

Nebraska Department of Revenue, Property Assessment Division
County Treasurer Procedures
Personal Property Tax Loss Reimbursement Distributions, Tax Year 2019
For Railroads and Public Service Entities

The Personal Property Tax Relief Act (Act), Neb. Rev. Stat. §§ 77-1237 to 77-1239, provides a personal property exemption compensating factor for centrally assessed companies, that was applied to the centrally assessed company's taxable net book personal property value. The total personal property value exempted is multiplied by the state's average property tax rate to determine the amount of personal property tax loss reimbursement for the counties.

For railroads, the personal property tax loss is distributed to the various political subdivisions based on the ratio of total railroad taxes levied in the county or subdivision compared to the state's total railroad taxes levied, based on the Certificate of Taxes Levied Report. Note: (only 77 of 93 counties have railroads)

For public service entities, the personal property tax loss is distributed to the various political subdivisions based on the ratio of the total public service entity taxes levied in the county or subdivisions compared to the state's total public service entity taxes levied, based on the Certificate of Taxes Levied Report.

Pursuant to the Act and the Department of Revenue's [Directive 15-5](#), the personal property tax loss reimbursement for railroads and public service entities will occur **one-time on or before February 15**. The Property Tax Administrator will electronically certify to the county treasurers and the reports will be posted to the Property Assessment Division's website.

Procedures to view website postings of the Personal Property Tax Loss Reimbursement Distributions

1. Go to Division website at: <https://revenue.nebraska.gov/PAD>.
2. Using top menu dropdown for Property Assessment, select **"Property – State Assessed"** (centrally assessed property)
<https://revenue.nebraska.gov/PAD/state-assessed-property>
3. Under section title "Public Service Entities and Railroads", select 5th item,

Certification of Personal Property Tax Loss Reimbursement Distributions for Railroads and Public Service Entities (updated 02/14/2020)

<https://revenue.nebraska.gov/PAD/property-valued-state/personal-property-tax-reimbursement-distributions>

4. On this sub-screen, there are 4 choices:

- **List of All Counties, Personal Property Tax Reimbursement for Public Service Entities**
- **List of All Counties, Personal Property Tax Reimbursement for Railroads**
- **Individual County Distribution Reports**
- **Procedures for Distribution**

Select **List of All Counties, Personal Property Tax Reimbursement, for Public Service Entities** to view all counties' total amount of tax loss reimbursement for public service entities.

Select **List of All Counties, Personal Property Tax Reimbursement, for Railroads** to view all counties' total amount of tax loss reimbursement for railroads.

Select **Individual County Distribution Reports**, to view each county's detail report, both in PDF and excel format.

Specific Instructions for Detail Distributions for Railroads and/or Public Service Entities:

1. Each county's personal property tax loss distribution detail, for either railroad or public service entities, indicates the distributed amounts to the various taxing subdivisions based on the statutory formula for either railroad taxes levied or public service entity taxes levied. The 2019 Certificate of Taxes Levied Report, as filed by the county assessor, is the source document for calculating taxes levied. Please note, for tax year 2019, there are 16 counties that do not receive personal property tax loss reimbursement for railroads.
2. **For taxing subdivisions other than school districts**, look at the "tax rate" listed. If the tax rate represents more than one fund, distribute that particular amount of personal property tax loss reimbursement money further into other funds, e.g. general, sinking, etc. For example:

Subdivision	Tax Rate	PP Tax Dollars Received
County	.4153	\$2,500.00

To distribute the personal property tax loss reimbursement monies to the funds within the "county tax rate," determine the percentage each fund's rate is of the total rate. Multiply the percentage by the dollars received. An example is provided below.

County General fund	.1983 divided by .4153 = 47.75%	x \$2500 = \$1,193.75
Road & Bridge fund	.1878 divided by .4153 = 45.22%	x \$2500 = \$1,130.50
Noxious Weed	.0292 divided by .4153 = <u>7.03%</u>	x \$2500 = \$ <u>175.75</u>
	100.00%	\$2,500.00

The same procedure, outlined above, is applicable for all the various taxing subdivisions such as cities, townships, fire districts, Natural Resource District (NRD), Educational Service Unit (ESU), Community Colleges, etc., that may have a general fund, sinking/building fund, bonds, or other funds that make up the tax rate shown.

3. **For school districts**, look at the tax rate listed and determine the appropriate funds that make up the total rate listed, for example, general, special building fund, high school qualified capital purpose undertaking fund, or elementary qualified capital purpose undertaking fund. Determine the percentage each fund's tax rate is of the total school rate listed and calculate the amount of personal property tax loss monies to be distributed to the individual funds, using the same procedure outlined for other political subdivisions.

For school district bonds, the amount of personal property tax loss reimbursement money is separate from the school districts.

In certain situations, a county may also have a Qualified Capital Purpose Fund Bond listed separately like other school bonds, due to previous school mergers where patrons from the dissolved district do not assume previous bonded debt of the receiving school district.

Unified School System: If the base school district is in a unified system, the amount calculated for the "general fund" must be further divided among all the schools within the unified school system. The school system's distribution factors, established when the levy is set, must be used to distribute this personal property tax loss reimbursement money the same as all other property taxes.

Learning Community: The personal property tax loss amount will be calculated for a Learning Community, separate from the member base schools. The personal property tax loss amount calculated for a Learning Community must be distributed to the funds applicable to the learning community's tax rate, for example, elementary learning center or elementary capital project.

School Code: A six-digit uniform code has been established by the Nebraska Department of Education; the first 2 digits = the county number of where the school district is based; the last 4 digits = school district's number. For school districts, the base school code is listed, followed by the unified system code or learning community code, if applicable. For example:

School District	Base Code	Unified or Learning Community
Hastings 18	01-0018	
Orchard 49	02-0049	02-2001
Omaha 1	28-0001	00-9000
Learning Comm. Douglas & Sarpy	00-9000	

4. County treasurers **will not** retain a 1% collection fee for distributing the personal property tax loss reimbursement monies for railroads and public service entities.