacity tax is exempt from property tax.

Tax Incentive Programs Audit Required ([LB 538](#) – Operative Date: August 30, 2015). Requires audits of tax incentive programs under the Legislative Performance Audit Act and changes tax incentive sunset dates. It also requires the Legislative Performance Audit Office to conduct a performance audit of each tax incentive program at least every three years. Auditors will analyze the economic and fiscal impacts of the tax incentive programs.

Homestead Exemption ([LB 591](#) – Operative Date: January 1, 2016). Includes any carryforward of a net operating loss when deducted for federal income tax purposes in the definition of household income for the homestead exemption.

Property Tax Credit Act, Funding Increased ([LB 657](#) – Operative Date: July 1, 2015). Provides property tax relief in the amount of \$204 million for tax years 2015 and 2016.