



Jim Pillen, Governor

## FOR IMMEDIATE RELEASE

FOR INFORMATION, CONTACT:  
Patrick Roy, Legislative & Media Coordinator  
402-471-5679

## Special Session Update: LB 34

SEPTEMBER 6, 2024 (LINCOLN, NEB.) – The Nebraska Department of Revenue (DOR) is providing information on property tax relief changes resulting from a new credit through the passage of LB 34 (2024). The bill frontloads the credit of 30% of school district taxes paid automatically by reducing property tax statements instead of requiring the taxpayer to claim it as a refundable income tax credit. The total amount of the frontloaded relief is \$750 million that will reduce 2024 property tax statements. This credit is set to increase by a minimum of 3% each year and as the state's economy grows, LB 34 includes a provision to direct even more funding to property tax relief.

Previously under LB 1107 (2020), **approximately 45% of Nebraskans were not claiming the property tax credit** when filing their income tax returns. Now, through LB 34, those taxpayers will experience upwards of 20% in direct property tax relief. For those taxpayers who previously claimed those tax credits, LB 34 will continue to provide property tax relief, without the burden of filing a claim. Taxpayers will now receive the benefit much earlier in the process. The new frontloaded credit will appear on each taxpayer's 2024 property tax statement, which will be mailed in December 2024.

The frontloading of this credit only applies to school district taxes, so there is no change to the community college tax credit, which must still be claimed by taxpayers on their income tax return. This credit does still provide a 100% refund of community college taxes paid by the taxpayer.

Provided below is a comparative analysis considering prior law and LB 34 changes utilizing the average tax credit Nebraska property taxpayers would receive in each respective year:

Prior Law LB 1107 (2020)			
Property Tax Years	Deduction Date	Refund Timing	Credit \$\$
2023 Property Taxes Paid	April 2025	April 2025	\$786
2024 Property Taxes Paid	April 2026	April 2026	\$814
2025 Property Taxes Paid	April 2027	April 2027	\$842
Total Relief:			\$2,441
<b>\$2,441 in Credits By April 2027</b>			
<b>*LB 1107 example only applies to those property tax payers that would claim the credit.</b>			

<b>LB 34 (2024)</b>			
<b>Property Tax Years</b>	<b>On Statement</b>	<b>Property Tax Payments</b>	<b>Credit \$\$</b>
2024 Property Taxes Assessed	December 2024	March/July 2025	\$814
2025 Property Taxes Assessed	December 2025	March/July 2026	\$842
2026 Property Taxes Assessed	December 2026	March/July 2027	\$871
<b>Total Relief:</b>			<b>\$2,527</b>
<b>\$2,527 in Credit By March/July 2027</b>			
<b>*LB 34 example applies to <u>ALL</u> property tax payers and would be automatic.</b>			

*\*Taxpayers in Douglas, Lancaster, and Sarpy Counties pay property taxes by April 1 and August 1.*

*\*Taxpayers outside of Douglas, Lancaster, and Sarpy Counties pay property taxes by May 1 and September 1.*

LB 34 provides equitable property tax relief to all Nebraskans. Every property owner will receive the same benefit of a 30% reduction in school district property taxes paid. It is critical that Nebraskans automatically receive this credit rather than loaning government funds for a full year. The bill ensures that this property tax credit increases by a minimum of 3% per year and grows as Nebraska's economy does. Another critical part of LB 34 is putting caps on growth for local government property taxes to ensure we receive long term property tax reform.

###