

Damaged Real Property

Overview

All real property in this state is subject to taxation and must be assessed as of January 1, 12:01 a.m. This assessment is used as the basis of taxation until the next assessment year, unless the property suffers significant property damage as a result of a calamity on or after January 1 and before July 1 of the current assessment year, the value may be adjusted in accordance with the [Report of Damaged Real Property, Form 425](#) in accordance with Nebraska law.

This guidance document is advisory in nature but is binding on the Nebraska Department of Revenue (DOR) until amended. A guidance document does not include internal procedural documents that only affect the internal operations of DOR and does not impose additional requirements or penalties on regulated parties or include confidential information or rules and regulations made in accordance with the Administrative Procedure Act. If you believe that this guidance document imposes additional requirements or penalties on regulated parties, you may request a review of the document.

This guidance document may change with updated information or added examples. DOR recommends you do not print this document. Instead, sign up for the [subscription service](#) at revenue.nebraska.gov to get updates on your topics of interest.

Terms

Damaged Real Property. Real property that suffers significant property damage occurring on or after January 1 and before July 1 of the current assessment year. Damaged real property does not include property suffering significant property damage that is caused by the owner of the property.

Significant Property Damage. Damage to an improvement exceeding twenty percent of the improvement's assessed value in the current tax year or damage to land exceeding twenty percent of a parcel's assessed land value in the current tax year.

Filing Requirements

Owners with damaged real property must file a [Form 425](#) with the county clerk on or before July 15. This deadline may not be extended. A separate Form 425 must be completed for each parcel of damaged real property.

When a property suffers significant property damage more than once between January 1 and July 1 of a given year, and the owner has not previously filed a Form 425 before the property suffers subsequent significant property damage from a subsequent calamity, only one Form 425 needs to be filed. However, if the owner filed a report before the property suffered additional significant property damage, an additional Form 425 may be filed.

Property owners are encouraged to attach any supporting documents, including any photographs, reports, damage estimates, repair estimates, insurance documents, or other documents, they wish to be considered by the county board of equalization (CBOE) in determining any adjustment to the assessed value for significant property damage. The burden is on the reporting property owner to provide sufficient evidence to allow the CBOE to make an adjustment to the assessed value of a property due to significant property damage.

Damaged Property Examples and Considerations

Some parcels will only have damage to improvements, other parcels will only have damage to the land. The CBOE must consider whether the damage exceeds 20% of the current assessed value of the buildings or land or both. The current assessed value is the value of the property for the current year as determined by the county assessor means the value prior to the significant property damage.

Damaged real property does not include property suffering significant property damage that is caused by the property owner.

Standing water from rainfall does not always impact the use of the parcel or cause significant property damage. The CBOE will consider the the Form 425 and the report from the county assessor and the assessment of the property will be made by the CBOE.

The loss of crop and/or livestock is not considered damaged real property.

When roads in a county are impassable and many meadows are covered with water, but no buildings are lost, this event may result in significant damage. The property owner would file a Form 425 and the CBOE will determine if the parcel suffered significant damage.

When Mobile Home Taxes have been Accelerated

When the owner of a mobile home has paid an accelerated tax to move the mobile home under Neb. Rev. Stat [§§ 77-3708](#) and [77-1725.01](#) and a CBOE has made an adjustment to the assessed value after considering the Form 425 for the mobile home, upon a written claim for a refund from the mobile home owner, the county treasurer shall refund the portion of the tax paid in excess of the amount due after the adjustment has been made.

County Assessor Responsibility

The county assessor shall inspect and review all properties for which a Report of Damaged Real Property is filed and shall submit a comprehensive report on a form provided by the Tax Commissioner, on all such properties. The report is to be submitted to the county board of equalization on or before July 20 of the current assessment year and shall include all reports filed by the property owner. After county board of equalization action, the county assessor shall correct the current year's current assessment roll to the adjusted value.

Consideration of Report of Damaged Real Property by the CBOE

The CBOE must review the Form 425 on or after June 1 and on or before July 25, or on or before August 10 if a resolution to extend the deadline to hear protests has been adopted pursuant to [Neb. Rev. Stat. § 77-1502](#).

Agricultural Land Waste Consideration

Agricultural and horticultural land that is damaged real property may be considered waste if it meets the definition of wasteland, so long as the wasteland is lying in or adjacent to and in common ownership or management with other agricultural and horticultural land. Refer to [Neb. Rev. Stat. § 77-1359\(1\)](#).

Example: Parcel A is flooded. The parcels around Parcel A were not significantly damaged and can still be farmed. The owner of Parcel A does not own or manage the agricultural acres surrounding Parcel A. Since the parcels surrounding Parcel A are not in common ownership or management, Parcel A cannot be considered wasteland. If however, the owner of Parcel A does own or manage the agricultural acres surrounding Parcel A, these parcels are in common ownership or management and Parcel A can be considered wasteland. To ensure that values on significantly damaged parcels are equalized, the CBOE may need to create an agricultural subclass to extend value to damaged agricultural parcels.

Protest of the Reassessment of Real Property

If the owner disagrees with the results of the action of the CBOE regarding the filed Form 425, the owner must file a valuation protest with the county clerk within 30 days of the mailing of the notice value for damaged real property. The CBOE must issue its decision within 30 days after the filing of the protest. Within seven days after the final decision of the CBOE, the county clerk must mail a written notice of the decision to the protester.

If the protester disagrees with the results of the protest, the reassessment of the damaged real property may be appealed to the Tax Equalization and Review Commission within 30 days after the final decision of the CBOE.

Resource List

- ❖ [Neb. Rev. Stat. § 77-1307](#)
- ❖ [Neb. Rev. Stat. § 77-1308](#)
- ❖ [Neb. Rev. Stat. § 77-1309](#)
- ❖ [Damaged Real Property – FAQs](#)
- ❖ [Report of Damaged Real Property, Form 425](#)
- ❖ [News Release: Report of Damaged Real Property](#)

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