

2020 Nebraska Legislative Changes

Nebraska Department of Revenue, Property Assessment Division

October 22, 2020

Nameplate Capacity Tax

[LB 76](#) – **Operative Date: January 1, 2021.** LB 76 amended [Neb. Rev. Stat. § 77-6202](#) to provide that nameplate capacity is to be determined based on a facility's alternating current capacity.

Business Incentives

[LB 1107](#) – **Operative Date: August 18, 2020.** LB 1107 created that ImagiNE Nebraska Act which provides for an updated incentives program, similar to the Nebraska Advantage Act and includes a personal property exemption for specific property owned by qualifying companies and located at qualifying projects.

Real Property Tax Relief

[LB 1107](#) – **Operative Date: August 18, 2020.** LB 1107 created the Nebraska Property Tax Incentive Act which provides for a refundable income tax credit (credit) beginning tax year 2020. The credit is available to any person or entity that pays school district taxes in Nebraska. The credit is determined by multiplying the amount of school district taxes, property taxes levied on real property in Nebraska by a school district or multiple district school system, excluding property taxes levied for bonded indebtedness or any levy override approved by voters, by a credit percentage. The credit percentage equals the amount of dollars available for the credit by the total real property taxes levied for school purposes. The amount of dollars available for the credit is \$125 million for tax year 2020, increasing to \$375 million for tax year 2024. For tax year 2025, the amount of credit to be available is \$375 million plus allowable growth of no more than 5%. Allowable growth is the percentage increase in the total assessed value of all real property in the state from the prior year.

LB 1107 also amended [Neb. Rev. Stat. § 77-4212](#), the Property Tax Credit Act (Act) to provide that for tax year 2020 and each tax year thereafter, the minimum amount of relief granted under the Act shall be two hundred seventy-five million dollars. If money is transferred or credited to the Property Tax Credit Cash Fund pursuant to any other state law, such amount shall be added to the minimum amount required under this subsection when determining the total amount of relief granted under the Act.

Personal Property

[LB 1107](#) – **Operative Date: August 18, 2020.** LB 1107 eliminated the Personal Property Tax Relief Act after the 2019 tax year. County assessors are no longer required to annually file a personal property abstract or Personal Property Tax Loss Summary Certificate with the Property Tax Administrator.

Tax Increment Financing

LB 1021 – ***Operative Date: November 14, 2020.*** LB 1021 amended the Community Development Law to allow the governing body of a city to elect to provide for the expedited review and approval of qualifying redevelopment. A qualifying redevelopment plan must include only one redevelopment project that: (1) involves the repair, rehabilitation, or replacement of an existing structure located within a substandard and blighted area; (2) is located in a county with a population of less than 100,000; (3) the existing structure is at least 60 years old; and (4) the assessed value of the property within the redevelopment project area when the project is complete is estimated to be no more than \$250,000 for a single-family residential structure, \$1 million for a multi-family residential structure or commercial structure; or \$10 million for the revitalization of a structure included in the National Register of Historic Places. Such a project must be completed within two years. When the project has been completed, the redeveloper is required to notify the county assessor, who must then determine whether the project is complete and the assessed value of the property within the redevelopment area. The county assessor must certify to the governing body that the improvements have been made and completed, a valuation increase has occurred and the amount of increase, and that such increase was due to the improvements made. After the county assessor has made this certification, the authority may begin to use the excess tax to pay the indebtedness.