

December 17, 2024

## School District Property Tax Relief Credit (SDPTRC) and Tax Statement Calculations

### Purpose

This directive advises county assessors and treasurers of their responsibilities for administering the School District Property Tax Relief Act (Act), pursuant to [Neb. Rev. Stat. § 77-7305](#). The Act provides a school district property tax relief credit (SDPTRC) based on the distribution of prior year school property taxes levied in the county compared to the prior year school district taxes levied in the state. The Act has been funded for tax years 2024 through 2030 and forward.

The Act creates the School District Property Tax Relief Credit Fund (Fund). The Fund is established in the amount of \$750 million dollars for fiscal year 2024 – 25. It is the intent of the legislature that an annual appropriation be credited to the Fund each fiscal year as follows:

2025 – 26: \$780 million

2026 – 27: \$808 million

2027 – 28: \$838 million

2028 – 29: \$870 million

2029 – 30: \$902 million

2030 – 31 and forward, - amount from the prior year PLUS an increase of 3%.

Any money transferred or credited to the Fund will be added to the amount of credit available as provided by [Neb. Rev. Stat. § 77-7305](#).

### Procedure and Implementation

The Act applies to all school district taxes levied on real property, excluding any property taxes levied for bonded indebtedness and any property taxes levied as a result of an override of limits on property taxes approved by voters pursuant to [Neb. Rev. Stat. §77-3444](#).

The SDPTRC amount must be computed and displayed on the tax list of the county as prepared by the county assessor pursuant to the Act. This credit should also be displayed separately from other credits on the tax statements. State statute does not describe how the credit should be labeled on the tax statement. If space is an issue, labeling this credit School Tax Credit is sufficient.

Tax statements are required to display the amount of taxes levied by each political subdivision for the current year and the immediate past year on the same parcel, pursuant to [§ 77-1704.01\(1\)](#). **The credit amounts cannot be netted against the taxes**

**levied**, but must be shown as a credit to the taxes levied on the tax statement, similar to homestead exemption tax loss amounts in [§ 77-3509.03](#).

All taxable real property parcels are eligible for the SDPTRC. If the real property owner qualifies for a homestead exemption, the homestead owner also qualifies for the SDPTRC to the extent of any remaining liability after applying the homestead exemption and the real property tax credit. If the credit calculated exceeds the non-bond school tax liability in the current year for any reason, the credit should be used to reduce the non-bond school tax liability to \$0 and any unused funds should be returned to the Property Tax Administrator.

For parcels that have boundary changes in the current year due to parcel splits, the SDPTRC from the prior year should be distributed to the new parcels in an amount proportionate to the value of each parcel at the time of split. For example, assume a parcel is valued at \$100,000 with a \$300 school tax credit, and the parcel is split into two parcels, parcel A is valued at \$60,000 and parcel B is valued at \$40,000. Parcel A should received a SDPTRC of \$180 (60% x \$300) and Parcel B should receive a SDPTRC of \$120 (40% x 300). The total credits should sum to the allowable credit on the original parcel.

Similarly, if two parcels are combined into one parcel, the SDPTRC must also be combined. Assume Parcel A with an assessed value of \$60,000 had a SDPTRC of \$180 and Parcel B with an assessed value of \$40,000 had a SDPTRC of \$120, Parcel A and B are combined as one parcel and are identified as Parcel A with an assessed value of \$100,000, the SDPTRC of Parcel A is \$300.

The SDPTRC is applicable to the school district taxes levied on real property on parcels that are part of a community redevelopment project using tax increment financing (TIF) which includes taxes on both the base and excess valuations.

The SDPTRC is applicable to the real property portion of centrally assessed railroads and public service entities. If a centrally assessed company's value is 100% personal property, no credit will be received.

The SDPTRC is applicable to school district taxes levied on real property as adjusted by any tax list correction made to the tax list for the applicable tax year.

The SDPTRC is not applicable to real property parcels acquired by the Nebraska Game and Parks Commission for wildlife habitat and subject to the in lieu of tax, pursuant to [Neb. Rev. Stat. §37-335](#).

The SDPTRC **is not applicable** to real property parcels owned by a joint entity created pursuant to the Interlocal Cooperation Act or natural resources district for purposes of a water augmentation project and are subject to the in- lieu tax, pursuant to [Neb. Rev. Stat. § 46-1701](#).

The Property Tax Administrator, county assessors, and county treasurer must perform the following six steps to properly administer the SDPTRC. Note: the valuation amounts used in these examples may not reflect actual certified numbers.

**Step 1 – Determine County’s Share of SDPTRC.** On or before September 15, the Property Tax Administrator must determine the credit amount to be disbursed to each county and certify these amounts to the State Treasurer and the county. The amount disbursed to the counties is equal to the amount available for disbursement for the applicable tax year multiplied by the ratio of school district taxes levied in the prior year in the county divided by school district taxes levied in the prior year in the state. School district taxes means property taxes levied on real property in this state by a school district or multiple-district school system, excluding any property taxes levied for bonded indebtedness and any property taxes levied as a result of an override of limits on property tax levies approved by voters pursuant to [Neb. Rev. Stat. §77-3444](#).

**Step 2 – Determine SDPTRC per Parcel.** The amount of school credit per parcel is equal to the amount disbursed to the county for the applicable tax year multiplied by the ratio of school district taxes levied in the prior year on the parcel divided by school district taxes levied in the prior year in the county.

The calculated credit is the maximum amount of credit allowed on the parcel. If the value of the parcel is adjusted in the current year, the maximum amount of the credit does not change as it was based on the prior year school tax. If the parcel value increases, the credit is the same, if the parcel value decreases, there may be unused SDPTRC that must be returned to the Property Tax Administrator.

**Step 3 – Homestead Exemption and Real Property Tax Credit.** If the real property owner qualifies for a homestead exemption under [Neb. Rev. Stat. §§ 77-3501 to 77-3529](#), the homestead owner also qualifies for both the real property tax credit and the SDPTRC to the extent of any remaining liability after the homestead exemption is applied. The real property tax credit is applied after the homestead exemption, but before the SDPTRC. If the SDPTRC results in a non-bond school district tax liability on the homestead that is less than zero, the amount of the credit which cannot be used by the taxpayer must be returned by the county treasurer to the Property Tax Administrator by July 1 of the year the credit amount was disbursed to the county. Since the school district tax credit only distributes to school taxes levied, it is possible for the school tax liability to be \$0 with taxes remaining due from other political subdivisions.

**Step 4 – Disbursements.** The SDPTRC disbursements to the counties occur in two equal payments: the first, on or before January 31; and the second, on or before April 1 of the year following the respective tax year for which the tax credit was certified. The county treasurer shall disburse amounts received, which are credited against the amount of property taxes owed to school districts, in the same manner as if such funds had been received in the form of property tax payments for property taxes owed to school districts, meaning any amounts attributable to divided taxes pursuant to [Neb. Rev. Stat. §18-2147](#) of the Community Development Law shall be remitted to the applicable authority for which such taxes were divided.

**Step 5 – Return of Unused Tax Credit.** Upon return of the unused portion of the SDPTRC monies to the Property Tax Administrator, the county treasurer must also electronically

forward information to the Nebraska Department of Revenue, indicating the total amount of SDPTRC distributed to political subdivisions for locally assessed real property and centrally assessed real property and the total amount of unused tax credit monies returned to the Property Tax Administrator.

**Step 6 – Tax List Corrections and Claim for Additional Monies.** For tax list corrections that occur on or before July 1, the county treasurer should use the unused credit amount to cover those corrections. The amount returned to the State will be the amount shown on the tax lists as unused credit, plus or minus the corrections on or before July 1.

After July 1, if additional tax list corrections occur resulting in a need for additional credit amounts for that tax year, the county treasurer may file a [claim form](#), along with supporting documentation, with the Risk Management State Claims Board.

## **Accelerated Tax on Real Property Parcels (Mobile Homes) and Tax Credit**

### **Example 1. Mobile home is moved, and the acceleration of tax is done in August 2024.**

This scenario involves a mobile home with a 2024 value with the 2024 taxes accelerated or calculated at the 2023 tax rate. The purpose of the Act is to provide property tax relief for property taxes levied against real property for tax year 2024. Here, the 2024 accelerated real property taxes were collected prior to the certification of the credit on September 15. If the owner of the mobile home desires to receive the 2024 credit for the accelerated 2024 taxes paid, a written claim must be made to the county treasurer within two years from the date the tax was due, requesting a refund pursuant to [Neb. Rev. Stat. §77-1734.01](#).

### **Example 2. Mobile home is moved and the acceleration of tax is done in February 2025.**

In this scenario, the mobile home is listed on the 2024 tax list and the 2024 credit should already be reflected for the 2024 taxes due. In February of 2025, this mobile home has a 2025 assessed value with the 2025 taxes being accelerated or calculated at the 2024 tax rate. The 2025 rate of credit will not be determined until September 15, 2025; therefore, a 2025 credit amount cannot be calculated as of February. However, the taxpayer may be informed that after September 15, 2025, a written claim may be made to the county treasurer, within two years from the date the tax was due, requesting a refund pursuant to [Neb. Rev. Stat. §77-1734.01](#).

See attachments for the following examples:

**Attachment 1 Determine county’s share of credit fund and tax due and credit computation for a parcel.**

**Attachment 2 Tax credit for parcels with homestead exemption**

Example 1 - Tax due and credit computations for parcel with homestead exemption

Example 2 - Tax due and credit computations for parcel with homestead exemption and unused credit

**Attachment 3 Tax due and credit for parcels with Tax Increment Financing (TIF)**

Example 3 - Tax due and credit computations for parcel with Tax Increment Financing (TIF)

Example 4 - Tax due and credit computations for parcel with homestead exemption and Tax Increment Financing (TIF)

**Attachment 4 Tax credit for centrally assessed entities.**

For the Tax Commissioner

APPROVED:

/s

Sarah R. Scott

Property Tax Administrator

December 17, 2024

**Attachment 1, Determine county's share of credit fund and tax due and credit computation for a parcel.**

<b>Step 1 - Determine County's Share of Credit, by September 15</b>		
State Total Non-bond, Real Property School Tax		2,637,358,813
	- Levy Override Adjustments:	(824,264)
	+ School Tax on TIF Excess Value:	6 0,165,251
Total Eligible State Non-bond, Real Property School Tax		2,696,699,800
County Total Non-bond, Real Property School Tax		16,434,097
	- Levy Override Adjustments:	-
	+ School Tax on TIF Excess Value:	54,736
Total Eligible State Non-bond, Real Property School Tax		16,488,833
Total Eligible County School Tax ÷ Total Eligible State School Tax		0.006114449
x School District Property Tax Relief Credit Fund		750,000,000
<b>County's share of School District Property Tax Relief Fund</b>		<b>\$4,585,836.64</b>

<b>Step 2 - Determine the Credit for the Parcel</b>		
Assessed Value		200,000
School District non-bond Levy		0.01050000
Parcel Total Non-bond, Real Property School Tax (includes general fund levy, special building fund levy, learning community, and QCPUF levy)		2100.00 (200,000*.0105)
- voter approved levy override authority		0.00
Eligible school district property tax		\$2,100.00
÷ Total Eligible County School Tax		16,488,833
<u>x County's total Share of School District Property Tax Relief Fund</u>		<u>4,585,836.64</u>
Eligible School District Property Tax Relief Credit on Parcel		\$584.05
Taxable value of parcel		200,000
<u>x Total Tax rate (1.95%)</u>		<u>0.0195</u>
Total taxes due before credit		\$3,900.00
- Non-ag real property tax credit (.0011130 * non-ag value)		222.60
- Ag real property tax credit (.0013355 * ag value)		0.00
- School District Property Tax Relief Credit		584.05
<b>Tax due after credit</b>		<b>\$3,093.35</b>

**Attachment 2, Tax credit for parcels with homestead exemption.**

**Example 1: Tax due and credit computation for parcel with homestead exemption.**

If the parcel's remaining tax due after homestead exemption is equal to or greater than the credit, the parcel receives all credits. The homestead exemption is applied first, followed by the real property tax credit, then the school district property tax relief credit.

Taxable value (non-agland) before homestead exemption	200,000	
Homestead value exempted	100,000	50% exemption
	100,000	
Total tax rate (1.95%)	0.0195	
	Total Tax	
Tax due prior to homestead	3,900	
Tax exempt due to homestead	1,950	
Tax due after homestead	1,950	
Nonag Real Property Tax Credit (.0011130 * nonag value)	222.60	
School District Property Tax Relief Credit (Exemption % * Calculated School District Property Tax Relief Credit)	584.05	(see attachment 1)
<b>Remaining tax due</b>	<b>\$1,143.35</b>	

**Example 2: Tax due and credit computation for a parcel with homestead exemption and unused credit.**

If the credits are larger than the parcel's remaining tax due after the homestead exemption, the parcel only receives the portion of credit that brings its tax bill to zero.  
 Note: For some parcels the entire School District Property Tax Relief Credit will be unused.

Taxable value (non-agland) before homestead exemption	200,000	
Homestead value exempted	175,000	
	25,000	
Total tax rate (1.95%)	0.0195	
School Tax Rate (1.05%)	0.0105	
Tax due prior to homestead	3,900.00	
Tax exempt due to homestead	3,412.50	(175,000 * .0195)
Tax due after homestead	\$487.50	
Nonag Real Property Tax Credit (.0011130 * nonag value)	222.60	
School District Property Tax Relief Credit (Exemption % * Calculated School District Property Tax Relief Credit)	584.05	(see attachment 1)
Credit used to reduce tax due to zero* See Note below	142.64	(262.50 - 119.86)
*Note: Credit used to reduce the tax to \$0 cannot exceed total school tax remaining. Therefore, you must determine the remaining school tax due by distributing the real property tax credit to the school (school levy/total levy)* property tax credit.		
	school tax =	\$262.50 (.0105*25,000)
	School Nonag credit =	\$119.86 (.0105/.0195*222.60)
	School Taxes before SDPTRC=	\$142.64 (262.50 - 119.86)
Remaining tax due	122.26	
<b>Unused School District Property Tax Relief Credit Return to PTA</b>	<b>\$441.41</b>	(584.05 - 142.64)

**Attachment 3 Tax due and credit for parcels with Tax Increment Financing (TIF).**

<b>Example 3 - Tax due and credit computations for a parcel with TIF.</b>	
Real property credit rate (non-agland)	0.001113
TIF parcel's base value	5,000
TIF parcel's excess value	<u>195,000</u>
TIF parcel's total value	200,000
Total tax rate (1.95%)	0.0195
Tax due on total value	3,900.00 (200,000 * .0195)
- Non-ag tax credit for total value	222.60 (200,000 * .0011130)
- School District Property Tax Relief Credit for total value	<u>584.05</u> See Attachment 1
Remaining tax due for parcel	3,093.35
<b>Allocation of TIF taxes for base and excess:</b>	
Tax due allocated to base value	97.50 (5,000 * .01950)
Non-ag tax credit allocated to base value	5.57 (5,000 * .0011130)
School District Property Tax Relief Credit allocated to base value	<u>14.60</u> (5,000 / 200,000 * 584.05)
Remaining tax due on base value	\$77.34
Tax due allocated to excess value	3,802.50
Non-ag tax credit allocated to excess value	217.04 (195,000 * .0011130)
School District Property Tax Relief Credit allocated to excess value	<u>569.45</u> (195,000 / 200,000 * 584.05)
Remaining tax due on excess value	\$3,016.02



Department of Revenue, Property Assessment Division, Directive 24-2 School District Property Tax Relief Credit  
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**Example 4 - Tax due and credit computations for a parcel with TIF and a homestead exemption.**

If a real property parcel in a redevelopment project is granted a homestead exemption, the homestead exempt value applies to the base value first, and any remaining homestead exempt value applies to the excess value. The division of homestead tax loss reimbursement must be proportionate to the homestead exempt value determined for the value base and excess value, pursuant to Title 350 Nebraska Administrative Code Chapter 18, REG-10-003.03C.

Real property credit rate (non-agland)	0.001113	
TIF parcel's base value	5,000	
TIF parcel's excess value	195,000	
TIF parcel's total value	200,000	
Homestead exempt value	175,000	
TIF parcel's taxable value after homestead	25,000	
Homestead exempt value allocated to base	5,000	
Homestead exempt value allocated to excess	170,000	
Total tax rate (1.95%)	0.0195	
School Tax Rate (1.05%)	0.0105	
Tax due prior to homestead	3,900.00	(200,000 * .0195)
Tax exempt due to homestead	3,412.50	(175,000 * .0195)
Tax due after homestead	\$487.50	
Non-ag credit for total value	222.60	(200,000 * .0011130)
School District Property Tax Relief Credit for total value	584.05	See Attachment 1
School District Property Tax Relief Credit used to reduce <b>School</b> tax to 0 (zero)	\$142.64	(487.50-222.60)
Tax due after homestead & credit	\$122.26	(487.50-222.60 - 142.64)
<b>Total "Unused" School District Property Tax Relief Credit</b>	<b>\$441.41</b>	<b>(584.05 - 264.90)</b>
<b>Allocation of TIF taxes for base and excess.</b>		
Tax due allocated to base value	97.5	(5,000 * .0195)
Homestead exempt tax allocated to base (\$5,000 of \$175,000 exemption)	97.5	(5,000 * .0195)
Remaining tax due allocated to base	0	
Nonag Credit allocated to base value	5.57	(5,000 * .0011130)
School District Property Tax Relief Credit	14.60	(5,000 / 200,000 * 584.05)
<b>"Unused" nonag</b>	<b>\$5.57</b>	
<b>"Unused" School District Property Tax Relief credit</b>	<b>\$14.60</b>	
Tax due allocated to excess value	3,802.50	(195,000 * .0195)
Homestead exempt tax allocated to excess (\$170,000 of \$175,000 exemption)	3,315.00	(170,000 * .0195)
Remaining tax due allocated to excess	487.50	(3,802.50 - 3,315.00)
Nonag Credit allocated to excess value	217.04	(195,000 * .0011130)
Unused Nonag Credit allocated to base value	5.57	(see above)
Tax due allocated to excess value after non ag credit	264.90	(487.50 - 222.60 - 5.57)
School District Property Tax Relief Credit allocated to excess value	569.45	(195,000 / 200,000 * 584.05)
Credit used to reduce school tax due to zero* See Note below	\$142.64	
<b>*Note: Credit used to reduce the tax to \$0 cannot exceed total school tax remaining. Therefore, you must determine the remaining school tax due by distributing the real property tax credit to the school (school levy/total levy)*</b>		
	school tax=	\$262.50 (.0105 * 25,000)
	School Nonag credit=	\$119.86 (.0105 / .0195 * 222.60)
	School Taxes before SDPTRC=	\$142.64 (262.50 - 119.86)
Total Taxes Due	\$122.26	(264.90 - 142.64)
<b>"Unused" nonag credit return to PTA</b>	<b>\$0.00</b>	
<b>"Unused" School District Property Tax Relief credit return to PTA</b>	<b>\$441.41</b>	<b>(569.45 - 142.64) + 14.60 of unused base credit</b>

**Attachment 4 Tax credit for centrally assessed entities.**

The School District Property Tax Relief Credit for Centrally Assessed parcels will be calculated using prior year tax information, the same as all locally assess property. The "school district taxing subdivision's real property value" for the respective railroad branch line or public service entity is determined first. This is the real property value eligible for the credit. Then calculate school district real property tax by multiplying the eligible school district tax rate times the real property value. The eligible school district tax rate includes general fund levies, special building funds, QCPUF levies, and learning community levies, but excludes voter approved bonds and levy overrides. Then divide the school tax amount for each subdivision by the county total school district tax paid, finally multiply that quotient by the amount of credit allocated to the county.

Subdivision	Total Value	Real Property Value	Personal Property Value
County	11,530,984	9,431,100	2,099,884
School District 1	8,593,054	7,322,632	1,270,422
School District 2	2,577,930	2,108,468	469,462
Fire District 1	8,593,054	7,322,632	1,270,422
Fire District 2	2,577,930	2,108,468	469,462
City	347,469	284,192	63,277
Natural Resource District	11,530,984	9,431,100	2,099,884
Educational Service Unit	11,530,984	9,431,100	2,099,884
Community College	11,530,984	9,431,100	2,099,884
Agricultural Society	11,530,984	9,431,100	2,099,884

Subdivision	Real Value	Tax Rate per \$100 of Value	Real Property Tax by Subdivision
County	9,431,100	0.340	32,065.74
School District 1	7,322,632	0.900	65,903.69
School District 2	2,108,468	1.050	22,138.91
Fire District 1	7,322,632	0.035	2,562.92
Fire District 2	2,108,468	0.025	527.12
City	284,192	0.285	809.95
Natural Resource District	9,431,100	0.023	2,169.15
Educational Service Unit	9,431,100	0.015	1,414.67
Community College	9,431,100	0.050	4,715.55
Agricultural Society	9,431,100	0.005	471.56
<b>Total Real Property Taxes</b>			<b>\$132,779.25</b>

**Calculate a School District Property Tax Relief Credit for each School District**

**School District 1 - School District Property Tax Relief Credit**      **\$18,328.98**  $((65,903.69 / 16,488,832.99) * 4,585,836.64)$   
**School District 2 - School District Property Tax Relief Credit**      **\$6,157.22**  $((22,138.91 / 16,488,832.99) * 4,585,836.64)$