

February 2023

Nebraska Homestead Exemption

[Nebraska Homestead Exemption Application, Form 458](#)

For filing after February 1, 2023, and on or before June 30, 2023.

Overview

The Nebraska homestead exemption program is a property tax relief program for six categories of homeowners:

1. Persons over age 65 (see page 8);
2. Veterans totally disabled by a nonservice-connected accident or illness (see page 8);
3. Qualified disabled individuals (see page 9);
4. Qualified totally disabled veterans and their surviving spouses (see page 8);
5. Veterans whose home was substantially contributed to by the department of Veterans Affairs (VA) and their surviving spouses (see page 8);
6. Individuals who have a developmental disability (see page 9).

There are income limits and homestead value requirements for categories 1, 2, 3 and 6. The income limits are on a sliding scale. There are no income limits and homestead value requirements for categories 4 and 5.

The State of Nebraska reimburses counties and other governmental subdivisions for the reduction in tax revenue as a result of approved homestead exemptions.

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.

Homestead Exemption Timeline

- ❖ **January.** DOR sends pre-printed Homestead Exemption Applications (applications) to the county assessors.
- ❖ **February 2.** County Assessors mail the pre-printed applications to prior-year applicants. **It is the applicant's responsibility to secure the application and required Schedules, and to timely file them with the county assessor. Failure to timely file the properly completed application will constitute a waiver of the homestead exemption for that year.**
- ❖ **February 2 and on or before June 30.** Annual filing period for applications. A [Form 458](#) must be filed with the county assessor after February 1 and on or before June 30 each year for all categories. A [Schedule I](#) must also be filed for Categories 1, 2, 3, and 6. Failure to properly file within this timeframe (with certain limited exceptions) will result in disapproval of the homestead exemption for the year.
- ❖ **July 20.** Late applications are due if the county board has extended the deadline for the county.
- ❖ **August 1.** County assessors must forward approved applications to DOR.
- ❖ **August 15** Last day to enter applications into the database
- ❖ **September 1.** The county assessor must let DOR know the average residential value of a single family home in the county.
- ❖ **October.** DOR sends letters to all those qualifying for less than a 100% exemption. No letter is sent to those qualifying for a 100% exemption (see December).
- ❖ **November 1.** DOR must send approved and denied rosters to the county assessors.
- ❖ **December.** All applicants, including those qualifying for a 100% exemption, will see tax and homestead exemption amounts reflected on the tax statements sent by county treasurers. Mortgage companies receive a copy of the tax statement indicating any homestead exemption granted. Monthly tax escrow payment amounts will be adjusted as applicable by mortgage companies.

FORMS:

The following forms are available on the Nebraska Department of Revenue Website [Nebraska Homestead Exemption | Property Assessment](#):

- [Form 458- Nebraska Homestead Exemption Application](#)
- [Form 458 Schedule I-Income Statement](#)
- [Form 458L- Physicians Certification for Late Homestead Exemption](#)
- [Filing Form 458P- Homestead Petition for Redetermination](#)
- [Form 458T- Application for Transfer of Nebraska Homestead Exemption.](#)

Contact the county assessor for the following form:

- Form 458B- Certification of Disability for Homestead Exemption

Terms

Homestead. A homestead is a residence or mobile home, and up to one acre of land surrounding it, actually occupied by a person who is the owner of record or the surviving spouse of the owner of record from January 1 through August 15 in each year.

- ❖ Property held in the name of an entity such as a corporation, partnership, or limited liability company will not qualify.

If a natural disaster occurs between January 1 and August 15 of the year the Homestead Exemption Application was filed, which renders the residence or mobile home uninhabitable, the displaced applicant is still eligible if the applicant intends to rebuild or repair the homestead.

[Directive 22-3, Homestead Exemption Applications Following a Natural Disaster](#)

Multiple Exemption Homesteads. Each homestead may only have one homestead exemption applied to it and between multiple homestead exemptions applications that may be applied, the homestead exemption application granted with the highest exemption will be applied.

Owner Occupant Information:

Owner-Occupant. An owner-occupant is the owner of record or surviving spouse in the current year only; the occupant purchasing and in possession of a homestead under a land contract; one of the joint tenants, or tenants in common; or a beneficiary of a trust that has an ownership interest in the homestead.

Multiple Unmarried Owner/Occupants Living in One Homestead. If two eligible persons who are not married qualify for an exemption for the same property, it is necessary for both owner-occupants to file the [Form 458](#) on or before June 30 with the county to protect the exemption in case one of the applicants dies prior to August 16.

Spouses Owning Two Residences or Mobile Homes. Spouses owning two residences or mobile homes may not receive two homestead exemptions, unless each spouse lives in his or her own separate residence or mobile home. In this case, both spouses' incomes are combined to determine eligibility. In most cases, the residence or mobile home chosen as the primary residence or mobile home will be the homestead property.

Nursing Home Resident. The occupancy requirements will continue to be met during a nursing home stay provided that:

- ❖ The owner intends to return to the residence or mobile home;
- ❖ The furnishings are left in place; and
- ❖ The residence or mobile home is not sold, leased, or rented.

There is no limitation for how long the applicant can be in the nursing home as long as the above three conditions are met.

Assisted Living. Contact DOR for qualification information and guidance.

Life Estate. If an applicant deeds the homestead to another party, but retains a life estate, that applicant is considered an owner.

Filing Status. Filing status information is required to determine the income limits used to calculate the percentage of relief, if any. The filing status may be either be “Single, Married or Closely-Related.”

- ❖ Use the “**Single**” status if the homestead applicant filed a 2022 federal individual income tax return as “single” or “head of household” or would have filed as “single” or “head of household”, if required to file a 2022 return.
- ❖ Use the “**Married**” status if the homestead applicant filed a 2022 federal individual income tax return as “married, filing jointly” or “married, filing separately” or would have filed using “married, filing jointly” or “married, filing separately”, if required to file a 2022 return.
- ❖ Use the married filing status if you have not remarried in the year of your spouse’s death and will be filing a joint return for the year in which your spouse died.
- ❖ Use the “**Closely-Related**” status if the homestead applicant would have filed a 2022 federal individual income tax return as “single” or “head of household”, but lives with a brother, sister, parent, or child who is also an owner-occupant of the homestead. “Closely-Related” applicants are subject to the same income criteria as “married” applicants.

Deceased Applicant. If the applicant is single and dies prior to August 16 of the application year, the exemption is removed because the January 1 through August 15 occupancy requirement is not met.

If the applicant is married, the spouse and minor children continue to benefit from the homestead exemption for that year only. The spouse must qualify and file an application the following year to continue to receive a homestead exemption.

Qualified Disabled Individuals. The qualifying disabilities for homestead exemption purposes are:

- ❖ A permanent physical disability and loss of the ability to walk without the use of a mechanical aid (braces, crutches, cane, walker, or wheelchair) or prosthetic device (**Category 3**);
- ❖ Amputation of both arms above the elbow (**Category 3**);
- ❖ A permanent partial disability of both arms in excess of 75% (**Category 3**); or
- ❖ A developmental disability (**Category 6**) as defined in [Neb. Rev. Stat. § 83-1205](#).

Note: An individual who qualifies for Social Security disability does **not** automatically qualify for the Nebraska Homestead Exemption.

Veteran. A veteran is a person who has been on active duty in the armed forces of the U.S., or a citizen of the U.S. at the time of service with military forces of a government allied with the U.S., during the following date ranges:

- ❖ World War II, Dec. 7, 1941 to Dec. 31, 1946;
- ❖ Korean War, June 25, 1950 to January 31, 1955;
- ❖ Vietnam War, February 28, 1961 to May 7, 1975 (in the Republic of Vietnam);
- ❖ Vietnam War, August 5, 1964 to May 7, 1975;
- ❖ Lebanon, August 25, 1982 to February 26, 1984;
- ❖ Grenada, October 23, 1983 to November 23, 1983;
- ❖ Panama, December 20, 1989 to January 31, 1990;
- ❖ Persian Gulf War beginning August 2, 1990; and
- ❖ Global War on Terror beginning September 14, 2001.

Note: A veteran must have received an honorable discharge or general discharge under honorable conditions.

Income Information

Household Income. Household income is the total of the previous year’s federal adjusted gross income (AGI), plus:

- ❖ Social Security or railroad retirement income that was not included as taxable income in the AGI;
- ❖ Any Nebraska adjustments increasing federal AGI (line 12 of the [Nebraska Individual Income Tax Return, Form 1040N](#), filed when reporting Nebraska income tax); and
- ❖ Interest and dividends from Nebraska and its subdivisions’ obligations; of the claimant, spouse, and all other persons who own and occupy the homestead;
- ❖ minus deductible medical expenses.

Determination of Income Levels. To determine the income level of the applicant, the income reported on the [Form 458 Nebraska Schedule I](#) filed with the application, the income tax returns filed by the applicant, and the income documents provided by the IRS, the Social Security Administration, and the Railroad Retirement Board will be reviewed.

- ❖ Passive Income (for example, capital gains, interest, dividends, retirement benefits, pensions, IRA withdrawals) is included as household income.
- ❖ If the names of any children or other individuals are on the deed as owners and they occupy the homestead, their income will be considered in determining eligibility like that of a married claimant. Those individuals occupying the homestead must meet the “closely related” standard. “Closely related” means the applicant is either a brother, sister, parent, or child of another owner-occupant.
- ❖ Social Security retirement income must be included whether or not an income tax return is filed. Medicare premiums may not be subtracted from Social Security Income. However, Medicare Part B and Part D premiums are allowable medical expenses.

Using the Previous Year’s Income to Determine Homestead Exemption Eligibility. County Assessors must complete their current year’s real estate tax lists, including homestead exemptions, by December 1; but the current year’s tax information is not reported until the following April 15.

One-time Increases in Income: Income which exceeds the statutory limit will result in disqualification of the homestead exemption for one year. However, a new application may be filed the following year.



2023 Household Income Table

- Table subject to change
- Income based on 2022 income sources

| Over Age 65 | | Percentage of Relief | Disabled Veterans & Disabled Individuals | |
|--------------------|--------------------------------------|----------------------|--|--------------------------------------|
| Single | Married, closely related, or widowed | | Single | Married, closely related, or widowed |
| \$ 0 – 33,100.99 | \$ 0 – 38,900.99 | 100% | \$ 0 – 37,300.99 | \$ 0 – 42,700.99 |
| 33,101 – 34,800.99 | 38,901 – 41,000.99 | 90% | 37,301 – 39,000.99 | 42,701 – 44,800.99 |
| 34,801 – 36,500.99 | 41,001 – 43,100.99 | 80% | 39,001 – 40,700.99 | 44,801 – 46,900.99 |
| 36,501 – 38,300.99 | 43,101 – 45,200.99 | 70% | 40,701 – 42,500.99 | 46,901 – 49,000.99 |
| 38,301 – 40,000.99 | 45,201 – 47,300.99 | 60% | 42,501 – 44,200.99 | 49,001 – 51,100.99 |
| 40,001 – 41,700.99 | 47,301 – 49,400.99 | 50% | 44,201 – 45,900.99 | 51,101 – 53,200.99 |
| 41,701 – 43,400.99 | 49,401 – 51,400.99 | 40% | 45,901 – 47,600.99 | 53,201 – 55,300.99 |
| 43,401 – 45,200.99 | 51,401 – 53,500.99 | 30% | 47,601 – 49,400.99 | 55,301 – 57,400.99 |
| 45,201 – 46,900.99 | 53,501 – 55,600.99 | 20% | 49,401 – 51,100.99 | 57,401 – 59,500.99 |
| 46,901 – 48,600.99 | 55,601 – 57,700.99 | 10% | 51,101 – 52,800.99 | 59,501 – 61,600.99 |
| 48,601 and over | 57,701 and over | 0% | 52,801 and over | 61,601 and over |

Deductible Medical and Dental Expenses. Deductible medical and dental expenses are those incurred and paid by the claimant, spouse, and any owner/occupant. These expenses must be more than 4% of the calculated household income prior to deducting the medical expenses.

The allowed medical and dental expenses are the out-of-pocket (non-reimbursed) costs of:

- ❖ Health insurance premiums (employer-sponsored health insurance plans excluded); and
- ❖ Goods and services that restore or maintain health which were purchased from a licensed health practitioner or licensed health care facility.

Insulin and prescription medicine may be included, but nonprescription medicine cannot be included. [IRS Publication 502](#) contains more information on medical and dental expenses.

Errors in Reporting Income and/or Medical Expenses. If an error in reporting income and/or medical expenses is discovered, the Tax Commissioner must be notified within three years after December 31 of the application year to have a homestead exemption reconsidered. If income tax returns were filed, the income tax returns must also be amended if the item being changed is included on the returns. The applicant will be notified of income discrepancies resulting in an erroneous homestead exemption. The applicant will receive a corrected statement for the appropriate property tax due, plus possible interest and penalty, payable to the county treasurer.

If the Tax Commissioner approves a homestead exemption based on amended household income, a refund of any taxes paid will be issued by the county treasurer in the county where the taxes were paid.

Transfer of a Homestead Exemption if a New Homestead is Purchased. A transfer is allowed under the following conditions:

- ❖ An application for exemption of the original homestead is filed in a timely manner (meaning the applicant must already own and occupy a home or mobile home as of January 1);
- ❖ A new homestead is purchased between January 1 and August 15, and the new homestead is occupied by the applicant by August 15; and
- ❖ An [Application for Transfer, Form 458T](#), must be filed if within the same Nebraska county with the county assessor by August 15 or within 30 days of receipt of a notice of rejection, Form 458R, from the county assessor for the filed homestead exemption application; or
- ❖ If a new homestead is purchased in a different Nebraska county by August 15, the Form 458T must be filed with the county assessor in the county where the new homestead was purchased.

Homestead Exemption Categories

The categories for the homestead exemptions are:

1. Persons over age 65;
2. Veterans totally disabled - by a nonservice-connected accident or illness;
3. Certain disabled individuals (See [page](#) for list of qualifying disabilities);
4. Veterans totally disabled - by a service connected disability, and their surviving spouses;
5. Veteran whose home was contributed to by the VA, and their surviving spouses; and
6. Individuals who have a developmental disability as defined in [Neb. Rev. Stat. § 83-1205](#).

The following chart gives an overview of the requirements for each category:

| Categories | 1 | 2 | 3 | 4 | 5 | 6 |
|---|------------|---|---|---|---|---|
| Ownership and Occupancy Jan. 1- Aug. 15 | Yes | Yes | Yes | Yes | Yes | Yes |
| Annual Form 458 | Yes | Yes | Yes | Yes | Yes | Yes |
| Annual Schedule I | Yes | Yes | Yes | No | No | Yes |
| Surviving Spouse Eligible | No | No | No | Yes | Yes | No |
| First Time Form 458B /DHHS or VA Certificate | No | Yes 458B or VA | Yes 458B | Yes - VA | Yes - VA | Yes 458B(DHHS) |
| Annual Form 458B /DHHS or VA Certificate | No | No (County or Tax Commissioner's Discretion) | No (County or Tax Commissioner's Discretion) | No (County or Tax Commissioner's Discretion) | No (County or Tax Commissioner's Discretion) | No (County or Tax Commissioner's Discretion) |
| Maximum Exempt Amount | Yes - 100% | Yes - 120% | Yes - 120% | No* | No* | Yes - 120% |
| Maximum Value | Yes - 200% | Yes - 225% | Yes - 225% | No* | No* | Yes - 225% |
| Age 65 prior to January 1 | Yes | No | No | No | No | No |
| Income Requirements | Yes | Yes | Yes | No | No | Yes |

*As provided in [Neb. Rev. Stat. 77-3502](#).

Persons Over Age 65 (Category 1) ([Regulation 45-002.15](#))

To qualify for a homestead exemption under this category, an individual must:

- ❖ Be 65 or older before January 1 of the application year;
- ❖ Own and occupy a homestead continuously from January 1 through August 15; and
- ❖ Have qualify income-See income table page 5.

Qualified Totally Disabled Veterans and Their Surviving Spouses (Categories 2, 4, and 5) ([Regulation 45-002.17](#), [45-002.18](#), and [45-002.21](#))

1. A wartime veteran totally disabled by a nonservice-connected illness or accident (**Category 2**).

The veteran must also:

- ❖ Be an owner of a homestead, on or before January 1 of the year for which the application is made (Reg. 45-002.17);
- ❖ Own and occupy the homestead January 1 through August 15;
- ❖ Have qualifying household income – see [Table Page 5](#); and
- ❖ File a Form 458 and an income statement. For the first year, include a completed Certification of Disability for Homestead Exemption, Form 458B, or a certification of disability from the VA. All forms must be filed with the county assessor after February 1 and on or before June 30 each year. If Form 458B or certification of disability from the VA is not filed with the county assessor for the first year's filing, the veteran will not qualify for the homestead exemption for that year. Such certification shall not be required in succeeding years if no change in status has occurred, except that the county assessor or the Tax Commissioner may request such certification to verify that there has been no change

2. A veteran receiving compensation from the U.S. VA because of a 100% disability that was service-connected. This homestead is 100% exempt regardless of homestead value and income level (**Category 4**).

The veteran must also:

- ❖ Be an owner of a homestead, on or before January 1 of the year for which the application is made ([Reg. 45-002.17](#))
- ❖ Own and occupy the homestead January 1 through August 15; and
- ❖ File a Form 458 with the county assessor after February 1 and on or before June 30 each year. For the first year of filing, a veteran must also include a certification from the VA. If a certification from the VA is not filed with the county assessor, the veteran will not qualify for the homestead exemption for that year.

Such certification shall not be required in succeeding years if no change in status has occurred, except that the county assessor or the Tax Commissioner may request such certification to verify that no change in status has occurred.

Surviving Spouse of a Veteran. A homestead exemption is available to the un-remarried surviving spouse or a surviving spouse who remarries after attaining the age of 57 for **Category 4** of:

- ❖ Any veteran who died because of a service-connected disability;
- ❖ A servicemember whose death while on active duty was service-connected;
- ❖ A servicemember who died while on active duty during wartime; or
- ❖ A veteran who received compensation from the VA because of a 100% disability that was service-connected.

3. A paraplegic veteran or multiple amputee whose home is substantially contributed to by the VA (**Category 5**). This homestead is 100% exempt regardless of homestead value and income level.

The veteran must also:

- ❖ Be an owner of a homestead, on or before January 1 of the year for which the application is made (Reg. 45-002.17)
- ❖ Own and occupy the homestead January 1 through August 15; and
- ❖ File a Form 458 and include a certification from the VA with the county assessor after February 1 and on or before June 30 each year. Such certification shall not be required in succeeding years if no change in status has occurred, except that the county assessor or the Tax Commissioner may request such certification to verify that no change in status has occurred. Such certification shall not be required in succeeding years if no change in status has occurred, except that the county assessor or the Tax Commissioner may request such certification to verify that no change in status has occurred.

The surviving spouse must:

- ❖ Own and occupy the homestead January 1 through August 15; and
- ❖ File a Form 458 with the county assessor after February 1 and on or before June 30 each year and include a certification from the VA. If a certification from the VA is not filed with the county assessor, the widow(er) will not qualify for the homestead exemption.

For **Categories 4 and 5**, the homestead and surrounding one acre is 100% exempt regardless of homestead value and the owner's income level

Homestead Exemption Qualified Disabled Individuals (Categories 3 and 6) **([Regulation 45-002.16](#))**

An individual with a homestead exemption qualifying disability must:

- ❖ Be considered disabled on or before January 1 of the year for which the application is made (Reg. 45-002.16);
- ❖ Own and occupy the homestead January 1 through August 15 ([Reg. 45-002.06](#));
- ❖ Have qualifying household income – [Table III \(Regulation 45-002.07\)](#); and
- ❖ File a [Form 458](#) and an income statement with the county assessor after February 1 and on or before June 30 each year.
- ❖ For the first year, a completed Certification of Disability for Homestead Exemption, Form 458B (which may be obtained from the county assessor), must be filed with the Form 458. If Form 458B is not filed with the county assessor, the individual will not qualify for the homestead exemption for that year ([Reg. 45-004.05A](#)). Such certification shall not be required in succeeding years if no change in status has occurred, except that the county assessor or the Tax Commissioner may request such certification to verify that no change in status has occurred.
- ❖ Individuals with a qualifying disability under **Category 3** must have a Form 458B completed by a qualified medical practitioner (a physician, physician assistant, or advanced practice registered nurse). Individuals with a developmental disability under **Category 6** must have a Form 458B completed by the Deputy Director of the Division of Developmental Disabilities, Department of Health and Human Services.

Important Homestead Information:

Due date and Filing Instructions:

The [Form 458](#) and [Form 458 Schedule I-Income Statement](#) (if applicable) must be filed every year with the county assessor.

Form 458 and Form 458 Schedule I-Income statement (if applicable) are to be filed on or before June 30 with your county assessor.

Late Applications.

An owner may file a late application pursuant to [Neb. Rev. Stat. 77-3514.01](#) if he or she includes a copy of the death certificate of a spouse who died during the year for which the exemption is requested.

An applicant of a homestead exemption may file a late application (after June 30) for exemption if he or she also files a [Physician's Certificate for Late Homestead Exemption Filing, Form 458L](#). This form must be completed and signed by a licensed medical practitioner documenting an applicant's medical condition that impaired the ability of the applicant to file the application in a timely manner after February 1 and on or before June 30.

A late Form 458 Schedule I may be filed if there is an extension on file with the IRS

to late file the income tax return. The Form 458 application **MUST** still be filed by June 30 to the county assessor. However, with the federal extension the Schedule 1 has to be submitted by the October 15 extension due date (or per the IRS October due date), to the county assessor or the application will be denied.

Appeal of a Denied Homestead Exemption Application.

The applications are denied at either the County or State level and are handled in two different ways. **Note: A homestead exemption appeal cannot be used to protest property valuations.** Protests of property valuations are a distinct and separate process that takes place in June of each year.

- ❖ If a written rejection notice from the county assessor is received, an appeal may be filed with the county board of equalization within 30 days of the date the notice is received.
- ❖ If a denial notice from the Tax Commissioner is received, a hearing with the Tax Commissioner may be requested by filing a written protest with DOR within 30 days of receipt of the notice. The protest must state the reasons for the appeal; the name and address of the applicant; and a request for relief.

Disqualification of the Homestead Exemption.

If an owner does not qualify for an exemption, tax on the property will be due in full. A tax statement will be sent from the county treasurer in December. A new application may be filed the following year.

Payment of Property Tax When a Homestead Exemption is Granted.

When an exemption is granted, the taxpayer's obligation is met by the State paying the tax directly to the county treasurer. If a partial exemption is granted, the remaining portion must be paid by the property owner.

Review of a Homestead Exemption Percentage.

A granted homestead exemption percentage is subject to change based upon the review by the Tax Commissioner of any information necessary to determine whether an application is in compliance with [Neb. Rev. Stat. §§ 77-3501 to 77-3529](#). Action by the Tax Commissioner can be taken within three years after December 31 of the year in which the homestead exemption was claimed.

Help Prevent Homestead Exemption Fraud.

If you know or suspect an individual is receiving a homestead exemption illegally, you may report it anonymously by calling DOR at 888-475-5101. All information will remain confidential.

Resources:

- [Nebraska Homestead Act](#)

revenue.nebraska.gov/PAD

402-471-5984, Fax 402-471-5993

Nebraska Department of Revenue, Property Assessment Division

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