

BASIC PROVISIONS OF PROPERTY ASSESSMENT AND TAXATION LAWS

NEBRASKA DEPARTMENT OF PROPERTY ASSESSMENT AND TAXATION

All property in the state of Nebraska is subject to property tax unless an exemption is mandated by the Nebraska Constitution, Article VIII, or is permitted by the constitution and enabling legislation is adopted by the Legislature. Federal law may supersede the Nebraska Constitution with regard to taxation of property owned by the federal government or its agencies or instrumentalities. All property in the State of Nebraska, which is subject to taxation, shall be valued as of January 1, 12:01 a.m., of each year.

The assessor is responsible for valuing all real and personal property with the exception of railroads, public service entities, and specific personal property of air carrier and rail car line companies, which are assessed by the Property Tax Administrator. The valuation of real property is determined according to mass appraisal techniques, including but not limited to the following: (1) comparing sales of similar properties; (2) income approach; and (3) cost approach. The valuation of personal property is determined using a statutory method of depreciated values similar to the Federal Modified Accelerated Cost Recovery System and 150 percent declining balance depreciation schedules.

Between January 1 and March 20 of each year, the assessor updates and revises the real property assessment roll. By April 15, agricultural and horticultural land valuation boards (AHLVB) may order an assessor to make changes to agricultural land values. Decisions of the AHLVB may be appealed to the Tax Equalization Review Commission (TERC), within 15 days of their published notice of action. Between April 1 and May 15 the TERC has the authority to adjust by a percentage the valuation of classes or subclasses of real property in any county in order to achieve equalization of property values. Decisions of the TERC may be appealed to the Nebraska Court of Appeals.

The assessor revises the real property assessment rolls, for any actions taken by the agricultural and horticultural land board or TERC, and notifies property owners of value increases or decreases by June 1. Individual protests of real property valuations may be made to the county board of equalization. The county board of equalization may adjust the protested value of individual properties. Decisions of the county board of equalization may be appealed to the TERC.

Personal property is self reported by the taxpayer, on or before May 1. If the assessor makes changes to the reported valuation a notice must be sent to the taxpayer. The action may be appealed to the county board of equalization.

On or before August 10, the TERC equalizes the real property of centrally assessed railroad and public service companies with the level of statewide assessment. The Property Tax Administrator certifies centrally assessed values to the counties.

On or before August 20, the assessor compiles and certifies the total taxable value (real, personal, and centrally assessed) to each local government taxing subdivision for rate setting purposes.

Each year, on or before October 15, the county board of equalization levies the necessary taxes, within the limits of the law, for operation of all functions of county government, school districts, cities, etc. The tax rates for these various local government taxing subdivisions are determined by dividing the subdivision's annual tax request by the current total taxable value within their boundaries. The tax rates are expressed as \$1.00 per \$100 dollars of taxable value.

Property taxes are determined by multiplying the property's taxable value by the total consolidated tax rate for the tax district in which the property is located. The tax district is comprised of various governing bodies empowered to levy property taxes for services, such as county government, school district, city, etc.

On or before November 22, the assessor transcribes the real property tax list and delivers it to the county treasurer for collection of property taxes. All real and personal property taxes, including taxes of centrally assessed railroad and public service companies, are due December 31. The first half of the tax becomes delinquent on the following May 1 and the second half becomes delinquent on September 1, except in Douglas, Lancaster, and Sarpy counties, where the first half is delinquent on April 1 and the second half becomes delinquent on August 1.

HOMESTEAD EXEMPTIONS

A homestead exemption provides relief from property taxes by exempting all or a portion of the valuation of the homestead from taxation. The State of Nebraska reimburses the counties and other governmental subdivisions for the taxes lost due to the homestead exemptions. A homestead exemption is available to three groups of persons: (1) persons over age 65; (2) certain disabled individuals; or (3) certain disabled veterans and their widow(er)s.

For a detailed description of the homestead exemption program and the property tax relief it provides for qualified taxpayers please refer to the information guide (2-618-92 Rev. 12-99). A hard copy of this guide can be obtained from the Nebraska Department of Revenue or printed off the Internet. The Web site is www.nol.org/revenue.

PROPERTY TAX

Statutory Reference and Description

Actual or Estimated
Tax Expenditure Cost
NA = Not Available

EXEMPTIONS

2-4243

Property belonging to the Conservation Corporation. NA

3-209

Airports and landing fields acquired by a municipality. NA

3-511

Property belonging to city airport authorities. NA

3-621

Property belonging to county airport authorities. NA

3-714

Property belonging to joint airport authorities. NA

12-506

Property belonging to cemetery associations. NA

12-517

Burial lots sold by a cemetery association for interment. NA

14-812

Property belonging to metropolitan cities. NA

14-1721

Property belonging to municipal parking authorities. NA

14-1810

Property belonging to metropolitan transit authorities. NA

15-844

Property belonging to primary class cities. NA

18-2137

Property belonging to redevelopment authorities. NA

21-1903	Property held by corporations organized for the purpose of holding in trust, property that would be exempt if owned and held by the organization for whose use or benefit the property is held in trust.	NA
21-2311	Property belonging to industrial development public corporations.	NA
23-343.117	Property belonging to hospital authorities.	NA
37-301	Property held by the Nebraska Game and Parks Commission.	NA
46-267	All ditches, canals, laterals, or other works used for irrigation purposes.	NA
51-512	Property belonging to public museums.	NA
58-268	Property belonging to the Nebraska Investment Finance Authority.	NA
58-324	Property belonging to the Small Business Development Authority.	NA
77-202(1)(a)	Property of the state and its governmental subdivisions.	NA
77-202(1)(b)	Property owned by and used exclusively for agricultural and horticultural societies.	NA
77-202(1)(c)	Property owned by educational, religious, charitable, or cemetery organizations and used for such purposes.	NA
77-202(1)(d)	Household goods and personal effects when such property is not used for profit.	NA
77-202(2)	Increased value of land due to shade or ornamental trees planted along the highway.	NA
77-202(3)	Tangible personal property which is not depreciable. Tangible personal property used in a trade or business or to produce income.	NA

77-202(4)
Motor vehicles paying a registration fee in lieu of property taxes. NA

77-202(5)
Business and agricultural inventory. NA

77-202(6)
Any qualifying personal property pursuant to subsection 2 of section 77-4105, shall be exempt from personal property tax under conditions specified in the “Employment and Investment Growth Act” (LB775, as amended by LB1234) (see explanation below). (See separate section)

77-4101 (Employment and Investment Growth Act - LB775, as amended by LB1234)

A taxpayer’s business may qualify for tax incentives under the Employment and Investment Growth Act if the business plans result in either (a) the investment in a qualified property of at least \$3,000,000 and the hiring of at least 30 new employees, or (b) the investment in qualified property of at least \$10,000,000 and the hiring of at least 100 new employees, or (c) the investment in qualified property of at least \$20,000,000.

7-202.24
Mobile home and one motor vehicle owned by a disabled or blind veteran. NA

77-212
Space provided for supportive medical services exempt from the in-lieu-of payment provided for in section 77-211. NA

77-3507 (See Note)
For homesteads valued at or below the maximum value as defined in section 77-3505.02, a percentage of the exempt amount defined in section 77-3501.01(1), for **married claimants 65 years of age or over** with household income as set out below:

Household Income (\$)	Percentage of Relief
0 through 22,500.99	100
22,501 through 23,700.99	85
23,701 through 24,900.99	70
24,901 through 26,100.99	55
26,101 through 27,300.99	40
27,301 through 28,500.99	25
28,501 and over	0

77-3507

(See Note)

For homesteads valued at or below the maximum value as defined in section 77-3505.02, a percentage of the exempt amount defined in section 77-3501.01(1), for a **single claimant 65 years of age or over** with household income as set out below:

Household Income (\$)	Percentage of Relief
0 through 19,200.99	100
19,201 through 20,200.99	85
20,201 through 21,200.99	70
21,201 through 22,200.99	55
22,201 through 23,200.99	40
23,201 through 24,200.99	25
24,201 and over	0.

77-3508(1)(a)

(See Note)

For homesteads valued at or below the maximum value as defined in section 77-3505.02, a percentage of the exempt amount defined in section 77-3501.01(1), for a **married veteran totally disabled by a non-service connected accident or illness** with household income as set out below:

Household Income (\$)	Percentage of Relief
0 through 24,700.99	100
24,701 through 25,900.99	85
25,901 through 27,100.99	70
27,101 through 28,300.99	55
28,301 through 29,500.99	40
29,501 through 30,700.99	25
30,701 and over	0

77-3508(1)(a)

(See Note)

For homesteads valued at or below the maximum value as defined in section 77-3505.02, a percentage of the exempt amount defined in section 77-3501.01(1), for a **single veteran totally disabled by a non-service connected accident or illness** with household income as set out below:

Household Income (\$)	Percentage of Relief
0 through 21,600.99	100
21,601 through 22,600.99	85
22,601 through 23,600.99	70
23,601 through 24,600.99	55
24,601 through 25,600.99	40
25,601 through 26,600.99	25
26,601 and over	0

77-3508(1)(b)(c)(d)(e)

(See Note)

For homesteads valued at or below the maximum value as defined in section 77-3505.02, a percentage of the exempt amount defined in section 77-3501.01(1), for a **married, disabled individual** with household income as set out below:

Household Income (\$)	Percentage of Relief
0 through 24,700.99	100
24,701 through 25,900.99	85
25,901 through 27,100.99	70
27,101 through 28,300.99	55
28,301 through 29,500.99	40
29,501 through 30,700.99	25
30,701 and over	0

77-3508(1)(b)(c)(d)(e)

(See Note)

For homesteads valued at or below the maximum value as defined in section 77-3505.02, a percentage of the exempt amount defined in section 77-3501.01(1), for a **single disabled individual** with household income as set out below:

Household Income (\$)	Percentage of Relief
0 through 21,600.99	100
21,601 through 22,600.99	85
22,601 through 23,600.99	70
23,601 through 24,600.99	55
24,601 through 25,600.99	40
25,601 through 26,600.99	25
26,601 and over	0

77-3509

(See Note)

For homesteads valued at or below the maximum value as defined in section 77-3505.02, a percentage of the exempt amount defined in section 77-3501.01(1), for a **married veteran drawing compensation from the Department of Veterans' Affairs for 100 percent service-connected disability** with household income as set out below:

Household Income (\$)	Percentage of Relief
0 through 24,700.99	100
24,701 through 25,900.99	85
25,901 through 27,100.99	70
27,101 through 28,300.99	55
28,301 through 29,500.99	40
29,501 through 30,700.99	25
30,701 and over	0

77-3509

(See Note)

For homesteads valued at or below the maximum value as defined in section 77-3505.02, a percentage of the exempt amount defined in section 77-3501.01(1), for a **single veteran drawing compensation from the Department of Veterans’ Affairs for 100 percent service-connected disability including any unremarried widow or widower of such veteran** with household income as set out below:

Household Income (\$)	Percentage of Relief
0 through 21,600.99	100
21,601 through 22,600.99	85
22,601 through 23,600.99	70
23,601 through 24,600.99	55
24,601 through 25,600.99	40
25,601 through 26,600.99	25
26,601 and over	0

Note: The total tax loss for the State of Nebraska in 1999 was \$32,166,119. One hundred percent was reimbursed to the counties by the State of Nebraska. The table on page B10 lists the total tax loss for each county.

77-3501.01 Exempt amount, defined:

(1) For purposes of section 77-3507, exempt amount shall mean the lesser of (a) the taxable value of the homestead or (b) eighty percent of the average assessed value of single-family residential property in the claimant’s county of residence as determined in section 77-3506.02 or forty thousand dollars, whichever is greater. (2) For purposes of sections 77-3508 and 77-3509, exempt amount shall mean the lesser of (a) the taxable value of the homestead or (b) one hundred percent of the average assessed value of single-family residential property in the claimant’s county of residence as determined in section 77-3506.02 or fifty thousand dollars, whichever is greater.

77-3505.02 Maximum value, defined:

Maximum value shall mean: (1) For applicants eligible under section 77-3507, one hundred fifty percent of the average assessed value of single-family residential property in the claimant’s county of residence as determined in section 77-3506.02 or ninety-five thousand dollars, whichever is greater; and (2) For applicants eligible under sections 77-3508 and 77-3509, one hundred seventy-five percent of the average assessed value of single-family residential property in the claimant’s county of residence as determined in section 77-3506.02 or one hundred ten thousand dollars, whichever is greater.

PREFERENTIAL TAX RATES AND VALUATION

Statutory Reference and Description	Estimated Tax Expenditure Cost NA = Not Available
37-335	
Whenever the Game and Parks Commission acquires title to private lands for wild life management purposes, the Commission shall annually make the same payments in-lieu-of taxes as were made by private landowners for the year prior to such acquisitions to the county treasurer of the county in which the land is located.	\$228,340*
77-1344	
Land valued for agricultural use where actual value for other use would be higher.	NA
Article VIII, Section II	
(Section 70-651.01 through 70-651.05) Public corporations and political subdivisions making an in-lieu-of taxes payment equal to the amount of taxes paid in 1957, or five percent of annual gross revenue less the amount of taxes paid in 1957.	\$1,011,514* 1957 fixed \$22,782,082* 5% gross revenue

* These amounts are the in-lieu-of taxes paid as reported on the 1999 Certificates of Taxes Levied Report.

1999 HOMESTEAD EXEMPTION REIMBURSEMENT

ADAMS	\$ 658,696	JEFFERSON	\$ 255,461
ANTELOPE	212,156	JOHNSON	166,994
ARTHUR	4,449	KEARNEY	96,869
BANNER	3,727	KEITH	205,392
BLAINE	5,385	KEYA PAHA	14,615
BOONE	146,231	KIMBALL	94,152
BOX BUTTE	198,935	KNOX	269,479
BOYD	62,174	LANCASTER	4,797,985
BROWN	100,122	LINCOLN	704,242
BUFFALO	575,019	LOGAN	11,371
BURT	223,473	LOUP	8,315
BUTLER	168,433	MADISON	643,887
CASS	495,833	MCPHERSON	4,796
CEDAR	261,417	MERRICK	182,403
CHASE	94,808	MORRILL	126,579
CHERRY	121,430	NANCE	107,075
CHEYENNE	179,610	NEMAHA	177,234
CLAY	134,803	NUCKOLLS	108,531
COLFAX	236,278	OTOE	404,168
CUMING	239,191	PAWNEE	79,155
CUSTER	274,863	PERKINS	55,067
DAKOTA	286,134	PHELPS	164,498
DAWES	159,629	PIERCE	221,636
DAWSON	378,787	PLATTE	596,516
DEUEL	50,708	POLK	103,720
DIXON	173,609	RED WILLOW	207,465
DODGE	819,048	RICHARDSON	307,842
DOUGLAS	7,094,979	ROCK	53,094
DUNDY	38,253	SALINE	321,826
FILLMORE	128,343	SARPY	1,394,604
FRANKLIN	107,628	SAUNDERS	531,440
FRONTIER	54,726	SCOTTS BLUFF	834,701
FURNAS	128,114	SEWARD	344,622
GAGE	646,240	SHERIDAN	117,176
GARDEN	55,391	SHERMAN	102,274
GARFIELD	78,785	SIOUX	17,464
GOSPER	47,677	STANTON	114,430
GRANT	12,593	THAYER	146,485
GREELEY	76,379	THOMAS	10,766
HALL	1,297,451	THURSTON	87,069
HAMILTON	148,613	VALLEY	181,817
HARLAN	106,181	WASHINGTON	420,724
HAYES	6,332	WAYNE	184,341
HITCHCOCK	63,278	WEBSTER	125,795
HOLT	275,507	WHEELER	9,013
HOOKER	22,499	YORK	232,856
HOWARD	166,257	STATE TOTAL	\$32,166,119

PROPERTY TAX RECOMMENDATIONS

The taxable value of exempt property (e.g. governmental or permissive exempt) is not available because often assessors do not place a value on them due to the exempt status. Typically, assessors focus their time and resources on establishing values of taxable properties.

In 1999, the Legislature adopted LB 271 and in 2000 LB 968 postponed the effective date to the year 2001. This legislation now provides for exempt property owned by the state and its political subdivisions that “is not used for a public” shall become taxable in the year 2000. Public purpose does not include leasing of property to a private part unless the lease of the property is at fair market value for a public purpose.

The Department of Property Assessment & Taxation has no other recommendations.